



Thirty-seventh Regular Meeting of the Executive Committee

Adapting the WHO/PAHO cooperation model to the relationship between IICA/FAO

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“Progress made in drafting proposals for the financial strengthening and strategic
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ADAPTING THE WHO/PAHO COOPERATION MODEL TO THE RELATIONSHIP BETWEEN IICA/FAO

THE OPPORTUNITY TO REVOLUTIONIZE MULTILATERAL COOPERATION FOR AGRICULTURE IN THE AMERICAS

I. INTRODUCTION

The agriculture of the Americas faces formidable challenges in the future. In 2011, the Ministers of Agriculture of the Americas established four strategic objectives to address these challenges: increase the productivity and competitiveness of the agricultural sector, strengthen social inclusion in rural areas, improve sustainability and guarantee food security.

Individual efforts made by countries are no longer sufficient to achieve these objectives in an international context shaped by globalization processes and by a complex framework of political and economic relationships among nations, which includes agriculture and the food sector.

Since the middle of the twentieth century, international technical cooperation has provided an excellent vehicle for promoting understanding between peoples and undertaking joint efforts to achieve common goals. These aspirations have resulted in the creation of a vast network of international organizations with the aim of enhancing multilateral cooperation - both North-South and South-South cooperation - on a wide range of topics, including agricultural development and food security, which occupy a very important place, both in the regional and global spheres.

In this regard, the Inter-American System has the Inter-American Institute for Cooperation on Agriculture (IICA) while the United Nations System has the Food and Agriculture Organization (FAO). The latter institution implements its cooperation agenda in Latin America and the Caribbean (LAC) through its Regional Office. Both structures have coexisted for nearly seven decades and their relationship has generally been based on cooperation and understanding, though they are not exempt from competition and even duplication of efforts. For this reason, their clients or principals have, at different times, called for improved coordination between both institutions; however, their coexistence has always been taken for granted.

While it is true that in the face of current challenges, international technical cooperation is more pertinent today than ever before, it is understandably becoming more and more difficult for countries, regardless of their level of development, to increase their financial contributions to multilateral institutions. Furthermore, there are growing and justified calls for these organizations to become more efficient and effective in delivering cooperation services.

The countries face a difficult dilemma in reconciling their clear conviction regarding the strengths and benefits of multilateral cooperation, and their real difficulties in resolving the financial problems that have weakened the institutional framework which has taken so many years and so much work to create. This is a problem that afflicts nearly all international organizations, including the two with the greatest coverage in the hemisphere that are dedicated to agriculture: IICA and FAO, which operates through its Regional Office for Latin America and the Caribbean (RO/LAC) and its Regional Conference for LAC (RC/LAC).

Although the traditional way of resolving these limitations has been to demand that international organizations introduce changes and find new ways of obtaining external resources, i.e. funds additional to the quotas that Member States are legally obliged to pay, the fact that margins are being progressively reduced, together with the current financial difficulties, could lead to an unacceptable impairment of cooperation services, or even, in the worst case, to their disappearance, an improbable scenario but impossible to rule out in these times.

Over the course of several decades, IICA has suffered a decline in its finances, a problem that is increasingly difficult to resolve with purely administrative solutions, or even with minimal increases in its Regular Budget, i.e. the budget financed with Member States' quota payments.

For this reason, the Inter-American Board of Agriculture (IABA), at its Eighteenth Regular Meeting held in Mexico on October 19-23, 2015, approved Resolution IICA/JIA/Res.501(XVIII-O/15), *"Institutional process for the formulation and presentation of proposals for the financial strengthening and strategic restructuring of the Institute."* In its fourth operative paragraph the resolution requests that:

The Executive Committee, taking into account the recommendations of the SACMI, submit to the next meeting of the IABA proposals for the financial strengthening and strategic restructuring of the Institute, together with the draft regulatory amendments required."

In compliance with that mandate, the Executive Committee, at its Thirty-sixth Regular Meeting, adopted Resolution IICA/CE/Res. 615 (XXXVI-O/16). The third operative paragraph of this resolution calls on the Director General to:

"Undertake a study, which may include the necessary consultations, to analyze: the legal framework of the WHO/PAHO model that could serve as the basis for a strengthened alliance between IICA and FAO in order to eliminate duplication, promote savings in the implementation of activities and make better use of the resources allocated by the Member States to both organizations; how the model benefits member countries; advantages and areas of opportunities; potential disadvantages to IICA's current effectiveness in technical cooperation; and to submit a report to the next regular meeting of the SACMI, which should include the recommendations that the Office of the Director General supports for implementation."

