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MEDIUM TERM PLAN 1987-1991

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MEDIUM TERM PLAN 1987-1991

General Directorate
Inter-American Institute for Cooperation on Agriculture
San Jose, Costa Rica, 1986

TABLE OF CONTENTS



CONTENTS

	Page
PREFACE	vii
SUMMARY	ix
INTRODUCTION	i
1. THE GENERAL POLICIES OF IICA AND THE REASON FOR A MEDIUM TERM PLAN	5
1.1. Nature and purposes of IICA	7
1.2 History of IICA's activities and priorities	7
1.3 Medium term plans	12
2. THE REGIONAL CONTEXT	17
2.1 The political and economic scene in Latin America and the Caribbean	19
2.2 Situation and prospects for the agricultural sector in Latin America and the Caribbean	24
2.3 Problems and challenges for IICA	26
3. OBJECTIVES, STRATEGIES AND SPECIFIC POLICIES FOR 1987-1991	29
3.1 Introduction	31
3.2 Objectives	32
3.3 General strategy	33
3.3.1 Concentration of efforts and technical leadership: IICA programs	34
3.3.2 High priority functions and Instruments	35
3.3.3 Modified operating structure	37
3.3.4 The role of external resources	37
3.4 Specific policies	37

3.4.1	Human resource policies	37
3.4.2	Financial management policies	39
3.4.3	External relations policies	40
4.	PROGRAM DESCRIPTIONS FOR 1987 TO 1991	43
4.1	General principles of program operation	45
4.2	Program I. Agricultural policy analysis and planning	46
4.2.1	Purpose	46
4.2.2	Problems	46
4.2.3	Areas of concentration and action plans	48
4.3	Program II. Technology Generation and Transfer	52
4.3.1	Purpose	52
4.3.2	Problems	52
4.3.3	Areas of concentration and action plans	56
4.4	Program III. Organization and Management for Rural Development	60
4.4.1	Purpose	60
4.4.2	Problems	60
4.4.3	Areas of concentration and action plans	62
4.5	Program IV. Marketing and Agroindustry	66
4.5.1	Purpose	66
4.5.2	Problems	67
4.5.3	Areas of concentration and action plans	69
4.6	Program V. Animal Health and Plant Protection	71
4.6.1	Purpose	71
4.6.2	Problems	71
4.6.3	Areas of concentration and action plans	73

5. GUIDELINES FOR INSTITUTIONAL ORGANIZATION	79
5.1 Introduction	81
5.2 Management structure	81
5.2.1 Office of the Director General	81
5.2.2 Management support units	81
5.2.3 Units for supervision of operations	81
5.2.4 The planning and evaluation system	82
5.3 Technical cooperation units	83
5.3.1 Introduction	83
5.3.2 Program directorates	84
5.3.3 National offices	85
5.3.4 Technical support units	86
5.3.5 Tropical Agriculture Research and Training Center (CATIE)	90
6. BUDGET REQUIREMENTS AND FINANCIAL STRATEGY FOR 1987-1991	91
6.1 Introduction	93
6.2 Criteria for determining budget requirements for the Medium Term Plan	93
6.2.1 The mandates of the Institute's governing bodies	93
6.2.2 Background information on quota resource growth	94
6.2.3 Specific guidelines	94
6.3 Overall budgetary requirements	96
6.3.1 Quota budget requirements by object of expenditure	97
6.3.2 Quota budget requirements by activity	99
6.4 Financing strategy for the Medium Term Plan	101



PREFACE

The Inter-American Board of Agriculture (IABA), in its Third Regular Meeting, held in Montevideo, Uruguay from October 21 to 25, 1985, approved resolution IICA/JIA/Res.72(III-O/85), expressing its interest in seeing an ongoing process of revision and updating of the Medium Term Plan, in accordance with the changing needs of the member countries.

The Board also resolved that the Institute and the Member States should obtain the cooperation of a group of experts from outside IICA, of recognized prestige, to evaluate the 1983-1987 Medium Term Plan and the programs and projects being carried out within this framework, and make suggestions and recommendations.

The evaluation was completed by the outside experts in March 1986 and turned in to the Director General. The recommendations contained in the report were then taken into account for preparing the new Medium Term Plan now being proposed for the 1987-1991 period.

The general ideas in the plan were presented by the Director General to the ministers of agriculture of the countries of the Caribbean in a meeting that took place in Saint Lucia on April 14, 1986. A special strategy was accorded with the ministers present that, within the guidelines of the new Medium Term Plan, would respond to the needs of the Caribbean countries. The essential points of this strategy have been included in the document attached hereto, entitled 1987-1991 Medium Term Plan. The Director General of IICA also reported on the general features of the plan in a meeting of the Regional Council for Agricultural Cooperation (CORECA), held in Panama on April 28 and 29, 1986, and attended by the ministers of agriculture of Central America, Mexico, Panama and the Dominican Republic.

This document was submitted to the consideration of the Sixth Regular Meeting of the Executive Committee, held in San Jose, Costa Rica from July 13 to 18, 1986. It was later approved by the Third Special Meeting of the Inter-American Board of Agriculture, held in Mexico City from October 27 to 29, 1986 (resolution IICA/JIA/Res.104(III-E/86)).

IICA/JIA/Res.104(III-E/86)
27 October 1986
Original: Spanish

RESOLUTION No. 104

1987-1991 MEDIUM TERM PLAN

The INTER-AMERICAN BOARD OF AGRICULTURE, in its Third Special Meeting,

HAVING SEEN:

Document IICA/JIA/Doc.117(86), "Proposed 1987-1991 Medium Term Plan,"

CONSIDERING:

That the Inter-American Board of Agriculture requested the Director General to review and evaluate the 1983-1987 Medium Term Plan and the programs and projects carried out in the framework thereof, so that the resulting recommendations could provide a basis for preparing the 1987-1991 Medium Term Plan;

That the Proposed 1987-1991 Medium Term Plan prepared by the Director General takes into account the recommendations of the evaluation and is based on the guidelines contained in Resolution IICA/JIA/Res.-72(III-O/85);

That the Sixth Regular Meeting of the Executive Committee adopted Resolution no. 56, recommending to the Inter-American Board of Agriculture that it approve the plan and include certain style changes; and

That Document No. 117 contains the changes proposed by the Committee,

RESOLVES:

1. To approve the 1987-1991 Medium Term Plan as presented in Document IICA/JIA/Doc.117(86) and to acknowledge it as a frame of reference for future Institute action.
2. To authorize the Director General to make style changes before officially publishing the Medium Term Plan.
3. To express its gratitude to all those who took part in preparing the Plan, and to the Member States, for their valuable contributions to the Institute.

SUMMARY

Introduction

The Third Regular Meeting of the Inter-American Board of Agriculture (IABA), held in Montevideo, Uruguay from October 21 to 25, 1985, approved resolution IICA/JIA/Res.72(III-0/85), authorizing the General Directorate to update the Medium Term Plan and adjust it to the changing needs of the member countries and the present conditions of IICA.

The Board also resolved that, as part of this process, the Institute should call on the cooperation of a group of external experts and, together with the Member States, evaluate the 1983-1987 Medium Term Plan and the programs and projects being carried out in the framework of the plan. The group of experts then used the evaluation as a basis for making major recommendations on IICA's future organization. It recommended that activities be concentrated in a small number of programs of high technical impact, reflecting important areas of agricultural development and rural well-being, and for which sufficient operating capacity already existed for developing needed efforts at the national and multinational levels. It also recommended that, in order for this concentration to take place, a number of changes be made in the way in which technical activities were carried out, supervised and given follow-up, and in personnel policies.

The 1987-1991 Medium Term Plan reflects these recommendations. It presents a framework to guide IICA's actions during the coming five years and guidelines for: I) definition of objectives and strategies; II) high priority areas for implementation of technical cooperation activities; III) guidelines for the organization of the Institute; and IV) an estimate of resources needed for implementing the plan.

The general ideas of the plan were presented and discussed by the Director General with the ministers of agriculture of the countries of the Caribbean during a meeting held in Saint Lucia on April 14, 1986. It was agreed at that time to adopt a strategy responsive to the needs of the countries of that area. The essential features of this concern have been included in different chapters of the plan. The Director General also reported on the general outlines of the plan in a meeting with the ministers of agriculture of Central America, Mexico, Panama and

the Dominican Republic during a meeting of the Regional Council for Agricultural Cooperation, held in Panama on April 28 and 29 of this year.

The 1987-1991 Medium Term Plan should not be read and studied in isolation from other standards and regulations which supplement it and will channel the guidelines of the plan into specific operating decisions. The most important of these instruments are the program budget, the plans of operation and the technical cooperation projects.

The objectives, strategies, programs and operating guidelines proposed for the 1987-1991 period reflect an effort to combine the needs for technical cooperation stemming from economic, social and political environments in the countries during this decade, with the unchanging goals of the Institute, set down in its Convention: "to encourage, promote and support the efforts of the Member States to achieve their agricultural development and rural well-being."

Background and framework

The countries of the region are firmly convinced that the development model in use since the end of World War Two is no longer relevant. The financial crisis that was emerging in the mid 1970's has gathered great force and has unveiled the weaknesses of traditional agricultural export models and import substitution plans. It has also revealed a real possibility for development through redefining the role of the agricultural sector and making this sector the target of efforts and resources, especially for investment, in the new situation facing the countries. This demands serious meditation, not only on inter-sectoral relations, but also on the organization and priorities of the agricultural sector itself. Careful and imaginative study is needed of agricultural policies, the role of technology, social organization and existing mechanisms for mobilizing sectoral production, so that new approaches can be devised that take into account the real conditions on the continent today that will allow for concrete actions to be taken.

A new political desire for cooperation is emerging in the region. This is encouraging for IICA, which attaches high priority to the multinational dimension of technical cooperation. It is a trend that opens

up new possibilities for regional exchange and for joint projects among the Member States. At the same time, the economic and financial situation places heavy constraints on actions to be taken. It is clearly unrealistic to think that coming years will bring major increases in resource allocations for agricultural development and rural well-being. Thought must therefore turn to concentrating efforts and increasing the efficiency and effective use of available resources.

Objectives for the 1987-1991 period

In this general context, the objectives of the plan for the 1987-1991 period can be viewed in terms of "encouraging, promoting and supporting the efforts of the Member States" to:

Propel the development of the agricultural sector as the major source of economic growth, both as a supplier of foodstuffs for domestic consumption and as the major source of foreign exchange. This requires the design and implementation of policies that are consistent with overall economic policies and with the particular characteristics and restrictions that exist in each country. Policies must set strategies for production, marketing and processing that will increase the value of agricultural production, maximize participation and ensure just distribution.

Intensify modernization and increase production efficiency in the agricultural sector. This will be done by increasing the incorporation of appropriate technology so as to maintain the traditional comparative advantages and competitiveness of agricultural production in this region. This process should be extended to all the countries and to the different production strata in each country, in a framework of equitable distribution of benefits and conservation of natural resources.

Pursue regional integration. This will be done through joint actions so that operations can take place on a scale that will facilitate better use of limited human and financial resources. Another approach will be to develop production and commercial complementarity.

The strategy of the plan

The plan outlines the following strategy for meeting its goals:

- a. Concentration of efforts and technical leadership in a small number of subject areas of high priority to the member countries. IICA's programs are the channel for carrying out such a strategy in this specific area and for Institute activities as a whole.
- b. Setting priorities on certain of IICA's functions described in the Convention. Special importance will be given to those functions for which IICA has clear operational advantages. These will be called operating functions.
- c. Redesign of the operating structure to allow for concentration and technical ranking of activities in subject areas preselected for their high priority. For the same purpose, many technical opinions will be considered in making Institute policies, always favoring decentralization for the implementation of activities, and increasing flexibility and responsiveness.
- d. An increase in the supply and effectiveness of external resources for funding programs and projects. For this purpose, the Institute will intensify its relations with international and bilateral funding agencies and will develop mechanisms for cooperating with the private sector and with national and international nongovernmental organizations.

The following specific policies will be followed for carrying out this general strategy:

- a. For human resources, emphasis will be placed on renewal and upgrading of the Institute's professional team, in accordance with the high priority areas of concentration and proposed operating approaches.
- b. For financial management, present systems will be altered in response to the opportunities offered by technological developments and to needs arising from the new technical and operational structure proposed in this plan.

- c. For external relations, IICA's efforts will be combined with those of other entities working for agricultural development and rural well-being, in order to maximize the benefit of the limited resources available. Similarly, IICA will act to project its image in an effort to guarantee that the Institute is systematically visible on the international scene.

IICA programs for the 1987-1991 period

The concentration of efforts will take shape through the organization of five programs. These programs are the natural framework for developing technical leadership and conducting concerted actions at the regional and national levels.

Program I. Agricultural Policy Analysis and Planning. This program is oriented toward cooperating with the countries in the analysis and evaluation of alternative models and strategies for agricultural development. It will help them improve analytical and advisory skills for defining and implementing agricultural policy, in a manner consistent with each country's economic policies, and strengthen the organization and management of institutional systems for agricultural planning and policy.

Program II. Technology Generation and Transfer. This program will promote and support actions by the member countries to improve the design of their technological policies, strengthen the organization and management of their technology generation and transfer systems and facilitate international technology transfer, so as to make better use of available resources and a better and more effective contribution to solving the technological problems of agricultural production.

Program III. Organization and Management for Rural Development. This program will strengthen the institutional capabilities of the member countries for identifying problems that affect the low income rural population. It will address the design and implementation of policies, programs and projects to overcome rural poverty and will carry out actions to promote and

strengthen self managed farmer organizations. Finally, it will work to improve the performance of institutional systems associated with rural development and strengthen capabilities for the identification, preparation and management of rural development programs and projects.

Program IV. Marketing and Agroindustry. The purpose of this program is to support the countries in strengthening efforts by the institutional system to increase the efficiency of marketing processes. It will help with the design and implementation of a policy for marketing and agroindustry processing, geared toward food security, and will seek to achieve more effective participation in international trade.

Program V. Animal Health and Plant Protection. This program is designed to help solve the problem of diseases and pests that have a negative impact on agricultural production, productivity and marketing, especially in the international market. It will cooperate with the countries to strengthen national institutions, expanding their capacity and effectiveness for preventing the entry of exotic diseases and pests, controlling those that are present, and reducing the risks of spread.

Guidelines on organization for technical cooperation

The Institute's working structure will be modified according to two important considerations. In the first place, its design will reflect the recommendation to rank the programs technically, and it will have them participate directly in the formulation of Institute policies. For this purpose, program directorates will be established as technical cooperation centers and will be located at Institute headquarters in San Jose, Costa Rica. In the second place, certain executive decisions are being decentralized in favor of flexibility and responsiveness to the specific cooperation needs of the countries. For this purpose, the duties of national offices are being redefined, and certain changes have been introduced in the area directorates. This will make them more functional in view of the particular characteristics of each area and the needs that may emerge through the process of follow-up and supervision of operations.

The program directorates under this structure assume both technical and managerial responsibilities for institutional strengthening and multinational technical cooperation.

The national offices will continue to stand as the foundation of the institutional and administrative structure for implementing IICA's activities in the countries. They are channels for maintaining permanent relations with national authorities. They concentrate on cooperation at the country level in the fields of preinvestment and provision of direct administrative services for project formulation and implementation, in order to facilitate the effective use of available national and international resources.

The work of the program and area directorates and of the national offices is backed by that of the technical support centers (CEPI, CIDIA, the Editorial Service and the Computerized Information Service).

The planning and evaluation system is responsible for coordinating among areas of concentration and for seeing that the activities of the technical cooperation centers are consistent with the objectives proposed for the plan. This system will provide a feedback mechanism for keeping the plan up to date during its five year term.

Budgetary resources

The plan document concludes with a presentation of budgetary requirements for implementing the proposed strategy. The proposal is to increase total resources to US\$56.63 million by 1991. Of this total, US\$26.63 million (or 47 percent) will be regular resources, and US\$30 million (53 percent) will be external resources. As this increase occurs, the guidelines given by the IABA will be followed for modifying the budgetary weight of regular international professional personnel costs, which will be reduced to 27.9 percent of the total quota budget.

Costs will also be realigned by category of activity during the five year period. General Directorate costs will be reduced, while the costs of direct technical cooperation services will grow to over 80 percent of the total quota budget by 1991. This will be based on the increased importance of multinational projects, which in 1991 will make up over 25 percent of the budget.

Structure of the document

The document contains six chapters. Chapter 1 provides a summary of essential information on the nature, goals and functions of the Institute as established in the Convention. It briefly describes the historical development of the Institute's activities and organization, and contains an analysis of the role of medium term plans in orienting actions for cooperation. It closes with a summary of the recommendations made by the Group of Six Experts.

Chapter 2 presents a synthesis of the trends and future outlook in the agricultural sector and the rural environment as a means of identifying major problems and high priority areas for IICA's action during the coming years.

Chapter 3 defines IICA's objectives, strategy and specific policies for the 1987-1991 term. Similarly, it describes the Institute's general functions and the instruments established by the Convention, and defines the operating mechanisms that will be used to implement IICA's action over the medium term. This will be the framework for assigning a specific role to each of the Institute's units for implementing the Medium Term Plan. Finally, the chapter gives specific policies for human resources, financial management and external relations.

Chapter 4 describes IICA's five new programs. It presents a synthesis of problems found in the programs' areas of competence, describes the purpose of each one, and makes special mention of its priorities and areas of concentration. It also gives guidelines for technical action and the results IICA expects to attain in benefit of the countries through the implementation of the proposed strategy.

Chapter 5 describes responsibilities for the implementation of IICA's action in the units for technical cooperation (program directorates, national offices, and area offices), the technical support units (CEPI, CIDIA, the Editorial Service and the Computer Service) and CATIE. It also gives central policy lines for structuring and operating the planning and evaluation system.

Finally, Chapter 6 gives general policies and guidelines governing budgetary needs and the allocation of the Institute's human and financial resources, providing a concrete framework to guide the allocation and use of resources over the medium term.

INTRODUCTION

The Medium Term Plan (MTP) is based on resolutions of the IABA, observed problems in the countries and the proposals of the Director General and was designed as a tool for defining the orientation of IICA's activities for a specific period. The plan gives the Institute's objectives, strategies and basic working instruments. It establishes programs and sets general policy guidelines for technical action, administrative action, human resources and the financial resources needed to implement IICA's activities.

Within this general framework, the present document establishes guidelines for the 1987-1991 period. It draws on the Institute's earlier experiences and works to insert IICA into the political, economic and social context of the Member States and their needs for technical cooperation. The Medium Term Plan is based on an analysis of major problems affecting agricultural development and rural well-being in the region and on IICA's comparative advantage as an international organization. It has been designed as a means for guiding IICA's action for the next four years. It establishes a framework for technical and administrative action, describes a strategy for action and puts forth the instruments needed for implementation. The Medium Term Plan should not be viewed in isolation, but in conjunction with other instruments, such as program budgets, plans of operation and projects for technical cooperation, which supplement it and will translate its general guidelines into specific operating decisions.

Chapter 1 provides a summary of essential information on the nature, goals and functions of the Institute as established in the Convention. It briefly describes the historical development of the Institute's activities and organization, and contains an analysis of the role of medium term plans in orienting actions for cooperation. It closes with a summary of the recommendations made by the Group of Six Experts.

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CHAPTER I

**THE GENERAL POLICIES OF IICA AND THE REASON
FOR A MEDIUM TERM PLAN**

1.1 Nature and purposes of IICA

The Inter-American Institute for Cooperation on Agriculture (IICA) is the specialized agency for agriculture of the Inter-American system. With its present structure, it is the institutional continuation of the Inter-American Institute for Agricultural Sciences, which was created by the Council of Directors of the Pan American Union in October of 1942.

The Convention governing the Institute states that IICA's purpose is to "encourage, promote and support the efforts of the Member States to achieve their agricultural development and rural well-being." IICA is an international organization, with full legal capacity. It is governed by its Member States, which are responsible for providing guidance, following up on activities and evaluating the Institute's actions. The Inter-American Board of Agriculture (IABA) is the Institute's highest governing body, and the General Directorate, its executive body.

The Inter-American Board of Agriculture (IABA) is composed of representatives of all the Member States. It meets every two years, and its responsibilities include approving policy guidelines and the two year program budget. In order to perform these duties, the Board has the Executive Committee as an executive body, acting on its behalf. The Executive Committee is composed of representatives of twelve Member States, elected on the principle of rotation and geographic distribution. Its functions include examining proposals for the biennial program budget, submitted to the Board by the Director General, and making preliminary comments and recommendations to the Board, in its role as a preparatory body.

The General Directorate is comprised of technical and administrative units responsible for coordinating and implementing of the Institute's actions, in accordance with policies established by the Board.

1.2 History of IICA's activities and priorities

IICA is an organization dedicated to meeting the needs of its Member States, which derive from their efforts for agricultural development and rural well-being. The Institute's actions and priorities have gradually shifted over the course of the years, fitting themselves to new problems and meeting new needs in the countries. The process of change is noticeable both in the issues targeted through Institute action and in its approach to technical cooperation.

Initially, the Institute concentrated on developing agricultural sciences. In accordance with the mandate of its 1944 Convention, IICA's action was to encourage and promote the development of agricultural science in the countries through research, graduate training and the dissemination of agricultural theory and practice. To meet its objectives, the Institute focused on two lines of action: training and research. It carried out activities in five major areas: agronomy, animal health and production, entomology, plant science and soils. At that time, the Institute was organized to meet the need for a training and research center; operationally and structurally, it was divided into units specializing in research and graduate instruction.

During the 1950's IICA expanded its sphere of activities, adding a third line of action for rural development. Regional offices were opened in Montevideo, Uruguay in 1951; and in Lima, Peru and Habana, Cuba in 1952. This marked the beginning of the Institute's shift of focus toward the countries. At that time, the regional offices were used as the base for regional cooperation projects with the countries. The key component of IICA's new operating approach was the performance of regional actions by a group of experts concentrating on areas in which the countries lacked native technical capacity. The countries' technical teams were still being developed at the time, and international experts were required to fill national needs and to help develop capacities in the countries through the graduate training program in Turrialba.

During the 1960's profound changes occurred in international relations. Many countries assumed new commitments and geared themselves for development in the framework of the Alliance for Progress. Studies forthcoming from ECLA influenced intellectual currents of the time, which raised awareness of the problems of underdevelopment and helped redefine the role that should be played by government institutions.

The countries undertook agrarian reform and began to develop public institutions, which rapidly grew. IICA had a new administration and had received a number of recommendations from the fifth and sixth meetings of the Technical Advisory Council (Lima, March 1960 and San Jose, March 1961). The Institute revised its programs with the assistance of external experts and its own staff members, and in consultation with national authorities in the countries. New directions and priorities were adopted for the 1960's, calling

on IICA to project its action throughout the hemisphere and establish general projects to benefit all of the Member States.

IICA took on a new dimension, requiring substantially increased resources to extend its programs, and this was achieved with a contribution from the Special Fund of the United Nations. IICA's three lines of action from the previous period grew to six: rural development; institutional strengthening; utilization of the tropics; agriculture in arid and humid regions; the regional cooperative program for graduate training and research in crop breeding and livestock production; and agricultural communication.

The "new dimensions" of IICA's action induced major structural change: the Institute was transformed from a research and training center into an inter-American agency designed to provide technical assistance to its member countries. The regional offices were consolidated, the Institute's General Directorate moved from Turrialba to San Jose, and the Latin American Agricultural Credit Center was set up in Mexico, where it would operate from 1961 until 1966, under OAS project 201. Finally, the process of expanding and decentralizing the Institute's geographic coverage began with the establishment of offices in the Member States. All of these actions produced a diversification of IICA's technical teams and gave the Institute a permanent presence in the countries.

The changes experienced during the 1960's were incorporated into the Institute's first General Plan, approved in 1970. This plan established a new program structure based on seven lines of action designed to expedite the consolidation and improvement of institutional systems for agricultural and rural development in the Member States. The lines of action were: information and documentation for rural development; agricultural research and technology transfer; agricultural production, productivity and marketing; regional rural development; structural change and campesino organization; and development and administration of agricultural policy.

Each one of these lines of action in turn contained one or more programs. Thus, the Institute had a total of 28 technical programs by the end of the 1970's. During this period, IICA experienced rapid growth in its budget and in the number of Member States. Once again, growth sparked a process of renewal and expansion of the Institute's technical team, a trend which slowed toward the end of the decade.

Significant changes which occurred during the 1970's included the assignment of high priority to cooperation in the countries and the consolidation of a network of offices in all the Member States. These changes shifted emphasis to regional directorates, which were now made responsible for coordination and supervision. IICA's actions focused on strengthening the capacity of other institutions playing an important role in the guidance of agricultural development and supporting organizations for sectoral planning and for policy implementation. The Institute also contributed by developing operational models for agrarian reform and supporting the countries in efforts to change patterns of land tenure and to organize farmers.

Area directors were transferred back to San Jose in 1980 as a means of overcoming difficulties inherent in their widespread geographic distribution, streamline operating procedures, and allow them to provide more efficient support for the offices.

IICA's process of gradual change eventually transformed the Institute into an organization for technical cooperation and institutional strengthening in the agricultural sector; the process culminated with the ratification of the new Convention by the Member States in 1980.

The Convention introduced essential changes. It clearly defined the relationship between the Institute and the countries, specifically established IICA's functions and organs, programs and operations and consolidated the Institute's role as the specialized agency for agriculture of the OAS system.

IICA's functions as established by the new Convention are to:

- a. Promote the strengthening of national education, research, and rural development institutions, in order to give impetus to the advancement and the dissemination of science and technology applied to rural progress.
- b. Formulate and execute plans, programs, projects and activities, in accordance with the needs of the governments of the Member States, that will help them meet their objectives for agricultural development and rural welfare policies and programs.

- c. Establish and maintain relations of cooperation and coordination with the Organization of American States and with other agencies or programs, and with governmental and nongovernmental entities that pursue similar objectives.
- d. Act as an organ for consultation, technical execution and administration of programs and projects in the agricultural sector, through agreements with the Organization of American States, or with national, inter-American or international agencies and entities.

The Inter-American Board of Agriculture, at its first regular meeting held in Buenos Aires, Argentina in August of 1981, decided it was necessary to review the Institute's policies and operations to make them consistent with the new Convention. Consequently the Board requested the Director General to form a group of five external experts in agricultural and rural development to conduct a general review of IICA's operations and policies.

The group of five experts studied the problems affecting agricultural and rural sectors in the countries and recommended that the Institute adopt basic programs, with the approval of the Member States, that would anticipate problems in Latin America and the Caribbean during the following decade. The group of experts suggested that programs be designed to complement policies for agricultural and rural well-being defined by the countries themselves.

The Board adopted the 1983-1987 Medium Term Plan, written after careful consideration of the study of problems affecting countries in the region, and following consultation with the governments of the Member States. This plan replaced the earlier seven lines of action with ten programs to serve as a support structure for IICA's action. These programs were: I. Formal agricultural education; II. Support of national institutions for the generation and transfer of agricultural technology; III. Conservation and management of renewable natural resources; IV. Animal health; V. Plant protection; VI. Stimulus for agricultural and forest production; VII. Agricultural marketing and agroindustry; VIII. Integrated rural development; IX. Planning and management for agricultural development and rural well-being; X. Information for agricultural development and rural well-being.

Changes were made in IICA's organization and operational structure to provide more effective and responsive technical cooperation to the countries. In 1983 the Institute adopted a matrix structure with technical channels and operational channels and divided the hemisphere into four areas: central, Caribbean, Andean and southern. It set up 27 national offices and established CEPI, CIDIA, and CATIE as specialized centers, the latter being an associated unit. Area directorates were once again located in the countries to conduct functions of supervision and coordination.

Rapid development in the countries, especially in technical areas and in human resources, made it necessary to review the Institute's approach to technical cooperation and its areas of action. It soon became evident that a technical cooperation model based primarily on the work of specialists with limited operating resources and acting in relative isolation from one another was no longer responding to the needs of the countries. The countries had developed their own capacities in many fields, and this obliged the Institute to find ways of maximizing its impact in solving the problems.

Today the Institute needs to make better use of scarce resources, of continuous and rapid change in its environment and of the growing move toward regional and subregional integration. Not only should it concentrate resources and activities in a smaller number of areas, but it also needs more effective instruments and procedures for cooperation so as to increase its technical expertise and exercise effective leadership in Latin America and the Caribbean.

1.3 Medium term plans

Medium term plans were introduced in 1961 as tools to guide IICA's action. The first mention of them can be traced back to the fourth meeting of IICA's Technical Advisory Council, held in San Jose, Costa Rica, which requested the Director General to present to the new Board of Directors a general program on organization and future actions.

The general program, which was based on the long term objectives contained in IICA's Charter, the OAS Charter, and the "objectives for the coming decade,"

defined objectives, basic priorities and 28 technical programs for a five year period. It stipulated that upon completion of the term of this plan, a new general program was to be prepared.

In 1970, on the basis of the report of an advisory commission and ideas expressed by the new Director General in his message to the Board of Directors 1/, a General Plan 2/ was developed for the 1971-1980 period. The doctrinary basis of the plan was the idea of a humanistic approach to development, and the basic strategy was institutional strengthening and education as IICA's principal tools of action.

In 1977 the Board of Directors adopted the Medium-Term Indicative Plan for the period 1978-1982. This plan was designed to implement the policies and guidelines established in IICA's General Plan; it defined programs and methods for cooperation and gave guidelines for resource allocation. The plan's basic tenet was to make IICA's policies and services more flexible and adapt them to needs in the countries. It equipped the Institute to mold its capacities to diverse technical options for solving specific problems.

Using the directives established in the document "General Policies of IICA," in 1982 the Institute developed a new medium term plan for the 1983-1987 period. This plan, which was approved by the Inter-American Board of Agriculture in October of 1982 3/, has since served to guide the Institute's actions.

The fifth regular meeting of IICA's Executive Committee, held in San Jose, Costa Rica from July 29 to August 2, 1985, called for a review and evaluation of the medium term plan then in effect, although only 60 percent of its planned actions had so far been carried out. The decision was prompted by events and changes in the international economic scene, the region's political situation and the need to study the impact of IICA's actions.

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- 1/ Message by Dr. J.E. Araujo: "IICA in the Seventies. A Humanistic Hemispheric Projection."
 - 2/ Approved by IICA's Board of Directors on November 26, 1970 (Resolution IICA/JD-730-13).
 - 3/ Resolution IICA/JIA/Res.14(11-E/82), dated October 1982

In response to this decision, the Inter-American Board of Agriculture, at its third regular meeting, held in Montevideo, Uruguay in October 1985, instructed the Director General to set up a group of six experts of recognized prestige, so that the Institute and the Member States could proceed jointly to analyze and evaluate the 1983-1987 Medium Term Plan. This evaluation was to focus on the results obtained from the implementation of the plan, in accordance with shifting economic, technological, social and political currents and changing problems in the Member States, and the international experience that had been accumulated. The evaluation was to serve as a basis for developing a new medium term plan to be presented for approval by the Board at its special meeting scheduled to be held in Mexico in October of 1986.—

The group of experts (G-6) presented its findings to the Director General in March 1986. Among its major conclusions, the report recommended that the Institute maintain an updated analytical record of economic changes in the countries, the regions and the hemisphere, and that it work to develop leadership by concentrating its efforts in five programs, thus removing the weakness inherent in the existing ten programs. The G-6 also gave guidelines for future development and proposed that advisory committees of external experts be set up for each program. Program directors should have more participation in the preparation of the budget and in technical supervision and implementation of actions, and a number of specific measures were recommended to alter the role of units at headquarters and in national offices and strengthen their work. Mention was made of the need to increase CEPI support of the countries in the identification and preparation of projects and to link its work more closely to program action. Continued support was recommended for the Inter-American Agricultural Documentation and Information Center (CIDIA).

Finally, the group of experts recommended that the functions of the area directors be clearly defined, and that these officers be given more authority for decision making. The group recommended that area directors no longer serve simultaneously as national

I/ The group of experts was made up of the following people: Mr. Emilio Madrid, Chile; Dr. Domingo Marte, Dominican Republic; Dr. Gerard Ouellette, Canada; Dr. John Pino, United States of America; Dr. John Spence, Trinidad and Tobago; and Dr. Juan Jose Salazar, Colombia.

office directors, and that the southern, Andean and central area directorates be located at headquarters to facilitate the discharge of their supervisory responsibilities.



CHAPTER 2
THE REGIONAL CONTEXT

IICA cannot define its activities for the upcoming term without taking into consideration the context in which it operates. Particularly important are an understanding of the situation prevailing at the time this Medium Term Plan was written, as well as the general outlook for agriculture in the Member States during the next five years.

This chapter examines the overall political and economic situation and discusses the impact that recent changes have had on this region and the future outlook for the agricultural sector in the member countries. It also examines the way in which this general situation shapes the Institute's Medium Term Plan.