In compliance with this mandate, a study was prepared for consideration by the Member States of IICA, which contained the following conclusions:

1. It is perfectly viable to establish a partnership model between IICA and FAO, in which the Institute, through its General Directorate, assumes the role currently held by the RO/LAC, and through the IABA, takes on the functions of the RC/LAC, without losing its inter-American character or its autonomy in managing the hemispheric cooperation agenda.
2. This model has already operated successfully for the last seventy years in the relationship between the Pan-American Health Organization (PAHO) and the World Health Organization (WHO).
3. The work of PAHO, in its dual role as the Pan American Health Office and as the WHO Regional Office for the Americas, has been useful for both institutions and for the countries that they serve. It has facilitated the development and implementation of a hemispheric cooperation agenda aligned with the global agenda, and has generally satisfied the needs of the 34 countries of the Americas.
4. The biannual quotas that the 34 Member States pay to IICA amount to USD 60.1 million, while the total quotas paid by these same countries to the FAO amount to USD 163.2 million (does not include Cuba). The Institute allocates 100% of its Regular Budget to the provision of technical cooperation services to its Member States, while FAO has assigned a budget of USD 83.8 million to LAC for the biennium 2016-2017, according to the report of its Council.
5. IICA is headquartered in Costa Rica and has offices in each of its 34 Member States, as well as in Spain. For its part, FAO has a regional office in the Chilean capital, Santiago, plus two subregional offices, one in Panama and another in Barbados. However, it has a lesser presence in the countries of the hemisphere, compared with IICA. From this we may conclude that it would be relatively simple to build a single structure covering all the countries of the Americas, using IICA's capacities. This would bring significant savings in operating costs.
6. The regular meetings of the IABA and the RC/LAC take place every two years, a few months apart, and are generally held at the ministerial level. Consequently, an agreement establishing the IABA as the RC/LAC for FAO would not only provide a larger space and greater consistency for strategic multilateral discussions in the region, but would also save resources that could be used for cooperation.
7. It is important to emphasize that FAO's definition of the LAC region does not include Canada or the United States of America (USA), but does include Cuba. By contrast, IICA does include those countries, but does not include Cuba. However, through a simple resolution by its Conference, FAO could redefine its regional structure so that Canada and the USA could be included in the LAC region; and, if IICA were to serve as the RO/LAC and RC/LAC for the FAO, Cuba could participate in IICA, following the same reasoning that has enabled that country to participate in PAHO.
8. There is a crucial difference in the leadership of these cooperation efforts: whereas the Director General of IICA is elected by affirmative vote of the majority of Member States

for a maximum period of eight years, the Representative of the RO/LAC is appointed, and can be removed by the Director General of FAO. This difference could be resolved by including a provision in the Basic Agreement between IICA and FAO requiring that the Director General of FAO appoint the Director General of IICA as Director of the RO/LAC.

9. Obviously, the PAHO/WHO model would have to be adopted gradually, trying to apply the lessons learned from that experience to the food and agriculture sector. In other words, it would entail a process of negotiation and gradual transition.
10. Said negotiation process should culminate with the signing of a Basic Agreement, approved both by the FAO Conference and by the IABA, so that no amendment of the constituent instruments of either organization would be required.
11. The next regular meeting of the IABA could be used to advance the political process toward the possible establishment of the PAHO/WHO model for the IICA/FAO partnership, by means of a resolution declaring the implementation of said model as an “objective” and calling on Member States to adopt a similar resolution at the next meeting of the RC/LAC.
12. Finally, the most important point about this proposal is that it represents an opportunity to align the cooperation agendas of both institutions, with their many similarities and complementarities, for three main reasons: the situation facing agriculture and food is similar in many aspects; the clients are the same; and, a partnership would offer the possibility of generating substantial savings.

It is important to note that this idea had already been put forward previously. What is new this time is that we are openly proposing that IICA take on the functions currently carried out by the FAO’s RO/LAC and RC/LAC. In doing so, the Institute would still conserve its inter-American character and its political, programmatic and institutional autonomy, maintaining its hemispheric cooperation agenda in agriculture, in alignment with the global food agenda that corresponds to the FAO.