2.1 The political and economic scene in Latin America and the Caribbean

Major differences exist from one country to the next. Nevertheless, the political and economic scene is dominated by three central factors which can be summarized as: the economic and financial crisis, a recognition of technology as the key to development, and the new political currents in the region.

- a. The economic and financial crisis was already being felt at the time the previous medium term plan was written. The situation has worsened since that time, especially in developing countries.

Three essential facets of the crisis affect all the countries of Latin America and the Caribbean, although their impact varies according to the characteristics of each country. They are: a falling level of economic activity, high external indebtedness, and declining international market prices for major export products.

The recession in the world economy had already begun at the start of the decade. It has not improved in recent years, despite signs of incipient recovery in certain developed countries. These countries had experienced 5 percent growth in 1984, but their GDP rose by only 2.5 percent in 1985. Growth rates are expected to continue their decline this year, further depressing world demand and forcing a reduction of imports from third countries.

The economic growth rate in countries of Latin America and the Caribbean has plunged, partly in response to the decline in industrialized economies. During the five year period prior to the foreign debt crisis, the annual growth rate was 5.5 percent, but by 1985, growth had slid to only 2.5 percent (or only 0.8 percent if Brazil and Cuba are not included), nearly equal to population growth. This means that there was no per capita income growth, and on the average, the countries are at the same levels as a decade ago.

This economic stagnation in the countries of the region has pushed up unemployment and inhibited investment. Inflation has intensified in a growing number of cases, a factor which is extremely critical because of its effects on the rest of the economy.

The most dramatic rein on the less developed countries is the accumulation of foreign debt and the debt payment conditions. Indebtedness is not a new problem, but it has emerged with full force in recent years. Financial policies have changed in commercial banks which, in contrast to the situation of past decades, are the majority creditors. Loans were given freely in the 1970's, but today's environment is extremely restrictive. Placement of funds in developing countries has been cut sharply, making it difficult to restructure overdue debts.

External indebtedness and the external flow of payments have reached unheard-of levels, especially in Latin America and the Caribbean. At present, the overall debt is approximately 400 billion United States dollars, or more than 1000 dollars per inhabitant, but annual average income is no more than 1500 dollars per person. Interest payments alone average one third of the region's exports, some countries surpassing one half, but at the same time, new credits are no longer available.

Some countries, faced with this situation and under pressure from international financing agencies, have adopted economic austerity policies, with the result that the trade surplus has soared, while the level of economic activity has contracted. At the same time, the region has become a net exporter of capital. This heavy transfer of resources from countries of the region has discouraged local savings and investment and dampened the supply of foreign exchange for

imports, so that needed inputs for growth can no longer be acquired. Thus, social problems in many countries persist and grow worse.

The countries have been undergoing a lengthy, difficult process of negotiation with their creditors and of adapting to the conditions set by funding agencies for releasing sectoral and structural adjustment loans. The political and social implications of this process are profound.

The situation is no longer tenable in many cases, and poses a potential threat to creditors. The industrialized countries and international funding agencies have begun to comprehend its implications, and are now studying and proposing new financial alternatives, hoping to attract the participation of private commercial banking. Recent meetings of the IDB and the IMF are enlightening. It is now quite likely that future injection of external funds will be tied to the implementation of sectoral policies.

Two other negative forces should be mentioned. International prices for agricultural products, the major export item for the region, are in decline. At the same time, protectionism is on the rise and international trade barriers are increasing.

Prices for agricultural products and other basic goods fell by 12 percent in 1985, reaching their lowest levels since 1957. This meant a loss of 6 billion dollars for the region. The situation was compounded by the proliferation of protectionist agricultural policies. This was especially true in the industrialized countries, which began to substitute imports from third countries and generate a surplus exported through the application of subsidies.

The economic and financial crisis is serious and complex. It is a crisis that coincides with the countries' urgent need to end the underdevelopment in which so much of their population lives. In response, they have been propelled into a renewed search for development alternatives that will both heal their economies and bring growth. Yesterday's problems were clear and unequivocal. By contrast, the crisis facing the countries today requires new strategies to meet multiple objectives in a coordinated and harmonious fashion. These objectives include cutting inflation and fiscal deficits and boosting economic activity,

employment and exports. Traditional approaches to these problems have been only partially effective, and therefore some countries have already adopted unorthodox strategies to attain multifaceted solutions.

The agricultural sector is not removed from this situation. It has become visibly more interdependent with the rest of the economy in recent years, due to its rising use of technological inputs. Increasing volumes of goods have gone to market, and agricultural and financial markets are developing closer ties. There is no longer any doubt that sectoral policies and strategies should be closely bound to overall economic problems.

The external crisis has caused most of the countries to reassess the role of the agricultural sector, not simply as a supplier of foodstuffs, but also as a major source of foreign exchange. The countries of the region now face the urgent need to design and implement agricultural policies and development projects that are consistent with overall economic policies and that will make it possible improve food security and increase and diversify exports. This will be even more important in the future if access to external funding is tied to the design and implementation of appropriate sectoral policies, as is expected.

- b. Technology has become the pivot of economic and social development for the nations. Not only is it the most crucial tool of increased productivity for all economic activities, but it also affects the overall organization of production and gives rise to changes in social structure. This phenomenon had already begun by the end of World War Two and is acquiring increasing importance.

Technology in the specific field of agricultural production has introduced fundamental qualitative changes. Agricultural productivity and resulting comparative advantages, which in the past depended on the abundance and quality of natural resources, today are determined by technological know-how and development. The countries of the region traditionally looked to their resource endowment to provide a competitive edge in international markets. Consequently, the only way to raise their relative levels of efficiency was to pursue technological development that would improve the quality of their production.

Technological development in recent years, especially in the biological sciences, has taken on a new quality. This brings to light particular issues that the countries of the region must weigh carefully in order not to fall behind.

Basic research, as in the field of biotechnology, is extremely costly and highly specific. Because of the fast-growing participation by the private sector, emerging know-how is not always available in the public domain. The growing importance of this type of research under such conditions imposes an urgent need for the countries of the region to rethink their technological development strategies. Unless they make every effort to keep abreast of new developments, they will fall further behind.

- c. The growing interdependence among the countries of the hemisphere is one of the most important developments in recent years and will no doubt be a cornerstone of the region's progress and the growth of its institutions in the future. This is a new trend, standing in marked contrast to the situation at the time IICA's 1983-1987 Medium Term Plan and General Policies were approved.

A feeling of solidarity and integration has been reborn in the region as political structures in the countries converge and similar problems arise, including the external debt and the protectionist policies in some developed countries. The trend can be seen clearly in joint public statements and in the establishment of forums for discussion and negotiation of joint actions in the political and economic spheres.

Thus, regional integration has been reassessed as a valid path to development in the countries. This is a promising trend and suggests new opportunities for regional exchange and the development of combined actions through multinational agreements. The agricultural field in particular lends itself to shared projects for technology generation and transfer, control of diseases which economically jeopardize agricultural and livestock production, and a move toward production and trade complementarity. All these mechanisms can be used to promote food security and exports.

This new context also requires a reactivation of the inter-American institutional system to seek new directions. Institutions must move beyond the approaches used in the past and adapt to new

circumstances, thus making a meaningful, creative contribution to the countries of the area.

2.2 Situation and prospects for the agricultural sector in Latin America and the Caribbean

Two overriding phenomena emerge from an evaluation of agricultural progress in Latin America and the Caribbean: production trends and the persistence of poverty in rural areas.

Production trends are revealed in figures for an array of around 100 agricultural products. Growth has slowed in recent years, from 2.4 percent in the 1970's to only 2.1 percent per year in the first five years of this decade.

This growth rate is not enough to meet the demands of a population increasing by 2.5 percent per year. The shortfall is compounded by the parallel need to increase agricultural exports. This situation has reduced the per capita ingestion of calories and protein in the region.

Variations in the performance of the agricultural sector from one country to another are extremely high, and the gap is widening. At the same time, the countries with lower growth rates also have more unstable production patterns, making them more vulnerable and lowering their food security.

Some countries have a relatively vigorous agricultural sector, due to high levels of urbanization, a relatively low percentage of total economic activity in the agricultural sector, and abundant farm land available. On the other hand, some countries are faced with land shortages, a high percentage of the economy in the agricultural sector, and the prevalence of perennial crops, which cannot be adapted to changes in market conditions.

The same dichotomy can also be found in individual countries. The "modern" sector is clearly distinguished by its use of technological innovations and its access to all the production factors (credit, marketing) needed for continued development. At the same time, a "traditional" sector is backward and often poor. It cannot obtain access to development factors through spontaneous market mechanisms, but must first be organized. This situation can be found in almost every country, but the "modern" sector in the more dynamic countries is three times as powerful as that of the slow growth countries.

The countries of the region need to design actions that will bring about overall production growth, both for domestic consumption and for export. More importantly, they need differential strategies to modernize all the socioeconomic strata of rural society.

Social and demographic changes are another important factor in this general picture. Urbanization continues at an alarming rate. The effects are twofold. In the first place, the rural population is growing smaller in percentage terms, and therefore productivity increases are now the only way to increase food production for an urban population whose relative size is increasing. In the second place, consumer habits are changing with urbanization and the influence of the mass media. This has its own impact on the marketing and processing of agricultural products.

The development process in countries of the region over the past four decades has left a balance of rural poverty. The benefits of economic growth have not touched the majority of the population in most countries of the region. Rural poverty is the result of factors which, in most cases, are external and structural in nature, and is associated with a critical shortage of physical and human capital and limited access to essential services. This is reflected in a series of material, social and political handicaps which prevent vast population groups from meeting their basic needs.

The World Bank estimates that around 40 percent of all families in Latin America can be classified as poor. They comprise only 26 percent of the families in urban areas, but fully 60 percent in rural zones. At least 20 percent of the rural population lives in poverty in Argentina, Chile, Costa Rica, and Uruguay. Poverty affects from one third to two thirds of the rural population in Colombia, Mexico and Venezuela, while in Brazil and Peru, over two thirds of rural families are poor. Poverty in countries such as Honduras is so widespread that it characterizes three fourths of the rural population.

A geographic breakdown of the countries in the region shows that the highest percentage of poor people is in Central America. The total rural population on the Isthmus is over 12 million, and 70 percent of these fall below the poverty line. The zone with the highest incidence of poverty after Central America is the Caribbean, with 60 percent, similar to Mexico.

The Andean zone occupies third place with 53.8 percent, and in fourth place is the southern region, where 30 percent of the rural population lives in poverty. Major pockets of rural poverty can be found in every country, with the most striking examples found in the Brazilian northeast, the Bolivian highlands, and the Peruvian and Ecuadorian mountain zones.

One of the major causal factors of rural poverty is the structure of land tenure. Land resources are highly concentrated on a small number of large and medium sized farms, while small holdings are being further subdivided.

Small scale farmers in the early 1970's made up nearly 80 percent of all agricultural producers, but they owned only 18 percent of total farm land and 7 percent of arable land. Estimates show that 30 percent of all small scale producers own less than 2 hectares of land each.

Landless workers, tenant farmers and small scale producers, as a group, display all the characteristics of rural poverty in Latin America. This includes poor nutrition, little access to basic educational and social services, few technological or capital resources, and an inability to survive on agricultural activities alone.

2.3 Problems and challenges for IICA

Certain issues emerge from the context described above. These issues shape the problem that the countries must confront in coming years to achieve agricultural development and rural well-being, and merit special attention from IICA.

- a. There is a need to increase agricultural production of basic foods for domestic consumption and for export, in an environment of restrictive credit and fiscal facilities, without spurring inflation and unemployment. This means that the definition and implementation of agricultural policies is critical, and for this purpose, the member countries need to set up special units for advisory services, planning and implementation. The units require highly qualified technical capacity and must work in coordination with one another.
- b. Agricultural product prices are in a downturn, and this worsens the already advanced process of declining terms of trade, heightening the need to

increase and diversify agricultural exports. External marketing has now become a high priority need for many countries of the region, which find it necessary to review marketing strategies and structures, access useful information concerning external markets, overcome plant and animal health protection barriers, improve processes for packaging and preparing merchandise, and correct other problems so as to participate successfully in growing or increasingly competitive markets.

- c. There is an urgent need to increase agricultural productivity in the region. This is the only real means of increasing overall production in the face of a shrinking rural population affected by urbanization, and of maintaining competitiveness on international markets. The countries must attach high priority to technological development, vitalize the public and private systems for technology generation and transfer, and improve systems for the prevention and eradication of animal and plant diseases. They must also design and implement mechanisms for coordination among countries, that will help them meet the challenges of technological development in the twentieth century. Otherwise, the region is in serious danger of falling even further behind.
- d. The rural population is made up of highly differentiated groups, whose access to production factors for agricultural development and rural well-being (land, inputs, credit, etc.) varies widely. This means that the countries need to implement specific actions by which the most disadvantaged sectors will be able to organize themselves so as to benefit from the results of modernization. The design and implementation of specific strategies for the poorest and most underdeveloped rural sectors is the only way to realize the growth promised by modern technology and to ensure that it is equitable and will not cause social disturbances.

Areas of action need to be ranked in order of priority to ensure that development processes will be based on the real interests and problems of poor rural population groups and that they will provide these groups with access to self sustained development (ownership of the means of production, research and technical assistance, marketing, credit, etc.). These groups should begin to reduce or eliminate the deprivation in their lives and assume responsibility for their own projects. Finally, technical and managerial

training must be channeled so that participatory attitudes will be developed.

Programs undertaken in the past have shown that the struggle against rural poverty can no longer be based on development strategies centered on increasing production and productivity. Instead, the problem must be approached with a fundamental view to justice and equity in the distribution of economic power and the capacity for grassroots and political participation, to increase the negotiating power of the rural poor in their dealings with outside groups, and to enhance their participation in the decision making processes that affect them.

Today's environment is favorable for regional integration. There is a tremendous potential for solving many of these problems in the countries through joint actions that will optimize the use of the different technical capabilities of each country. Joint action will also provide the advantages of economies of scale and increase negotiating power through combined implementation of mutually acceptable activities.

IICA is an Inter-American technical organization and is faced with the awesome challenge of cooperating with the countries of the region to solve important problems in the area of its technical competence. IICA must also develop and promote action mechanisms with which to solve concrete problems and give force to the newly emerging desire for regional integration that is so evident today, at the time the 1987-1991 Medium Term Plan is being written.

CHAPTER 3
OBJECTIVES, STRATEGIES AND SPECIFIC POLICIES
FOR 1987-1991



3.1 Introduction

The Medium Term Plan containing objectives, strategies and specific policies for the 1987 to 1991 term must combine two fundamental considerations. In the first place, it recognizes the true conditions and needs of agricultural sectors in the member countries. At the same time, it must take account of IICA's nature as a multinational organization for technical cooperation and its own institutional situation.

The key conclusion that can be drawn from the background discussion given in Chapter 2 is that imaginative and innovative actions are needed. The economic and financial crisis has revealed that the agricultural development model which most of the countries have followed since the end of World War Two is no longer relevant. Today the goal is not to alter the agricultural sector so that it can join in with the development of other sectors, and so that rural dwellers can participate equally in the benefits of this development. Instead, the role of agriculture has been redefined with respect to the rest of society. The agricultural sector has become the key player for activating the economies of the region and renewing the potential for development. This new situation must be taken into account in defining the objectives, strategies and focuses of concern that IICA will pursue during this period.

Major institutional changes have been made, including private sector development in many crucial areas and weakening of public institutions due to the economic crisis. As a result, major emphasis must now be placed on institutional systems as recipients of technical cooperation. Only a flexible, efficient institutional framework for the public and private sectors can make it possible to implement the decisions needed and mobilize the vast potential of the region's resources. To make this happen, public institutions must be stronger and more efficient, and they must interact more effectively with private sector institutions.

The objectives, strategies and policies for the period cannot be defined without considering the newly emerging political drive for cooperation. This has opened new vistas for exchange and cooperation among countries. Efforts are being made to find solutions to shared problems and set priorities for multinational technical cooperation.

IICA has a specific ensemble of characteristics and is in a particular institutional situation. Three of these characteristics provide a basis for the selection of objectives and the definition of strategies for the period. The first is the nature of IICA as an international organization, a status which gives it clear comparative advantages for making effective use of the will to cooperate in the Member States, translating it into concrete action. The second is the presently existing organizational structure, and the need to adjust it to new issues of concern and place greater emphasis on the multinational dimension of IICA's activities. The third is the situation of the human and budgetary resources IICA has available for meeting the cooperation demands that will be made during the period. Both types of resources must undergo major changes. In the area of human resources, technical teams must be renewed if they are to respond to new areas and working approaches. Two major points need to be considered in the area of budgetary resources. The first is the limited growth foreseen in quota resources, and the resulting need to develop mechanisms that will optimize resource use. The second is the need for financing in the countries, and the active role that IICA can and should play in seeking external resources and implementing the resulting programs and projects.

3.2 Objectives

IICA's ongoing objectives are clearly defined in its Convention: "to encourage, promote and support the efforts of the Member States to achieve their agricultural development and rural well-being." Therefore, the medium term plans must state which central factors are inhibiting agricultural development and rural well-being at any particular moment in time, and they must define high priority areas in which the Institute will cooperate with the countries during the term of each plan.

When specific objectives were discussed for the 1987-1991 Medium-Term Plan, the long term objectives stipulated in IICA's Convention were taken into account, along with recommendations of the Board in the document "General Policies of IICA," and the results of the diagnostic study of the region. All this background information provides a basis for setting objectives for IICA's action in the next five years. The Institute will "encourage, promote and support the efforts of the Member States" to:

- a. Propel the development of the agricultural sector as the major source of economic growth, both as a supplier of foodstuffs for domestic consumption and as the major source of foreign exchange. This requires the design and implementation of policies that are consistent with overall economic policies and with the particular characteristics and restrictions that exist in each country. Policies must set strategies for production, marketing and processing that will increase the value of agricultural production, maximize participation and ensure just distribution.
- b. Intensify modernization and increase production efficiency in the agricultural sector. This will be done by increasing the incorporation of appropriate technology so as to maintain the traditional comparative advantages and competitiveness of agricultural production in this region. This process should be extended to all the countries and to the different production strata in each country, in a framework of equitable distribution of benefits and conservation of natural resources.
- c. Pursue regional integration. This will be done through joint actions so that operations can take place on a scale that will facilitate better use of limited human and financial resources. Another approach will be to develop production and commercial complementarity.

3.3 General strategy

IICA's action strategy for the next five years has been designed on the basis of three considerations. First, the Institute has limited human and financial resources to tackle the plethora of problems and demands in the member countries. Second, IICA's technical specialization and its status as an international organization give it advantages over other national and international organizations for developing certain specific activities. Third, IICA's evaluations have shown that, although it is widely renowned for its work, it has had only limited impact because its activities are too widely dispersed.

The Institute's new strategy is based on these factors, and designed so as to reach the objectives described above. Its central components will be:

- a. Concentration of efforts and resources in a small number of subject areas of high priority to the member countries, in which IICA will develop

technical leadership in order to provide an effective response to problems facing the countries.

- b. Setting priorities on certain functions and on the use of particular instruments found in the Convention, for which IICA has clear advantages over other organizations and therefore occupies a special niche, and which are consistent with the objectives of the Medium Term Plan.
- c. The development of a flexible, dynamic operating structure that will facilitate and streamline the task of reaching agreement with national authorities, and will make it possible to implement actions effectively and efficiently in the region and in the particular countries.
- d. The organization of structures and mechanisms to provide more and better services to the countries for obtaining and using external resources to implement programs and projects in the agricultural and rural sector.

Below is a more detailed discussion of these four components of the general strategy.

3.3.1 Concentration of efforts and technical leadership: IICA programs

The strategy of concentrating efforts and developing technical leadership in areas that are important for agricultural development and rural well-being in the Member States will be carried out fundamentally through IICA's programs. They are an important means of identifying and analyzing problem areas, setting priorities among them, and establishing a framework and working strategies for solving these problems.

If they are to play this important role effectively, the programs must have sufficient human and financial resources and enough authority to influence resource allocation and follow-up of activities taking place in the program framework.

The areas of program concentration are being selected according to the following criteria:

- a. They must focus on issues singled out as important in a majority of the member countries.
- b. The countries must have well defined institutional systems, targeting the issues, that can act as counterpart organizations for institute actions.

- c. They must be areas in which IICA is in an advantageous position to take action, due to its technical capability or to its institutional format.
- d. They must lend themselves to a multinational approach.

If the programs are conceived in this way, they become a natural framework for shaping the Institute's competence and reaching agreement on actions at the regional and national levels. They will be used in programming the use of budgetary resources to avoid a dispersion of effort, and they will ensure that cooperation actions can make an effective contribution toward solving the problems that have prevented the countries from improving the productivity and well-being of rural sectors.

The Executive Committee, the Inter-American Board of Agriculture and the group of six experts have recommended that the number of programs be reduced so that the Institute's activities can be concentrated and can maintain high standards of technical excellence. The following five programs have been selected in accordance with these recommendations and on the basis of the criteria listed above and the objectives of the Medium Term Plan:

- I Agricultural Policy Analysis and Planning.
- II Technology Generation and Transfer.
- III Organization and Management for Rural Development.
- IV Marketing and Agroindustry.
- V Animal Health and Plant Protection.

Chapter 4 describes the content and priority of each program.

3.3.2 High priority functions and instruments

The Convention defines IICA's functions and assigns priority to those areas in which the Institute has greater operational advantages. These areas will be called operating functions, and they are:

- a. To cooperate with the countries in analyzing national and regional problems in the high priority subject areas, as a point of departure for identifying action priorities and strategies in each field.

- b. To help strengthen the organization and management of national institutional systems targeting each of the high priority issues.
- c. To promote, support and carry out multinational technical cooperation actions that will favor technology transfer and integration among countries and will optimize the use of available human and financial resources to solve mutual problems.
- d. To promote, support and carry out country level actions in high priority subject areas, so as to eliminate or reduce barriers and solve problems that stand in the way of agricultural development and rural well-being.
- e. To provide direct administrative services for formulating and carrying out national projects, facilitating the effective use of available national and international resources.
- f. To provide short-term unanticipated technical assistance and carry out preinvestment activities.

In order to carry out these duties, designed to assist the member countries, IICA will make special use of the following action tools:

- a. Research and studies to identify problems, develop new approaches and methods for problem identification, and develop and propose solutions. These studies will also synthesize IICA's own experience and that of other organizations in areas of high priority concern.
- b. Training to transfer existing know-how in specific areas and increase the technical and managerial capabilities of national organizations working in high priority areas.
- c. Technical cooperation to make available to the member countries the know-how and experiences existing in IICA and other institutions, and to assist in having them applied to solving problems in specific areas.
- d. Administrative services to mobilize national and international resources through national projects.
- e. Technical and scientific brokerage to respond to country requests by identifying specialists and institutions of high capacity and experience to help solve special problems.

- f. Dissemination of information to develop systematic ongoing mechanisms that will make available to the member countries the results of institute activities and other information related to the problems of the region in the field of agricultural development and rural well-being.

3.3.3 Modified operating structure

The Institute's operating structure should be modified so as to: i) allow for concentration and technical excellence of activities in subject areas selected for their high priority; ii) ensure that technical opinions are heard in the formulation of institutional policies; iii) favor decentralization for the implementation of activities, and increase operating flexibility so as to respond to the countries' needs for cooperation and services. This subject is further discussed in Chapter 5.

3.3.4 The role of external resources

Today's problems and the budgetary constraints in most of the member countries are of such magnitude that only aggressive policies for attracting external resources will make it possible to carry out needed programs and projects. Because of its institutional characteristics, IICA is a particularly appropriate organization to serve the countries in this field. Therefore, the Institute will work within its own program priorities and those of the Member States to increase the supply and effectiveness of external resources for financing programs and specific projects. IICA will adapt its structures and working mechanisms to intensify its relations with multinational and bilateral funding agencies, and will develop mechanisms for cooperating with private initiatives and with nongovernmental organizations at national and international levels. The purpose of these contacts will be to attract resources for agricultural development and rural well-being.

3.4 Specific policies

3.4.1 Human resource policies

Technical cooperation activities, by their very nature, can be effective only with the participation of high quality human resources. IICA has always been concerned with attracting and maintaining a highly

qualified professional staff to carry out its activities. However, the Institute's technical capacity for handling technical cooperation problems is still weak, specifically in the fields of policy analysis for agricultural development, international trade and rural development.

This general policy assumes special importance in view of the objectives and general strategy for the 1987-1991 term and the recommendations of the G-6. Accordingly, the human resources policy of the Medium Term Plan emphasizes renewal and upgrading of the Institute's professional team in accordance with high priority areas of concentration and proposed operating structures. The following fundamental guidelines will be used for human resources action:

- a. Reduce the proportion of quota resources allocated for regular international professional personnel by 10 percent during the term of the plan.
- b. At the same time, increase the proportion of temporary specialists hired for limited periods to carry out specific project activities.
- c. Improve recruitment and selection procedures that will guarantee:
 - i. Wide publication of employment opportunities in the Institute.
 - ii. High levels of technical and professional competence consistent with the specific requirements of programs and projects underway.
- d. Promote and establish mechanisms for ongoing staff training. For this purpose, staff members will be encouraged to develop their skills, improve their professional competence and increase their knowledge of IICA's official languages, as part of an overall process of human resources planning that will take into account the Institute's objectives and priorities.
- e. Ensure that promotions and reassignments are based on appraisal procedures that properly measure the ability, performance and potential of Institute staff.
- f. Improve institutional communication systems, to make better use of individual staff capabilities.

- g. Maintain an equitable system of compensation and benefits, based on technical criteria appropriate to the Institute's needs and possibilities and to the characteristics of the countries in which IICA operates.

3.4.2 Financial management policies

IICA's operating structure is very diverse, and its actions are complex. This is why it needs versatile management and financial systems, well adapted to the particular needs of technical cooperation activities. Therefore, a process will take place during the 1987-1991 term to modify present systems, making use of available technological advances and adapting to the needs entailed in the new technical and operating structure of this plan. The following general guidelines will be used for developing these systems:

- a. The Institute will continue to decentralize its operations for the following purposes:
 - i. Management responsibility will be delegated closer to levels where action is taking place.
 - ii. Staff members in national offices will be expected to have the same qualifications and skills as those who hold equivalent positions at headquarters.
- b. The Institute should try to maximize the effective use of its financial and managerial system. For this purpose, accounting information needs in the national offices and at headquarters will be studied and matched to internal requirements and the demands of external resource management.
- c. The Institute will develop a financial information system based on the following principles:
 - i. Expenditures should be classified for accounting purposes following the same structure used in the budget.
 - ii. Financial information prepared for external use (detailing activities carried out during earlier periods or stating the financial situation at a given moment in time) should be clearly distinguished from information for institutional planning and management.

States. Strategies will be developed for coordination and cooperation with those institutions which are in a position to cooperate with the development of IICA programs and operations.

- b. The Institute will intensify its relations with the observer countries to help them acquire a better understanding of IICA's activities, take more interest in its concrete projects, and participate actively in Institute action through technical and financial support.
- c. Procedures and mechanisms will be developed for ensuring that the Institute is systematically, consistently visible on international scene, so as to broadcast the Institute's viewpoint and publicize the problems of the agricultural sector in Latin America and the Caribbean. These actions will make it possible to expand the sphere in which IICA is known and open new technical and financial horizons to enrich future Institute action in benefit of the member countries.

CHAPTER 4

PROGRAM DESCRIPTIONS FOR 1987 TO 1991

4.1 General principles of program operation

Programs are the most important mechanism for implementing IICA's policies of concentration of effort and exercise of technical leadership during the 1987-1991 term. They provide a natural framework within which to carve out IICA's area of competence and reach agreement on regional and country level actions. Against this general backdrop, programs take place according to the following general principles:

- a. Concentration of effort. Each program will concentrate its activities in a small number of working areas selected according to their importance, the needs in the member countries in each specific field, IICA's comparative advantages for working in each field, and the potential for having a major impact with available resources.
- b. Technical leadership. Each program will work in its specific area of concentration, to develop a team of highly qualified technical personnel. It will promote continuous upgrading of staff members by having them participate in research activities and professional meetings. It will also emphasize the development of an active plan to encourage publications of use to the countries, based on the technical work of the program.
- c. Innovative action. Ongoing study and analysis of situations and viewpoints in the countries, the region and the world in the field of each program will provide a basis for identifying problems and proposing solutions.
- d. Integration of activities. Integrated use will be made of IICA's characteristic tools of action. These include research and studies, training, technical assistance, administrative services, technical and scientific brokerage, and dissemination of information.
- e. Mobilization of national technical resources. In all their work and activities, the programs will assign high priority to making full use of national technical personnel from target countries or other countries of the region. This will generate networks of reciprocal cooperation and exchange of experiences, with which to multiply the impact of each activity and gradually reduce the need for outside technical assistance.

- f. Complementarity with other international organizations and centers. In all their activities, the programs will attempt to dovetail their efforts with those of other organizations. This will facilitate the activities of other organizations in the region and will ensure that national systems and institutions benefit fully from the opportunities provided by international technical cooperation.
- g. Multinational projection. High priority will be placed on operating and implementing projects and other cooperation activities that involve various member countries and thus help solve common problems.

4.2 Program I. Agricultural Policy Analysis and Planning

4.2.1 Purpose

Agricultural production, under present world economic conditions, is one of the keys to re-generating the potential for economic growth. Agriculture has been rediscovered as a means of putting new life into the economy, and this has underscored the importance of agrarian policies and the need to analyze them and adapt them to the new role that the sector can play.

The Agricultural Policy Analysis and Planning Program takes these factors into account. It is oriented toward cooperating with the countries to analyze and evaluate alternative models and strategies for agricultural development, improve analytical capabilities, and provide advisory services for the design and implementation of agrarian policy and for strengthening the organization and management of institutional systems for agricultural policy planning and implementation.

4.2.2 Problems

a. The generalized need for an economic policy to mobilize agricultural potential

The economic and financial crisis of recent years has called into question the traditional view of the agricultural sector as a supplier of foreign exchange, cheap foodstuffs and low-paid labor to sustain industrial sectors oriented toward

import substitution. This view is no longer realistic or relevant to the region's economic needs. Agriculture in the countries of Latin America and the Caribbean possesses a vast potential in the form of productive resources that offer broad opportunities for growth. If this wealth is to be tapped, economic policies must be designed to provide incentives for productive efficiency, promote the flow of investment necessary for restructuring the sector's approach to production, and sustain and increase the ability of agricultural products to compete on the international market.

b. Relevant factors for the design of a new agricultural policy

New options need to be found and translated into systems useful for attaining economic and social objectives. If this is to happen, a number of factors must be taken into account. In the first place, the effects and constraints of the present situation must be considered. These include: the limited supply of resources that are realistically useful for productive purposes; the familiar and highly trumpeted shortage of foreign exchange, and the general difficulties facing the external sector; the already serious and worsening conditions of food insecurity; structural changes in the supply and demand of agricultural products traded on the international market; and the resulting trend toward greater protectionism, with prices and terms of exchange continually declining. All these factors limit real possibilities and underscore the need for an objective, realistic analysis of existing alternatives.

In the second place, these restrictions need to be viewed not only in the context of specific policies for agriculture, but in light of overall policies. Agriculture and industry are closely interrelated, and it is therefore impossible to segregate sectoral policies and identify them clearly and distinctly, either in concept or in degree of implementation. This fact has implications for setting priorities on tools of action, and for the way in which policy definition and implementation are organized for the agricultural sector.

The third constraint on types of policy and how policies are defined stems from the growing economic interdependence among the countries. This

interdependence is the result of the possibility for foreign trade of nontraditional products that possess a high added value, and the need to develop economies of scale in such areas as supply of technological inputs (seeds, machinery, agrochemicals, etc.). In this context, the small size of national economies limits access to more advanced production technologies and requires the countries to define policies jointly. For this purpose, an adequate reserve of information must be available, and the institutional environment should encourage discussion and shared decision making.

c. The need to develop analytical skills and advisory services for agricultural policy

One result of this trend is that strong pressures are being made for structural change in the economies of the region, and this will have a major impact on the agricultural sector. Due to financial resource constraints, the countries are faced with the problem of ranking the various options for investment in agricultural development and food security. The setting of priorities must place special emphasis on income distribution in rural areas and on the production of food to feed populations and family groups facing high risks of nutritional deficiency. This is why there is a compelling need to develop the capability for generating appropriate information in support of decision making by the ministers of agriculture and the economy and by other political authorities.

d. Shortcomings in the definition and implementation of plans, programs and projects

The process of planning and implementing policies and the tasks of project management can be carried out properly only if the different phases of analysis, formulation, implementation and evaluation of policies and projects are carefully coordinated. When design is isolated from implementation, policies fail to play an integral role in development plans, which consequently are not discharged properly.