It is undeniable that an enormous effort of political will is required on the part of the countries to consolidate this plan (certainly, negotiations would need to take place in Costa Rica, Rome and Santiago). It will be especially challenging to overcome the resistance that will naturally arise toward the initiative, particularly among the operational and administrative structures of both organizations. However, in the end we will see the fruits of this effort, if we prioritize the national and multilateral interests of the countries and the benefits provided by the agrifood sector to their societies.

This historic decision is of great significance and is proportional to the enormous challenges that the agriculture of the Americas will face in the years to come. The magnitude of IICA’s strategic restructuring process is matched by the strong determination of the sector’s authorities to support it.

Below is a detailed report on the study of the WHO/PAHO model, undertaken in compliance with operative paragraph 3 of Resolution IICA/CE/Res. 615 (XXXVI-O/16).

II. ANALYSIS OF THE PAHO/WHO MODEL

2.1. Basic juridical structure of the model

PAHO¹, like IICA, is one of six Specialized Organizations within the Organization of American States (OAS), governed by Chapter XVIII of the OAS Charter and by an agreement signed with this organization. Its special area of competence is reflected in its name, as is the case with IICA. Its Member States are the same as those of the OAS². Similarly, through an agreement with the WHO, PAHO operates as the WHO Regional Organization within the United Nations Organization (UN).

Notwithstanding its relations with the OAS and WHO, PAHO is an essentially autonomous organization. It is governed by two instruments of a multilateral regional character: i) its own constitutive document, the Constitution of 1947, adopted by its Member States at the Twelfth Pan American Sanitary Conference, held in Buenos Aires that same year, and ii) the Pan American Sanitary Code, originally approved at the Seventh Pan American Sanitary Conference held in 1924, and then amended several times at subsequent conferences.

Like IICA, PAHO answers to its own governing bodies, sets its own policies and priorities, approves and manages its own budget through mandatory quotas and voluntary contributions, appoints its Director General and staff and operates according to its own rules.

The governing bodies of PAHO perform functions similar to those of IICA's. These functions are distributed among three collegiate bodies: the Pan American Sanitary Conference (the Conference), the Directing Council and the Council's Executive Committee.

PAHO, like IICA, has a General Directorate as its administrative body, which is the Pan American Sanitary Bureau (PASB). The Bureau is headed by the Director General of PAHO, who is elected by the Conference and serves for a five-year term.

As a Specialized Organization of the OAS, a status also held by IICA, PAHO legally enjoys full technical autonomy. Its main responsibility to the OAS is to take into account the decisions and recommendations of the OAS General Assembly and submit to the assembly annual reports on the progress of its activities.

As to its relationship with the WHO, in 1950 PAHO agreed to serve as the Regional Organization for the Americas, under a bilateral agreement (PAHO/WHO Agreement) and based on the WHO Constitution of 1946. Chapter XI of said Constitution established the arrangements pertaining to regional organizations within the structure of the world organization.³

¹ The Basic Documents of PAHO mentioned in this section are contained in the following publication: PAHO (Pan American Health Organization). 2012. The Basic Documents of the Pan American Health Organization. 18 ed. Washington, D. C., United States of America. Available at http://www.paho.org/hq/index.php?option=com_content&view=article&id=98&Itemid=40697&lang=enf. These include the following documents: Pan American Sanitary Code; Constitution of PAHO; Agreement between WHO/PAHO; Constitution of the WHO; Resolutions on the role of Participating States, Associate States and Observer States in PAHO; Agreement between the OAS and PAHO; Rules of Procedure of the Governing Bodies of PAHO (the Conference, the Directing Council and the Executive Committee of the Directing Council).

² According to its Constitution, there are two categories of members: Member Governments and Participating Governments. Participating Governments are those from territories or groups of territories within the Americas which are not responsible for the conduct of their international relations. See the PAHO Constitution, Art. 2. Both groups enjoy the right to vote. There are also two Observer States (Spain and Portugal) which, like the Associate Members of IICA, do not have the right to vote in the governing bodies.