4.2.3 Areas of concentration and action plans

These problems seriously restrict agrarian development in the region. The countries, the technical cooperation organizations and the development

financing agencies all recognize that the lack of appropriate policies may place serious obstacles in the path of effective agricultural development. They also recognize the need to develop and strengthen the institutions responsible for agrarian policy formulation and implementation, ensuring that their action is coordinated with that of other public sector organizations. In this context, the program has singled out the following three areas of concentration and has identified specific actions in each one, designed to bring concrete results.

a. Analysis and exchange of experiences with alternative strategies for agricultural and rural development at the regional and subregional levels

This area of the program will work in coordination with the Member States and international technical, economic and financial cooperation agencies. It will promote discussion of alternative agricultural development strategies as a contribution to helping the countries improve their own theoretical constructs and strengthening regional integration mechanisms in the sector. The program will take the following action:

- i. Support the strengthening of agro-economic and socioeconomic information networks relevant to agricultural and rural development, at the national, regional and extra-regional levels. The networks will include key determining factors of socioeconomic and political conditions.
- ii. Analyze and interpret agricultural trends in Latin America and the Caribbean and the outlook for the sector in the context of probable political and economic scenarios, so as to anticipate the effects of policy options at the regional and subregional levels. This will require an examination of the way in which agriculture fits into overall economic policies, and will thus provide the countries, groups of countries and IICA with criteria for orienting their different actions.
- iii. Disseminate information on alternative agricultural development strategies and use of more effective policy tools in the context of the economic and political crises facing the region, and facilitate the exchange of proposals and experiences among countries and groups of countries. This

will be done as a way of easing the study and adaptation of such policies in the framework of different approaches to development, and encouraging coordination and harmonization of policies among groups of countries in areas of shared concern.

- iv. Analyze agriculture and how it interacts with other sectors under the restrictive conditions imposed by the crisis and the possibilities suggested by the political desire for integration in the region, so that the sector may become a nucleus of accumulation and growth to drive development in the countries.

b. Support for the countries in strengthening analytical and advisory skills for formulation and implementation of agricultural sector plans and policies

The program will participate with the countries in the area of applied research to support the design of strategies, policies and plans for solving high priority problems that hamper the performance of the agricultural sector and restrict its contributions to economic and social development. Special attention will be given to improving the analytical and advisory skills of technical professionals and strengthening the institutions whose task is to perform analysis and give assistance in the making of decisions that will guide the agricultural development process. For this purpose, the program will take the following action:

- i. Support technical teams in the countries by training them in the analysis and interpretation of specific problems hindering the performance of the agricultural sector. Alternative policies will be evaluated to facilitate decision making by governments.
- ii. Support the organization and operation of planning units for carrying out their duties of policy analysis and guidance of decision making centers.
- iii. Assist planning and policy formulation units in specifying their data needs and learning to organize data for purposes of analysis; and help select items for inclusion on the research agenda and devise a strategy to

guide decision making. The purpose is to instill permanent capabilities for meeting these goals.

- iv. Encourage the public sector to use research findings from other organizations and individuals for making policy decisions at the national, regional and local levels, and provide assistance for this purpose.

c. Development of appropriate mechanisms for implementing plans and policies

The program will be active in this area to help design and implement appropriate mechanisms that will guide coordinated implementation of high priority plans, policies and programs, strengthening joint action by the public and private sectors. For this purpose, the program will carry out the following types of action:

- i. Identify and interpret general organizational constraints and mechanisms for participation, as well as the potential and needs in the countries for effectively carrying out the process of policy planning and implementation.
- ii. Strengthen the units responsible for policy planning and implementation at the national and regional levels, to create the capacity for designing strategies to be followed in coordinating the implementation of high priority plans, policies, programs and projects.
- iii. Support these units in the design, testing, implementation, operation and adaptation of mechanisms that will facilitate coordination of public and private actions to carry out plans, policies, programs and projects. The program will also seek participation in making the decisions that affect them, and coordination with higher decision making levels.
- iv. Support the countries in preparing projects to train public and private sector managers and technicians, so that their participation in planning and implementing agrarian policy will be more effective.

4.3 Program II. Technology Generation and Transfer

4.3.1 Purpose

The Technology Generation and Transfer Program has been introduced in response to two fundamental issues: 1) a recognition by the countries and the international technical and financial community of the importance of technology for productive development of the agricultural sector; and 2) a generalized conviction that the potential of science and technology can be fully tapped only in the presence of institutional infrastructure capable of developing appropriate technological replies to the specific conditions of each country. It is also essential to have a framework that will encourage and facilitate the incorporation of new technology into production processes.

The Technology Generation and Transfer Program will be designed to promote and support member country actions to improve technological policy design, strengthen the organization and management of national technology generation and transfer systems, and facilitate international technology transfer. This should lead to better use of available resources and a more effective contribution to solving the technological problems of agricultural production. Work will take place in a framework of equitable distribution of benefits and conservation of natural resources.

Special emphasis will be placed on supporting technology generation and transfer to reduce agricultural imports and boost exports of vegetables, fruits and legumes.

4.3.2 Problems

Science and technology in the post World War Two context became a pivot of economic and social change. More than any other factor, including natural resources and economic policies, technological innovation determines the productive capacity of a country's resources and controls its ability to compete on international markets. Every sector has abundant examples of the way in which scientific and technological development processes have contributed to economic, political and social development. It is enough to point to the industrial miracle of post-war Japan or the resounding agricultural success of countries such as India, which in the early 1960's was

hovering on the brink of a food crisis, and which today, thanks to the results of technological innovation, holds reserves surpassing 20 million tons of basic grains.

Latin America and the Caribbean have not remained untouched by these trends. During the last quarter century, major transformations have taken place in the generation, transfer and adoption of agricultural technology, and heavy investments have been made for the development of institutional infrastructure and training of human resources. These efforts cannot be viewed in isolation from the fact that agriculture in the region has grown more dynamic during the period, as revealed in the rising productivity and production of important crops. It is also true that these successful experiences in the region have taken place side by side with situations in which agricultural production has been unable to meet the demand for food for domestic consumption and still enjoy an exportable surplus.

The region today is facing an economic crisis of major proportions. It will bring profound transformations in society and in the role played by every sector. Evidence already shows that the agricultural sector must play an active role in this process to meet growing demands for food and contribute to export growth. The need to move decisively into a phase of highly technological agriculture is no longer a challenge of the agricultural sector alone, but has become a concern of society as a whole.

New technologies are needed not only to increase yield and expand the agricultural frontier, but also to diversify production, competitively meet new demands on international markets, and develop new consumer habits that arise from population shifts in past decades.

The progress of modern science, particularly in the field of biotechnology, and experience with success achieved in other parts of the world, and in particular situations in Latin America and the Caribbean, clearly show that this technological transformation can take place.

The institutional infrastructure in most of the countries is sufficient to provide a basis for the efforts that are needed. This basis consists primarily of an ensemble of research institutes and, in some cases, technology transfer centers. They are decentralized and autonomous, and most were created in the 1950's to streamline the process of technology

generation and transfer and facilitate better linkages between the scientific process and productive sectors.

The region has also seen a number of new institutional developments in the national and international public and private spheres, that have made a major contribution toward strengthening the region's potential to generate an adequate technological basis for sustained agricultural development. An example is the increased participation by private sector organizations in technology generation and transfer activities. Another is the emergence of new mechanisms for horizontal cooperation and technology transfer among countries, such as the PROCISUR program, the PCCMCA, and PRECODEPA, as well as the international CGIAR centers operating in the region (CIMMYT, CIAT and CIP).

These institutions form a substantial foundation for technology generation and transfer, but they are now confronting problems that seriously restrict their productivity and the ability to make an effective contribution to agricultural development and rural well-being in the countries of the region. The following issues are of particular importance:

a. Difficulties in coordinating technological policy

Difficulties have frequently arisen in coordinating technological policy with other facets of agrarian policy. Consequently, research centers lack clear guidelines for setting priorities, and their activities often appear out of phase with development objectives. There is a visible tendency to concentrate on lower impact problems of sectoral production. In other cases, research findings have been consistent with real technological problems, but needed measures have not been taken with respect to other dimensions of agricultural policy, such as prices, credit, inputs, etc. This has hobbled efforts for swift transfer and dissemination of new technologies.

b. Unsuitable organizational structures

The organizational structure of some of the institutional systems was initially useful for mobilizing early efforts to generate and transfer technology. However, it has lagged behind the changing production structures of the agricultural sector and new institutional developments, such as increasing private sector participation and the action of international centers. These organizational problems are compounded by poor

institutional management practices, due primarily to the growing complexity of technology generation and transfer processes. This, in turn, is a result of the scientific issues themselves, including the need to diversify and adapt research objectives and technology transfer methods so as to provide a better response to the specific problems of different clients.

c. Inadequate budgets and lack of trained human resources

Technology generation and transfer systems saw their budgetary and human resources grow rapidly from the beginning of the 1960's to the mid 1970's. This trend has reversed in recent years. Resource allocations to these activities have stagnated, and in some cases even declined in real terms. High staff turnover has become common in the field of human resources. This problem has had an enormous negative impact, which has been exacerbated by the lack of opportunities for graduate training, making it difficult to replace lost staff members.

d. The division between research and training

Research and technology transfer in most countries are almost entirely separate from higher level or graduate education. This segregation has tended to worsen the human resources problems discussed above and wastes the opportunity to profit from the natural fit between research and training, especially at the graduate level.

e. Inadequate integration between research and technology transfer

Research and technology transfer are frequently assigned to different organizations. In other cases, there are no formal mechanisms at all for transfer. This has made it difficult to identify correctly the problems facing farmers. It has also led to a flow of new technology which is not relevant to the specific needs of producers. One of the principal causes of this situation is the lack of planning mechanisms to facilitate meaningful farmer participation in decisions concerning what to research and what type of technology to transfer.

f. The problem of small countries

The major problem faced by small countries in

the field of research and technology transfer is the potential conflict between technological development needs and the amount of resources available for investment in such activities. The issues are related, although indirectly. A country's technological needs depend on its size and the variety of goods it produces. Differences among countries in this sense are not significant. On the other hand, the ability to obtain financing and to make such efforts pay is directly linked to the economic size of production, which in many countries is a serious constraint to achieving the levels of investment required for maintaining needed research and technology transfer infrastructure.

4.3.3 Areas of concentration and action plans

The situation described above can be summarized as a poor fit between opportunities and problems. Opportunities abound because the countries of Latin America and the Caribbean have the infrastructure and the specific experiences needed to develop new technologies required for agricultural transformation in the region. Problems are also many, due to the severe shortcomings that hold down productivity and reduce effectiveness. IICA's activities will not lose sight of this contrast. They will be directed toward cooperating with the member countries to solve their problems and overcome restrictions so as to reap the full benefit of available opportunities and resources. In this context, the program will concentrate its activities from 1987 to 1991 in five areas: technological policy design; improved organization and management of systems and institutions for technology generation and transfer; developing or strengthening human resources training programs; reciprocal cooperation and information exchange among national and international institutions at work in the region; and the provision of services for formulating and implementing investment projects in the area of technology generation and transfer.

Below is a listing of some of the items that will be stressed and the types of projects to be developed in each of these areas.

a. Technological policy design

The program will work in the area of technological policy by focusing on problems of resource allocation for research and technology transfer. It will seek more and better integration between

the public and private sectors in the field of technology generation and transfer, and will attempt to keep scientific and technological concerns compatible with other facets of agrarian policy, especially the production and distribution of technological inputs. It will also help design tools and mechanisms for increasing the inclusion of agricultural sciences in overall national science and technology systems.

For these purposes, the program will:

- i. Perform studies and research to generate useful information for an improved understanding of the different issues and problems involved.
 - ii. Use this information as a basis for guiding the countries in the design and implementation of mechanisms, instruments and policies relevant to the characteristics, resources and technology generation and transfer needs of each country.
- b. Organization and management of national technology generation and transfer systems and institutions

Program activities for the organization and management of technology generation and transfer activities will be oriented toward:

- i. Study and evaluation of existing structures and of new institutional developments and their implications. Provision of technical support for the design and implementation of reorganization processes, whenever necessary.
- ii. Support for strengthening the administration and management of national technology research and transfer systems.

Efforts in this area will focus on the development and implementation of new approaches and working methods for key issues of the administrative and managerial process. This could include planning and programming mechanisms, human resources management programs, and follow-up and evaluation systems. Training activities will be organized for managers of national research and technology transfer systems and will be

designed so as to encourage the institutionalization of management training for research and technology transfer over the medium term, in universities, graduate programs, and other organizations for human resources training, whether in the agricultural sciences or management sciences.

c. Development or strengthening of human resource training programs

Educational programs located outside the region are presently meeting most of the needs for highly trained personnel in national research and technology transfer systems. In view of the funding problems common in most of the countries, and the climbing costs of extra-regional training, concrete efforts must be made to increase the participation of graduate training centers of the region in preparing personnel for national technology generation and transfer institutions, both public and private. The program will:

- i. Cooperate with national research and technology transfer systems and institutions in preparing human resources development plans.
- ii. Cooperate with universities and other training organizations in areas related to curriculum development.
- iii. Promote the development and implementation of mechanisms that will facilitate greater integration between research and graduate training.

d. Reciprocal cooperation and international coordination of research and technology transfer

The region already has experience with networks for information exchange, technology transfer and international coordination of research activities in specific areas. These experiences have proven an effective way to make better use of available resources for such activities. This is particularly true for the smaller countries, which cannot meet all their technological needs if they act in isolation. The experiences of such programs as the PCCMCA, PRECODEPA, REDINA and PROCISUR provide clear evidence of the usefulness and potential impact of these mechanisms.

However, if such programs are to operate effectively, they must be adequately funded and receive enough administrative support to operate internationally. In this context, the program will cooperate with the member countries to:

- I. Identify areas and opportunities for cooperation and information exchange.
- II. Seek and obtain needed financial resources.
- III. Design and implement institutional and administrative mechanisms for cooperation and exchange.

During the 1987-1991 term, the PROCISUR program will be continued. The implementation phase will begin on the PROCIANDINO project, and initial activities will take place to define similar mechanisms for the countries of Central America and the Caribbean. Stress will be placed on administrative support for research networks such as REDINA, PCCMCA and RISPAL and for professional associations in the field of agriculture, such as IFARD, ALCA and ALPA.

e. Formulation and implementation of investment projects

One of the most important requirements for the development and consolidation of a highly productive research and technology transfer system is adequate financing. Investments in this field have special characteristics and are highly profitable. Therefore, bilateral and international funding agencies are very interested in assisting national efforts to strengthen technology generation and transfer systems. This interest can be translated into concrete, productive programs only if specific projects are available and administrative capabilities exist for implementing them. The program will facilitate the efforts of member countries to reap the benefits of these funding opportunities. It will:

- I. Assist national institutions in seeking resources.
- II. Cooperate, together with CEPI, in the design and formulation of projects.
- III. At the request of the countries, participate in administering these projects.

4.4 Program III. Organization and Management for Rural Development

4.4.1 Purpose

Broad sectors of the rural population in Latin America and the Caribbean operate under severely restricted access to basic production resources (land, water, capital) and services (technical assistance, marketing, education, health). These resources and services are essential if the rural family is to escape from poverty, organize with other families to incorporate itself into the social and political fabric of the countries, and begin to feel the benefits of development.

The purpose of this program is to support the Member States in defining rural development policies and programs and strengthening institutions responsible for carrying out these policies and programs through concrete action. Efforts will be oriented toward: i) identifying the problems of poor rural populations and designing and implementing policies to overcome rural poverty; ii) improving the performance of institutional systems for rural development and achieving integrated delivery of services for the population; iii) strengthening capabilities for the preparation and management of rural development programs and projects; and iv) performing action to promote and strengthen farmer organizations and improve business management skills.

4.4.2 Problems

Landless workers, small farmers, tenant farmers and their families in rural zones display all the common traits of rural poverty. These include:

- little or no access to land and or capital resources;
- low levels of technology;
- low income from agricultural activity;
- little or no access to production support (credit, marketing, research and technical assistance), education, health and other services essential for a better standard of living.

Small scale farm producers in the countries of the region occupy a high proportion (often the majority) of rural production units. The rural sector in Latin America and the Caribbean is characterized by an ownership structure of land concentrated on a small number of medium sized and large farms, while at the same time, small holdings (less than 5 hectares) are increasingly segmented. This process affects a large number of small scale, low income producers, most of whom live under conditions of extreme poverty.

Small scale farmers and their families have always played an important role in agricultural production, partly because small farmers produce most of the foodstuffs for the domestic market and employ a large proportion of the economically active rural population. Policies that give preference to the development of export agriculture have led to a bias for providing this sector with services, incentives and other benefits, to the detriment of those who produce basic consumer foods. This is why small farm production has been unable to grow.

In fact, the countries have learned to identify, formulate, implement and evaluate policies, programs and projects to target rural poverty. However, serious handicaps continue to keep the impact below expectations. These limitations include:

- a. There is a need for identification and interpretation of rural problems and for formulating and implementing appropriate solutions with the participation of the population. During the past twenty years, the countries have been carrying out different policies and programs to solve problems of rural poverty. These have included agrarian reform settlements, associative production enterprises, programs for intensification of agriculture, education campaigns, programs for rural women and youth, attention to basic needs, rural industry, public works, improved trade relations, integrated rural development, etc.

However, these programs have had a minor impact for many reasons. For example, information systems on rural poverty problems are inadequate. Analytical skills for the formulation of effective policies in this area are limited. Mechanisms for real participation by the rural population are flawed. Limitations have also been encountered in defining and carrying out coordinated actions to promote and strengthen farmer organizations, and to ensure equitable

distribution of the benefits of program and project implementation.

- b. Institutional systems are unable to generate the services required by the rural population and have them delivered in an integrated fashion. The capability of institutions to deliver timely and integrated services has been steadily declining, due to budgetary constraints and to a lack of effective mechanisms for coordination. Different institutions often experience conflict over spheres of action, priorities, clientele, modes of operation and responsibilities. A paternalistic attitude is frequently adopted, and consequently, rural populations are increasingly dependent on institutions to promote their development.
- c. Skills for the identification, formulation and management of rural development programs and projects are inadequate. Programs and projects implemented by countries have generally been characterized by high costs per beneficiary, as a result of working models that favor individual attention for a geographically disperse population. Programs and projects have not provided a satisfactory response to the real needs of the population. This is due in part to the limited participation of beneficiaries, excessively centralized decision making, inadequate managerial skills, and gaps in the design and application of appropriate tools for project management.
- d. Managerial skills are lacked in production and service businesses. Little emphasis has been placed on research into alternative forms of farmer organization and of associative enterprise management, and useful experiences have not been written up or published. It is also important to note that farmer organizations have had little participation in the process of defining and implementing actions and channeling resources to consolidate self management skills. There is a severe shortage of personnel trained to provide technical assistance to production and service businesses, and technical and financial cooperation activities have had limited coverage and little impact in promoting and strengthening associative production groups.

4.4.3 Areas of concentration and action plans

The program will respond to these problems

by concentrating its actions in four high priority areas:

a. Analysis of rural development problems

The program will provide technical cooperation to the countries for generating and developing capabilities to:

- i. Analyze and interpret the causes and the scope of rural poverty as a basis for identifying policies, programs and projects that will help overcome it.
- ii. Evaluate rural development strategies, measuring the progress made for incorporating rural families into the social and political life of the countries and into the benefits of development through the implementation of policies, programs and projects. Emphasis will be placed on analysis and dissemination of past experiences.
- iii. Improve information systems on rural poverty and on actions taken by the countries to overcome it, as a way to strengthen their capability for action at different levels of political decision making.
- iv. Analyze and evaluate policies, programs and projects to overcome rural poverty, encouraging the adoption of sectoral or comprehensive policies that will make these programs viable, and stressing a regional approach to bring about adequate participation of local institutions and beneficiaries.

b. Strengthening institutional systems responsible for rural development

Emphasis in this area will be placed on supporting the countries' institutions in the analysis of existing models for institutional organization and in preparing alternative proposals to:

- i. Improve the performance of institutions and the quality of services to rural populations.

- ii. Facilitate coordination among entities responsible for the formulation, implementation and evaluation of rural development policies, programs and projects.
- iii. Decentralize actions at the regional level by promoting the effective participation of beneficiaries through their own organizations.
- iv. Increase managerial skills to improve the administration of the institutions and thus strengthen their performance and raise the quality and effectiveness of their services.

c. Formulation and management of rural development programs and projects

Cooperation activities will be designed to improve the capabilities of institutions and farmer organizations for formulating and managing programs and projects. Special efforts will be made to:

- i. Analyze the present situation of formulation and management of programs and projects by rural development institutions and producer organizations.
- ii. Develop and promote models, methods and instruments for formulating and managing programs and projects.
- iii. Strengthen the managerial skills of people responsible for implementing rural development programs and projects, by training technicians and farmers in the use of methods and instruments for identifying objectives, and preparing, implementing, following up on and evaluating activities.
- iv. Provide technical support for program and project management, and document and disseminate the results.

d. Technical support and training for business organization and management

Efforts will be made to improve the ability of the countries to promote and support farmer organizations and improve business management skills. Actions will be targeted primarily to:

- i. Analyze the present situation of farmer organization, management models for associative forms of production, and dissemination of past experiences with the application of these models. This will be a means of generating new methodological approaches to rural development.
- ii. Train national technical staff in appropriate methods and procedures for promoting the real participation of beneficiaries through their representative organizations, during the different phases of national strategies to combat rural poverty.
- iii. Support specific projects to strengthen farmer organizations and improve their ability to participate in the identification, formulation, implementation and evaluation of rural development policies, programs and projects.
- iv. Cooperate with the countries in developing their institutional abilities to identify, design and implement training programs for farmer organizations as a way to strengthen their capability for achieving access to goods and services and using them efficiently.
- v. Analyze and select models for farmer organization, appropriate to the particular characteristics of each country, that will help improve the efficiency and effectiveness of rural development program and project implementation. For this purpose, the program will encourage documentation and exchange of experiences in each country and among countries.

The program will work to strengthen actions in these high priority areas of concentration by promoting:

- Cooperation among the member countries in the analysis and dissemination of experiences with farmer organization, as a strategy to make rural development projects more dynamic.
- Support for the countries to help them attract external resources for rural development programs and projects, with a strategy based on strengthening farmer organizations.

- Projects that not only emphasize the organization of small scale farmers and the advancement of rural families, but also include issues directly related to other institute program areas (policy analysis, research and technology transfer, animal health and plant protection, marketing). Consequently, program coordination mechanisms will be established to facilitate essential interaction and prevent duplication of efforts so as to provide a unified, efficient response to the technical cooperation needs of the countries and to tackle rural poverty.
- Training, which is a factor found in all the high priority areas and will receive special attention.

4.5 Program IV. Marketing and Agroindustry

4.5.1 Purpose

The Marketing and Agroindustry Program is based on two fundamental characteristics of the present situation in the countries of Latin America and the Caribbean. The first is the growing complexity of marketing systems and the greater needs for processed foods, both of which derive from urbanization trends and the resulting functional, spatial and temporal lags between production and consumption. The second feature is the newly emerging importance of international agricultural trade in general, and particularly of nontraditional products, in response to needs for growth in the economies of the region. In recent years, extensive opportunities have begun to open in the international and intraregional markets. However, these opportunities can be tapped only if physical and institutional infrastructure is available. This is not presently the case in all countries.

The purpose of the Marketing and Agroindustry Program in this framework is to support the countries in their efforts to increase the efficiency of their marketing processes. The program will also work to improve the effective participation of agricultural products in international, bilateral and multilateral trade in the region and the world. This will be done by improving the design of information channels and systems, increasing investments in rural agroindustry and promoting nontraditional agricultural export.

4.5.2 Problems

Growing urbanization and the resulting need to move greater volumes of products between the field and the city and within the cities require effective strategies, and organization and investments so that agricultural products will reach consumers quickly and in good condition. This has always been, and continues to be, the most deeply felt problem. It holds back domestic marketing development and depresses farmer income. Many national efforts and international technical cooperation projects have been focused on comprehensive solutions to this problem. Recently, however, the growing importance of intra-regional and international trade has added a new dimension to the many problems that need to be solved if the agricultural sector is to make a full contribution to economic and social development in the region. Related issues are the technology available for processing and handling products, forms of organization for obtaining market entry, access to appropriate information, and management of external marketing processes.

The following concerns are of particular importance in the context of these general problems:

a. Inadequate Information

Strategies adopted by the countries to solve marketing problems have almost always assigned a dominant role to the government, ranging from setting standards and regulations to actually participating in product and input handling for domestic and international markets. The government, in order to play this role, has invested in infrastructure which was then managed by different public sector organizations. However, this physical infrastructure has not been offset with the development of national information systems linked to international systems. Consequently appropriate data are not available to support decision making on production (such as planning crops for domestic and external markets); sales through accessible markets; opportunities to enter external markets; quality standards and packaging regulations; support prices; international trade, trade legislation; etc. Market effectiveness is limited by organizational constraints, the lack of clear priorities for collecting and sorting data, inadequate analysis of data for generating useful reports, and an overall lack of strategies for timely

dissemination of information, although the media for this purpose are generally available.

b. Insufficient development of Infrastructure for rural agroindustry

The government cannot work alone. Private sector projects need to be developed in rural zones, using a participatory organizational structure to combine producers and other agents and an effective operating strategy for investment in rural infrastructure for post harvest management of products and for processing farm goods. It seems paradoxical that most agroindustry is located in urban zones. This makes it impossible to give added value to agricultural production at the point of origin and increases problems of rural poverty and rural to urban migration. The situation is heightened by agricultural finance policies increasingly oriented toward working capital loans, and by industrial financing policies that concentrate on urban centers.

c. Insufficient private sector participation in developing international markets

Intraregional trade has been welcomed as an important channel for Latin American integration. It is not yet strong, but various institutions provide lasting support to the countries' efforts in this direction. In the context of international trade, international organizations are constantly working to improve the relations among countries through agreements and policies for international trade and for renewing the flow of financial resources toward production and trade projects. More is needed, however, if the countries of the region are to participate actively in international trade to generate foreign exchange and reactivate their economies. The public sector needs to play a more active role in promoting private sector initiatives through legislation and projects that encourage investments in joint ventures.

Latin American cooperation also provides a framework for sharing information on health standards, quality control regulations and legal restrictions that need to be respected by countries participating in trade. Such legislation should be subject to continuous analysis and review in all countries to prevent it from acting as a barrier to trade.

4.5.3 Areas of concentration and action plans

Many serious problems are affecting agricultural development from the standpoint of marketing and agroindustry. The program has selected the following areas of concentration:

a. Identification of marketing problems and development of solutions

- i. Analyze with the countries the inherent problems of the marketing process; identify and analyze policies and projects that will help solve problems.
- ii. Train the technical staff of national institutions in organization of marketing, use and dissemination of information, and preparation of marketing projects.
- iii. Support national institutions in deciding what types of economic, regulatory and legal information should be compiled and published rapidly so they will serve as useful tools for decision making on production plans and domestic and international marketing.
- iv. Support the countries in creating systems for the generation and dissemination of information and for education in the use of information to support decisions on marketing and on entering international trade.

b. Promotion of rural agroindustry

The program will work in the countries to promote strategies and policies for bringing industry into rural areas and increasing the rural added value of production. This will recast the relations between industry and agriculture, and emphasis will be placed on processing agricultural goods. The following actions will be carried out:

- i. Support the countries in setting up organizations to promote small and medium sized enterprises that will develop agroindustry, domestic marketing of agricultural products and inputs, and export.
- ii. Promote and support the countries' efforts to develop institutional capabilities for training in the preparation of agroindustry projects.

c. Promotion of technical cooperation for intraregional trade and food security

- i. Cooperate in strengthening intraregional market systems for agricultural products, using the economic cooperation model put forth by other regional institutions.
- ii. Encourage the establishment of cooperation mechanisms among countries and organizations. This is necessary for encouraging the exchange of information as a basis for decisions to coordinate production and enter intraregional markets. A strategy will be adopted for reciprocal support in the area of food security and joint coordinated participation in extraregional markets.
- iii. Support the countries in promoting, implementing and evaluating producer organizations for agricultural export.

d. Promoting nontraditional agricultural exports

The program will work in the countries to promote relations between the public and private sectors for the production and export of agricultural products with high added value. The following activities will be carried out:

- i. Encourage and support the organization of national and multinational programs for training farmers and other groups interested in participating in agricultural export businesses.
- ii. Encourage the organization of meetings and events to bring individuals from countries of the region together with potential importing countries, to exchange experiences and develop technical and trade relations between the two groups. This will lead to joint venture projects.
- iii. Support the countries to develop capabilities for the generation and use of information on external market opportunities and conditions, for export planning.

4.6 Program V. Animal Health and Plant Protection

4.6.1 Purpose

The Animal Health and Plant Protection Program will target problems of pests and diseases that reduce agricultural production and productivity and limit marketing.

Appropriate physical and institutional infrastructure, technically capable and highly responsive, is needed for solving these problems. Effective, lasting actions must be taken to control major pests and diseases and prevent them from spreading.

The Animal Health and Plant Protection Program will cooperate with the countries in strengthening specific national institutions in this field. It will seek to increase their capability and effectiveness in reducing economic losses caused by pests and diseases during agricultural production and marketing, preventing the introduction of exotic pests and diseases, and controlling the spread of diseases already in the countries.

4.6.2 Problems

Pest and disease problems in the countries of Latin America and the Caribbean affect the production, processing and marketing of agricultural goods. This reduces the food supply and the availability of fibers, furs and other products.

Most of the countries of the region are in difficult economic straits. This has underscored the need to increase agricultural production and thus achieve greater food self sufficiency, minimize food imports and increase foreign exchange earnings through agricultural exports.

The possibility that insects and diseases will spread has increased with the development of new livestock production projects, increased crop lands, and diversification to introduce nontraditional crops that provide greater competitive advantages in the international market. All these trends require an exchange of genetic materials and international movement of products.

These new problems have awakened interest in producing regular economic estimates of pest and disease losses. With this information, the outbreaks

can be classified and described to raise awareness of their importance, and resources can be channeled to control them, with special preference for high priority problems.

The countries are making major efforts to control certain pests and diseases. However, the limited budgets in most countries necessitate efficient and highly capable institutional mechanisms, capable of carrying out joint activities with international institutions and with other countries of the region.

The following problems are of particular importance:

a. Institutional structures

Major technological developments have been made in recent years for pest and disease prevention and control. These advances cannot be used unless physical facilities are available, including laboratories, quarantine stations, and others. They also require the consolidation of institutional and organizational structures to provide a systematic, ongoing response to the many needs in the field of animal health and plant protection. Operating resources are limited, and qualified staff members are increasingly abandoning this field. These are two specific types of drawbacks being encountered.

b. Economic losses due to diseases and pests

Institutions must develop the capability for acquiring in-depth, accurate information on losses caused by major pests and diseases, so they can set priorities for control programs. This is true both for diseases that have an international impact, and for those that deter local agricultural production and productivity.

c. International trade

Little information is available on the prevalence and incidence of pests and diseases in the countries. As a result, new health problems are being introduced through the importation of animals, plants and various agricultural products. In other cases, excessively restrictive measures hobble international agricultural trade, and unfamiliarity with these measures often spells the doom of export diversification projects. No

presently existing system provides full international coverage to support the countries by providing information for proper decision making in this field.

d. Participation of the private sector

With few exceptions, private sector agricultural producers in Latin America and the Caribbean have very little participation in promoting and supporting animal health and plant protection programs.

e. Mass media

IICA performed a study of mass media structures that support animal health programs in Latin America and the Caribbean, and found a great need for development. A similar situation can be observed for plant protection.

4.6.3 Areas of concentration and action plans

The overall purpose of the program is to increase the effectiveness of institutional systems for animal health and plant protection in the region. It will concentrate its activities in the following areas of action:

a. Strengthening institutional structures for animal health and plant protection

Dynamic changes are taking place in many institutions of the countries, including the ministries of agriculture and their animal health and plant protection services. The Institute will cooperate in analyzing and evaluating these changes in terms of present and future challenges. It is important to examine the structural models used in those national institutions that have proven most effective, and to help other countries introduce changes in their present structures. The program will seek ways to make more effective use of institutional resources, both human and budgetary, in the field of animal health and plant protection. It will:

1. Cooperate in developing organizational and administrative models and operational methods to strengthen national institutions responsible for animal health and plant protection, and provide necessary promotion

and support to see that they are adapted and used in the countries.

- ii. Work through the Inter-American Animal Health Commission (COINSA) and the Technical Advisory Committee (TAC) to foster more active participation by private sector organizations in plant and animal health programs in the countries, as a means of providing continuity to health programs and improving the effectiveness of specific campaigns.
- iii. Identify needs to train human resources in carrying out animal health and plant protection actions, and to cooperate with the countries in developing local capabilities.
- iv. Support the countries in reviewing, analyzing and updating animal health and plant protection legislation, especially with reference to quarantine, pesticides and veterinary products. Support efforts to harmonize legislation at the subregional and regional levels, when pertinent, urging the countries to adopt control measures of proven effectiveness.
- v. Support the ongoing evaluation of laboratory services for animal health and plant protection diagnosis, and for cooperation with the countries to strengthen these services.
- vi. Support research and technology transfer targeting high priority problems that impede the progress of animal health and plant protection activities.
- vii. Promote mechanisms to ensure that national animal health and plant protection systems have due access to the latest developments in biotechnology, including both molecular biology and genetic engineering, and in other fields related to the prevention and control of pests and diseases.
- viii. Formulate, implement, and evaluate animal health and plant protection projects at the national and multinational levels, to solve shared problems of concern to several countries, by combining capabilities to make the best possible use of available resources.

b. Economic evaluation of pest and disease losses

Efforts are made being to help the countries prevent, control and eradicate pests and diseases that cause major losses to agricultural production and threaten to cross national borders. The program will:

- i. Evaluate different operating approaches and identify the most appropriate for each particular case.
- ii. Use the National Animal Disease Sampling System (NADS) and the United States Pest and Disease Information System as models to be adapted to the special conditions of interested countries, because these systems are equipped to compile reliable information on the processes that cause major economic losses to animal and plant production. Special seminars and meetings should be organized for this purpose, for attendance by animal health and plant protection directors, to discuss the details of the system, reach an understanding on how it will be used, and design strategies for adapting it and developing it in the countries.
- iii. Promote pilot projects for developing the system in interested countries, and attempt to obtain external funding for these efforts. Personnel training can be provided by those who manage more advanced programs.
- iv. Support the development of new systems to provide information on animal health and plant protection losses, including a study of the capabilities and performance of systems already in use in the countries, through which information is regularly supplied on the incidence of pests and diseases.
- v. Support national institutions in identifying, preparing, procuring funding, and carrying out multinational or national projects based on studies of economic losses. The program will encourage actions to develop methods for compiling valid information on economic losses due to pests and diseases, for use in setting priorities and in identifying necessary support mechanisms. Already available to groups of countries are research facilities and diagnostic

laboratory services, for use in a complementary fashion.

In many cases, animal health and plant protection problems are of such magnitude that they lend themselves to a multinational approach. IICA is equipped to manage this type of project, and obtain support from other institutions that can contribute to it.

c. Advisory assistance for the countries to overcome health barriers to international trade

Most of the countries are attempting to increase their exports and thus correct their balance of payments. Importing countries, however, are setting up barriers in the form of permanent health restrictions. The most controversial topic in this sense is pesticide residue and veterinary products.

In this area, the Animal Health and Plant Protection Program will work in combination with the Marketing and Agroindustry Program to:

- i. Develop a system for keeping the countries informed of international agricultural market practices and trends and their implications for plant and animal health problems and restrictions, and guide them in protecting their own agricultural resources without imposing unnecessary trade restrictions.
- ii. Cooperate with the countries in identifying effective means of removing those circumstances which provoke trade restrictions on products from the member countries.

d. Strengthening health protection and emergency systems

The growth of international agricultural trade has increased the risk of spread of pests and diseases. The Institute has an important role to play in helping the countries to evaluate health protection systems and develop actions to strengthen them, especially when immediate action is needed in response to outbreaks of pests and diseases that threaten to spread. The Institute should attempt to develop internal capabilities to support requesting countries in case of an emergency. Program actions in this field will work to:

- i. Design and promote mechanisms with which to enhance the countries' ability to take immediate action in case of an outbreak of high risk pests and diseases.
- ii. Support the countries in ongoing evaluation of plant and animal health inspection systems in international airports, seaports and borders, and cooperate with them to strengthen these systems.
- iii. Cooperate with national institutions to develop and strengthen all forms of mass media in support of animal health and plant protection services.
- iv. Promote greater use of the Inter-American Plant Protection Commission as a permanent forum for consultation and guidance for the identification and recommendation of high priority animal health and plant protection actions.
- v. Improve coordination with other international, regional and subregional organizations (OIRSA, JUNAC, COSAVE, FAO, APHIS, PPQ) to facilitate mutual support of animal health and plant protection actions.
- vi. Coordinate and support other IICA programs and units, as well as CATIE and other institutions such as universities and scientific associations, in developing national and multinational actions for animal health and plant protection (CIP, CIMMYT, CIAT, CARICOM).

CHAPTER 5
GUIDELINES FOR INSTITUTIONAL ORGANIZATION

5.1 Introduction

The units of IICA's operational structure are the management structure, technical cooperation units and CATIE. The management structure contains the office of the Director General, managerial support units, supervision of operations and the system for planning and evaluation. The technical cooperation units are the program directorates, national offices and technical support units.

The nature and action of these units are as follows:

5.2 Management structure

5.2.1 Office of the Director General

The office of the Director General is the Institute's highest tier of technical and administrative management. It includes the offices of the Director General, the Deputy Director General, the advisors to the Director General and the internal audit.

5.2.2 Management support units

Management support units include the Secretariat of the Inter-American Board of Agriculture and the Executive Committee and the units responsible for external relations, human resources, finances and administration of services.

5.2.3 Units for supervision of operations

Directorates for area operations (central, Caribbean, Andean and southern) are the principal means for supervising operations. Their task is to coordinate actions taking place in their assigned regions, supervise national offices, and serve as a liaison between national offices and the central office of the General Directorate. This will increase the efficiency and responsiveness of IICA's operations and management.

In consonance with the objectives of the 1987-1994 Medium Term Plan and within the present framework of increased regional integration, the directors of area operations will work to:

- a. Supervise the efficient operation of national offices.
- b. Foster the process of horizontal cooperation among the countries in the area as a means of facilitating complementary actions and promoting better use of the countries' human and financial resources.
- c. Take advantage of IICA's technical and scientific brokerage capacity to encourage actions shared among the countries (especially in areas of technology, disease control and greater complementarity in production and marketing), and attract the participation of regional organizations specialized in these fields.
- d. Promote the development of multinational projects for technical cooperation, especially for financing by other institutions, through the identification of problems with a regional impact; and support the design and implementation of these projects by cooperating with the directors of pertinent programs and other offices.

The location and organization of directorates of area operations should obey the need to ensure adequate technical and administrative ties with headquarters, and the magnitude of multinational projects presently taking place in the area or projected for the future.

5.2.4 The planning and evaluation system

The planning and evaluation system is the channel through which new projects and initiatives are evaluated and allocated budgetary resources in consonance with the objectives and priorities of the Medium Term Plan. It also provides an opportunity for central management to give feedback through evaluation of actions by the technical cooperation units.

The Directorate for Planning and Evaluation coordinates the system and is responsible for the following functions:

- a. Prospective programming or strategic planning. This involves analysis of the background and development of technical cooperation models, so as to propose alterations to tested approaches,

strategies and operating mechanisms used by the institute to carry out its activities. This analysis culminates in the preparation of medium term plans, drafting of documents to define IICA's general policies and proposals for creating or suspending programs.

- b. Operational planning. This unit provides a detailed annual program of activities; it identifies specific goals and sets up a timetable for project action and resource allocation through the plans of operation for each project.

This unit is also responsible for preparing the two-year program budget, for approval by the Director General and submission to the Board.

- c. Follow-up. The directorate regulates and guides the supervision and follow-up tasks performed by program directors, area directors, office directors and project heads.
- d. Evaluation. The directorate is responsible for organizing ad-hoc groups of external experts to evaluate the impact of programs, national offices and projects.

5.3 Technical cooperation units

5.3.1 Introduction

IICA renders its technical cooperation services to the member countries through the program directorates, national offices and technical support units.

The role of these technical units for the 1987-1991 period is based on the following two factors:

- a. The need to ensure IICA's technical excellence and to concentrate its resources on specific subject areas for which the Institute has comparative advantages; these must be areas of high priority to the countries, and must be reflected in the existence of institutional structures with which IICA can cooperate.
- b. The need for a decentralized organizational and management structure flexible and dynamic enough to operate in the field in response to the changing needs and requirements of the countries.

Certain conditions are essential if project implementation is to be flexible and dynamic. In the first place, high priority areas need to be designated for technical cooperation. Furthermore, decision making on resource allocation for project implementation needs to be decentralized.

5.3.2 Program directorates

Program directorates are the principal technical units of the Institute. They are responsible for developing concepts and work methodologies in the area of program concentration. They seek and obtain external resources to support specific projects. They establish mechanisms for capitalizing on experiences with the implementation of actions taking place in the program framework. Finally, they are responsible for the training of technical specialists assigned to each program.

Each program directorate is responsible for issuing annual guidelines on areas of concentration for the program and on the selection and preparation of projects within the program area. These guidelines must be translated into the Institute's official languages and widely distributed so they will serve effectively as standard setters.

Program directorates concentrate initiatives and assume technical and executive responsibilities for the use of resources allocated for the following operational purposes:

- a. Cooperating with the countries in the identification and analysis of problems through diagnostic studies and assistance in setting priorities and implementing solutions.
- b. Helping strengthen public and private institutional systems supporting the agricultural sector.
- c. Identifying, designing and implementing multinational technical cooperation in the pertinent subject area.

Additionally, in coordination with national governments and offices, program directorates are responsible for providing advisory assistance and support for the organization and technical supervision of national projects in specific subject areas.

Program directorates will be located at Institute headquarters and will be staffed by a director, a support group of two or three specialists also located at headquarters, and regional technicians, the number and location of whom may vary with the volume and needs of projects in each area.

The program will have regional specialists in charge of directing multinational projects and co-operating with program directors in the identification, formulation, follow-up and evaluation of technical aspects of the projects that the program is carrying out in the region.

Each program will have an external advisory council to provide a continuous flow of ideas and outside suggestions. The councils will be comprised of external specialists who will provide input to each program directorate.

5.3.3 National offices

National offices are the units through which the Institute maintains permanent relations with government authorities; they provide the institutional and administrative foundation for implementing IICA's work in the countries.

These offices identify and interpret the countries' needs in IICA's sphere of competence and propose actions to meet those needs. The offices continuously perform and update studies of the problems affecting agricultural development and rural well-being, in conjunction with the programs and in close contact with national authorities. These studies will pinpoint problem areas of high priority to the countries, in which IICA is qualified to assist.

Within this framework, national offices take initiatives in the following areas:

- a. Cooperate with the programs by providing administrative and logistical support for the implementation of projects and other activities for cooperation in program areas, as accorded with national authorities by the program director and IICA's representative, who will guide cooperation activities.
- b. Identify, prepare and implement national projects to provide services in high priority areas.

- c. Participate in preparing multinational projects and in implementing the national component.
- d. Provide technical assistance to the countries in response to unanticipated problems.

National offices must stress the development of capabilities for project identification, administration and implementation. They see that IICA's technical resources and services are incorporated into projects and mobilize resources provided by the base country or other countries in the region through technical and scientific brokerage. At the request of the countries, the offices provide administrative support for project implementation.

The representatives in national offices have technical and administrative authority over assigned personnel. They have administrative authority over program specialists engaged in projects taking place in the base country, and provide them with needed administrative support services.

5.3.4 Technical support units

The functions of technical support units include developing special capacities and providing specific services that will reinforce and supplement the work of program and area directorates and the national offices to which they are assigned.

The technical support units are: the Investment Projects Center (CEPI), the Inter-American Agricultural Documentation and Information Center (CIDIA), the Editorial Service and the Computerized Information Service.

a. Investment Projects Center (CEPI)

The purpose of the Investment Projects Center is to cooperate with the Member States and IICA's units by providing support and direct services in the formulation of projects and training of institute and country personnel. Strategic guidelines governing CEPI call for action to:

- i. Increase its coverage through coordination and horizontal cooperation with program personnel and project specialists in the countries. In this way, it will support IICA's own actions and make a special contribution

to the Institute's internal staff training in the area of CEPI's competence.

- ii. Extend and improve project writing actions through more efficient use of quota resources and better use of other staff members specialized in projects located in IICA's operations centers.
- iii. Improve methodologies for evaluating social, economic, monetary, financial and foreign exchange conditions, stressing the use of microcomputers and the development and adaptation of programs for investment project analysis at the farm and sector levels.
- iv. Select and strengthen national and regional training units in the Center's area of competence, and consolidate the in-service training system.

b. Inter-American Agricultural Documentation and Information Center (CIDIA)

The Inter-American Agricultural Documentation and Information Center (CIDIA) is the Institute's technical support unit specializing in documental information. CIDIA works with scientific and socioeconomic documentation related to agriculture, stressing subject areas selected for action by the Institute's programs.

CIDIA's objective is to create and maintain documental information services for all groups involved with IICA's actions and to tap new technological developments so as to keep its services efficient and timely.

CIDIA makes use of new know-how and technical resources to support the development of documental information systems and structures at IICA and in the Member States. It takes actions that serve to:

- i. Identify, prepare and implement documental information projects.
- ii. Promote and apply adequate and efficient methods and techniques for analysis, retrieval and use of documental information, and publicize them among IICA's programs and throughout the countries.

- iii. Support the development and efficient use of documental data bases on subject areas of major interest to IICA's programs and to national institutions.
- iv. Develop guidelines and promote the use of uniform standards for the organization, handling and dissemination of documental information.
- v. Work individually and in coordination with other entities in activities requiring CIDIA's specialized support in training, technical assistance and provision of documental information.
- vi. Provide information services to meet the demands of Institute staff specialists and of users in the Member States through information referral services, use of bibliographic and documental collections, and data bases compiled, managed and used by IICA and other organizations.
- vii. Promote the implementation of joint activities among bibliographic information units as a means of solving common problems and making more efficient use of human and technological resources available in the region.

c. Editorial Service

The purpose of the Editorial Service is to publish technical works for use by the Institute and the Member States, provide graphic services to IICA's operations centers, and channel the dissemination, distribution and marketing of publications.

The Institute's editorial plan calls for production and dissemination of technical publications (books and journals) geared to the development of agricultural sector institutions in the continent. The Editorial Service provides educational materials and disseminates technical and scientific information in the subject areas to which IICA attaches high priority through the programs contained in the Medium Term Plan. The service publishes two series:

1. The Educational Books and Materials Series
Is oriented towards production of textbooks for the development of agricultural education in the Americas.

- ii. The Research and Development Series was designed to publicize the results of research and studies in IICA's fields of high priority interest.

d. Computerized Information Service

This service is designed to furnish technical support to develop information systems and sub-systems through the incorporation and efficient use of computers. It is available for the administration and operation of headquarters offices and national offices. Its task will be to:

- i. Use computer systems to process automated information, providing services for systems analysis, computer programming, data processing, data base management, operation and purchasing of equipment and telecommunications.
- ii. Gather, process and store data on electronic media for IICA units and services and coordinate the transfer of important information.
- iii. Incorporate computer technology and see that it is used efficiently for developing systems to improve IICA's project information processes. This involves:
 - Analyzing available agricultural, technical, scientific and statistical information systems and exploring their potential to facilitate decision making processes; and developing alternative solutions and feasibility studies for the purchase of equipment and systems.
 - Adapting, applying and documenting procedures and useful software packages.
 - Promoting the exchange and integration of data and the improvement of agricultural statistical systems in the countries.
- iv. Provide training at all levels for personnel who participate in the use of information systems, as a way of maximizing their potential.

5.3.5 Tropical Agriculture Research and Training Center (CATIE)

CATIE is a research and training center of the Inter-American system, associated with IICA. It has special organizational characteristics that guarantee it the operating independence required in its mandate. CATIE and IICA maintain institutional and technical relations to facilitate mutual cooperation and support, so that they in turn provide the Member States with better service, each within its own area of responsibility.

CATIE's general objectives are to conduct research into problems associated with tropical agriculture; to perform scientific research; to provide specialized and graduate education; and to offer training and advisory services. In these areas, CATIE supports IICA's programs as a valuable means of enhancing the Institute's capacity.

CATIE's scientific research services focus on the countries of Central America and the Dominican Republic. The graduate school is open to all of IICA's Member States.

CATIE and IICA strive to work together in all countries in which both are active, by sharing facilities, exchanging information and developing cooperative projects.

CHAPTER 6
BUDGET REQUIREMENTS AND FINANCIAL STRATEGY
FOR 1987-1991

6.1 Introduction

This chapter contains estimates of budgetary resources that will be needed in the 1987-1991 period, for implementation of the Medium Term Plan. It is important to keep in mind that budget estimates are subject to changing conditions in the economies of the Member States, caused by problems of external debt, fiscal deficit and inflation. Resource needs depend on economic, political and social conditions in the countries, and this is reflected in the biennial program budget and the annual plans of operation. Both of these programming tools will eventually take account of factors which were unforeseeable at the time this plan was written.

Estimates presented herein give only a general idea of budgetary scope and expected trends resulting from implementation of the plan. The year 1986 was used as the base year for estimating budget requirements, and changes were introduced on the basis of the new program structure. Estimates are given for the first and last years of the plan (1987 and 1991), to indicate general trends. Figures for the intermediate years will appear in short term planning documents.

6.2 Criteria for determining budget requirements for the Medium Term Plan

The level and structure of budgetary requirements must fit the goals of the Medium Term Plan for the coming period. Certain criteria have been used for determining the Institute's financial needs, based on the expected costs of implementing the comprehensive guidelines for the objectives, strategy and institutional structure described in the above chapters. These criteria are:

6.2.1 The mandates of the Institute's governing bodies.

Most important is the decision of the Member States to reduce the proportion of regular resources allocated for financing IICA's regular personnel during the implementation of the plan (IICA/CE/Res.-50(V-0/85) and IICA/JIA/Res.72(III-0/85)).

This policy means that the percentage of resources available for regular personnel costs will be reduced. There will be no corresponding increase in the proportion of resources allocated for general

services personnel costs, except to cover inflationary or other natural growth. Instead, the amount of resources for hiring technical specialists to conduct specific activities (consultants) will rise.

6.2.2 Background information on quota resource growth.

This information can be found in the 1983-1987 Medium Term Plan, which established that there would be no increase in resources, except to offset inflation or introduce new projects. In addition, it called for increases equal to those authorized by the IABA for previous biennia, of five percent for 1984-1985 and zero percent for 1986-1987.

A five percent yearly increase in these resources has been called for in the first year of each biennium as a means of offsetting inflation during the 1985-1986 period, and so as not to reduce real service capabilities. A three percent annual growth rate has been estimated for the remaining years to offset expected inflation. If, during the course of the plan, inflation were to increase beyond these figures, the corresponding adjustments should be made.

6.2.3. Specific guidelines

- a. Concentrate technical capacity in five program areas of high priority to the countries, and in which IICA has comparative advantages.

This reduction in the number of programs and concentration of effort mean that the plan will begin with an unequal amount of regular resources available for the different programs. This is because the programs are used as a framework to allocate existing project resources. As the plan unfolds, efforts will be made to establish a better balance, in accordance with high priority problems in the countries. Thus, the programs for Organization and Management for Rural Development and Marketing and Agroindustry will see their resources grow proportionally.

- b. Provide the General Directorate with a decentralized organization and administrative structure characterized by greater operational flexibility.
- c. Increase resources from Indirect Administrative and Technical Costs (CATI's) by carrying out the

recommendation of the Board that IICA recover all costs incurred for the implementation of projects funded with external resources. Efforts will be made to increase CATI income to a minimum of 8 percent, as established by the Board.

- d. Increase other sources of income. An effective policy will be adopted for obtaining resources from the sale of services and from other miscellaneous sources of income. This policy is expected to produce a significant sum.
- e. Increase resources for technical cooperation. IICA would like to increase technical cooperation to the countries and will allocate larger amounts of quota resources for this purpose. However, this will be possible only if other resources are obtained in the form of CATI's, miscellaneous income etc., to supplement quota funds. This should in no way interfere with the development of a responsive, workable structure for support units, which must continue to receive basic resources to carry out the roles assigned in the Medium Term Plan efficiently and effectively. These units must be able to provide effective support to the direct technical cooperation services.
- f. Increase external resources. The five year plan foresees increases in external resources. Improved overall efficiency, especially in the national offices, will enable the countries to make better use of IICA's service capacity. By the end of the 1987-1991 period, the Institute expects to receive nearly 30 million dollars. Increased external resources signify increased overhead costs for the Institute. Projects will cover this increase with their own resources, so that the Institute will be reimbursed for all the expenditures incurred while implementing externally funded projects. At least 8 percent will be charged to each project for this purpose, and the resulting income will be used to cover expenses in the host country and by the General Directorate.
- g. Emphasize multinational projects. The growth of multinational activities, both hemispheric and regional, increases the percentage of resources for technical cooperation. These projects can take place at either the regional or the hemispheric levels, and they help prevent dispersion of efforts.

- h. Promote horizontal cooperation. Due to human resource constraints, the Institute will expand actions for horizontal technical cooperation and/or technical and scientific exchange, which means that a higher percentage of resources should be allocated for this purpose. The bulk of the increase should be from external sources.
- i. Reallocate resources by region and country. Changes will occur in the distribution of quota resources by geographic area during the implementation of the plan. More resources will be channeled toward countries and areas which are relatively less developed. In order to make better use of the Institute's budgetary and technical resources, this increase will be directed at multinational actions.
- j. Provide resources for programs. Program directorates will have access to resources allocated for multinational actions, as well as monies earmarked to support certain projects or activities in specific areas or countries. This will help them discharge their responsibilities more fully.

6.3 Overall budgetary requirements

During the 1987-1991 period, resources available to the Institute for financing projects and activities will derive from the following sources: i) regular resources, which consist of quotas from the Member States and reimbursements for Indirect Administrative and Technical Costs (CATI's) which IICA receives for managing externally financed projects, and other income (miscellaneous items, sale of specific services, etc.); ii) external resources, comprised of income proceeding from agreements and contracts signed with national and international institutions for conducting technical cooperation projects and activities in the framework of one of the programs, or through services provided by technical support units.

The Institute expects to have a total budget of approximately 56 million dollars by the end of the term. Most of this increase is expected to take the form of external resources, so that the Member States can make better use of IICA's infrastructure and services. This means that external resources, which will constitute the

Institute's principal source of funds, will total approximately 30 million dollars (see Table 1).

6.3.1 Quota budget requirements by object of expenditure

The Institute's governing bodies have asked that personnel costs not increase. This will be respected, except for adjustments needed to offset natural inflationary growth. No increase is foreseen in the number of positions for either international professional personnel or general services personnel. Consequently, the resources for operational and general services costs (objects of expenditure 3 to 9) will increase in both absolute terms and in their relative levels, reaching almost 30 percent during the term of the plan (see Table 2).

A significant change will be introduced in the costs of regular international professional personnel, which will fall from 32.9 percent of the total to 27.9 percent, a 15 percent decrease over the course of the five years. This reduction will be effected through a policy of avoiding the addition of regular international professional personnel. Instead, specialists will be hired for specific projects and activities (see Table 2).

Because more resources will be available for operations and general services, the projects and the IICA offices in the countries will be able to increase their services to the countries.

Table 1. Estimated overall budget requirements and origin of funds
(Thousands of US\$)

FUNDING SOURCE	1986		1987		1991	
	US\$	%	US\$	%	US\$	%
A. Regular resources	22 155.0	56.4	22 127.0	57.8	26 631.0	47.0
1. Quota resources	20 289.1	51.6	20 289.1	53.0	23 731.0	49.1
2. CATI resources	1 365.9	3.5	1 337.9	3.5	2 400.0	4.2
3. Other resources	500.0	1.3	500.0	1.3	500.0	0.9
B. External resources	17 127.6	43.6	16 156.0	42.2	30 000.0	53.0
TOTAL	39 282.6	100.0	38 283.0	100.0	56 631.0	100.0

Table 2. Quota budget requirements by object of expenditure (percent)

OBJECT OF EXPENDITURE	1986	1987	1991
1. International <u>1/</u> professional personnel	50.0	51.3	48.4
a. Regular	32.9	32.4	27.9
b. Temporary	17.1	18.9	20.5
2. Local professional and general services personnel	14.7	14.1	14.0
3-9. Operations/general services	27.7	26.0	29.4
Other <u>2/</u>	7.6	8.6	8.2
TOTAL	100.0	100.0	100.0

1/ Increases in 1987 are due to natural inflationary growth; changes affect the budget as of that year.

2/ CATIE and general costs and provisions

6.3.2 Quota budget requirements by activity

Expected increases in quota resources will be allocated with a preference for increasing direct technical cooperation services in the countries. This can take the form of technical cooperation projects, services provided by the programs, support units and specialized centers, or technical services by IICA offices in the countries. Approximately 80 percent of quota resources are expected to be used for these services by 1991 (see Table 3).

Table 3. Requirements for quota funds by category of activity
(percent of total quota budget)

CATEGORY OF ACTIVITY	1986	1987	1991
A. Direct technical cooperation services	78.9	79.6	80.7
1. Programs	55.5	52.3	53.1
a. Multinational projects	17.5	19.0	25.3
b. Country projects	38.0	33.3	27.8
2. Offices	11.0	14.6	14.6
3. Centers	4.3	4.2	4.1
4. Technical support services	2.1	2.3	2.2
5. Short-term technical cooperation	1.0	1.2	1.7
6. CATIE	4.9	5.0	5.0
B. General Directorate costs	18.5	16.7	16.1
C. General costs and provisions	2.6	3.7	3.2
TOTAL	100.0	100.0	100.0

Programs receive the largest percent of resources for direct technical cooperation services. The program allocations will gradually be redistributed so as to produce a relative and absolute increase in resources for those programs which presently have low levels of resources (see Table 4).

Table 4. Relative weight of quota resource allocations by program (percent)

PROGRAM	1986	1987	1991
1. Agricultural Policy Planning and Analysis	18.3	20.2	20.0
2. Technology Generation and Transfer	44.0	38.8	34.0
3. Organization and Management for Rural Development	14.2	14.3	16.0
4. Marketing and AgroIndustry	7.9	9.8	12.0
5. Animal Health and Plant Protection	15.6	16.9	18.0
TOTAL	100.00	100.0	100.0

An important change will be an increase in resources for multinational projects at the area or hemispheric levels. This strategy will enable the Institute to concentrate its actions on problems common to groups of countries, seeking multinational solutions more effectively and efficiently than could be done through individual actions. This will maximize the benefits of available resources, bringing IICA's experience to bear on more countries. Funds for this kind of activity are expected to increase from 17.5 percent to 25.3 percent, reflecting an important change in the use of IICA's human and financial resources (see Table 3).

This strategy will be followed in all the geographic areas; however, special priority will be given to the relatively less developed countries and groups of countries, which will receive an absolute and relative increase in quota resources. The policy will place more funds at the service of the Caribbean area and some countries in the central and Andean areas.

Similarly, the General Directorate will implement Institute-wide organizational changes as a way of increasing the efficiency of the administrative structure. This step will serve to strengthen technical cooperation services and reduce the percentage of resources allocated to General Directorate costs. The effect will be most evident during the plan's initial years.

6.4 Financing strategy for the Medium Term Plan

Quota resources contributed by the Member States will continue to be the financial basis of the Medium Term Plan during the next five years. This will be true despite the expected growth of external funding.

IICA's regular resources will consist of quota funds and other sources of income that reinforce and expand the quota budget. The General Directorate will seek to increase these additional sources of regular funds so as to free quota resources for providing more services to the countries. Special emphasis will be placed on reimbursements from Indirect Technical and Administrative Costs (CATI's) which are used to cover overhead costs incurred for servicing externally funded projects. All projects with external funding must allocate a minimum of 8 percent in CATI's to offset these overhead costs, with the exception of those projects designed to strengthen the Institute itself. This will be done in compliance with a mandate of the Board.

The Institute will receive over fifty percent of its funds from external sources during the 1987-1991 term, as was noted above. Program directorates will play an essential role in procuring resources to carry out studies in high priority subject areas and to finance multinational projects.

This point takes on added significance under present conditions of external financing for the countries, with financial agencies adopting different directions and using new criteria for granting credit. IICA will develop strategies for acting on a case by case basis to approach new resource markets and implement projects for technical assistance within the basic framework of the Medium Term Plan. To ensure success, new relationships must be established with major financial agencies that support investments and technical cooperation in the region. These new approaches will have a strong budgetary impact on the Institute, given that a more efficient structure in the national offices will allow the Institute to develop and implement projects to serve the countries with external resources.

Emphasis will be placed on diversifying sources of funds as a way of increasing external resources. Special importance will be attached to the European Economic Community and to private foundations in the Americas and Europe. This should produce a net increase in resources available for IICA's technical cooperation actions.

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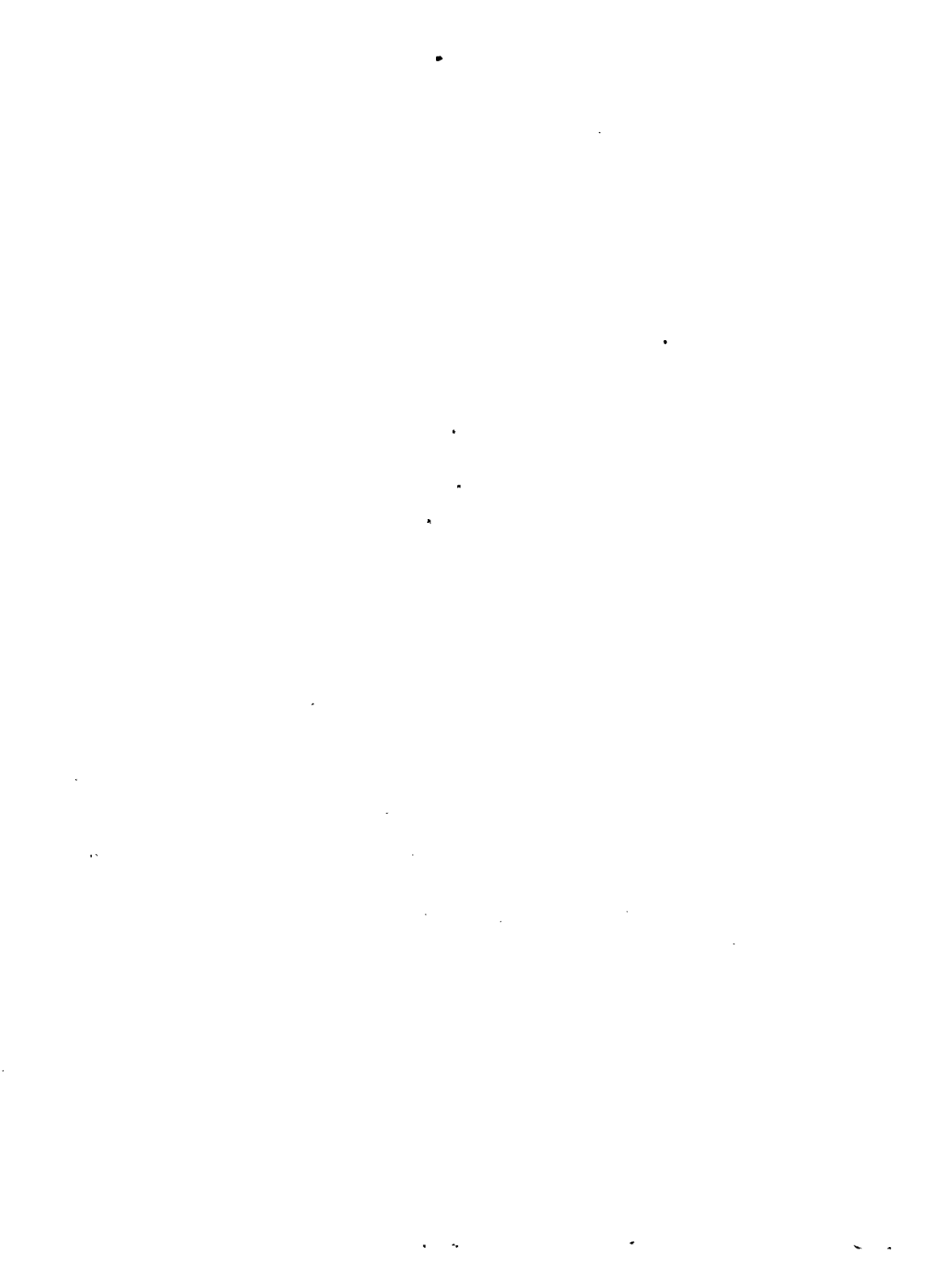
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This document was edited and published by the Office of Coordination of Institutional Affairs of the Inter-American Institute for Cooperation on Agriculture. Members of this Office and of IICA's Print Shop participated in preparing it. Printing was completed in December 1986, with a press run of 500 copies.





INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE

The Institute is an agency of the inter-American system, specialized in agriculture. It was created by the Governments of the Americas for the purpose of encouraging, promoting and supporting the efforts of the Member States to attain agricultural development and well-being for their rural populations. Originally called the Inter-American Institute of Agricultural Sciences, IICA was founded on October 7, 1942. It was reorganized and given its present name in a Convention that was opened to the signature of the American States on March 6, 1979 and went into effect in December, 1980.

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