³ See the *Constitution of the World Health Organization*, Arts. 44-54. According to Art. 44, the Assembly "shall, from time to time, define the geographical areas in which it is desirable to establish a regional organization." The *Basic Documents of the World Health Organization* (48 ed., 2014) are available

Under the WHO Constitution, a regional organization has two organs: a Committee and the regional offices. The functions of the Regional Committee include formulating regional policies, convening technical conferences, engaging in cooperation with other international organizations with common goals and interests, advising the WHO on regional health issues, recommending that Member States contribute additional funds for projects in the region, supervising the main Regional Office and any other tasks assigned by WHO. The main function of the Regional Office is to serve as the secretariat of the Regional Committee and implement the policies and programs adopted by the WHO governing bodies with the world organization's resources.⁴

In 1949-50, the concept of using an existing international public regional health organization to carry out the functions of a regional organization of WHO, made a lot of sense, since it helped to prevent the duplication of efforts and programs and served to maximize the limited resources available, both financial and human. The PAHO Council, by virtue of its membership, structure and rules, could easily perform the functions of the WHO Regional Committee for the Americas, while the PAHO Office fulfilled all the functions of the WHO Regional Office.⁵ In this regard, Article 2 of the Agreement between the World Health Organization and the Pan American Health Organization states:

The Pan American Health Conference, through the Directing Council of the Pan American Health Organization, and the Pan American Sanitary Bureau, shall serve, respectively, as the Regional Committee and the Regional Office of the World Health Organization for the Western Hemisphere, within the provisions of the Constitution of the World Health Organization. In deference to tradition, both organizations shall retain their respective names, to which shall be added "Regional Committee of the World Health Organization" and "Regional Office of the World Health Organization" respectively.

2.2. Operational autonomy of PAHO within the framework of WHO

It should be noted that the 1950 agreement did not result in the merger of the two organizations. Rather, it consolidated a relationship of cooperation between equal partners in which PAHO, as the Regional Organization for the Americas, assumed the functions of WHO without losing the institutional, technical and political autonomy established in its Constitution. As explained below, the current operational, financial and budgetary structure of PAHO and WHO is based on the practical relationship developed over the last 67 years, which has supported PAHO's hemispheric functions without affecting its autonomy.

at <http://apps.who.int/gb/bd/PDF/bd48/basic-documents-48th-edition-sp.pdf> . These include the following: Constitution of the WHO; Agreements between WHO and other international organizations (including PAHO and the UN); Staff Regulations; Financial Regulations; Rules governing the participation of Associate Members and Other Territories; and Rules of Procedure of the WHO governing bodies.

⁴ These governing bodies are: the World Health Assembly (Assembly), comprised of all members of the WHO, and the Executive Board (Board), composed of 34 of the WHO's 193 Member States. The WHO has its own Secretariat, and the Director-General, elected by the Assembly, is the organization's most senior technical and administrative officer. See the Constitution of the World Health Organization, Arts. 9-41.

⁵ This situation prompts the question of why FAO, during the period of its formation in the 1940s, did not offer a similar proposal to IICA. One hypothesis regarding the reason why it did not do so is that at that time IICA was not such a mature institution as PAHO. IICA was established in 1942, and its original mandate was very different and more limited than its current mandate. IICA's mission at the time of its founding was to serve as a scientific research institute in agriculture, and not as an institution of regional cooperation dedicated to the improvement of agriculture and rural life. Therefore, the IICA of the 1940s was not an appropriate partner to serve as a regional organization of FAO.

The greater part of PAHO's financing comes directly from its member countries, not from the WHO. For example, the "integrated"⁶ budget for the period 2016-17 totals USD 612.8 million. Of this amount, only 29 % comes from WHO⁷. Another 31% is financed with obligatory quotas, 4% with miscellaneous income and 36% with voluntary contributions. The program budget contemplates additional funds of up to USD 990 million provided by Member States for the administration of national and regional projects requested by them, and not described in the integrated program budget, which must be consistent with PAHO's objectives.⁸ The obligatory quotas are fixed according to the OAS scale, as in the case of IICA.

The amount of the WHO contribution to PAHO is not fixed, nor is it established as mandatory in the PAHO/WHO Agreement, or in any other instrument between the two institutions. However, Article 6 of the Agreement requires that WHO allocate "an adequate proportion" of its budget "for regional work"; similarly, Article 7 implies that WHO must pay PAHO for additional expenses incurred in the course of its functions as Regional Office of the WHO in the American hemisphere.

The WHO/PAHO Agreement does not establish specifics regarding budget programming matters. Therefore, PAHO prepares and approves its own program budget and its Director, in his/her capacity as Regional Director of WHO, is merely required to submit to the Director-General of WHO the annual budget of expenditures of the PAHO Bureau dedicated to functions pertaining to the WHO Regional Office, so that it can be considered in the preparation of the World Health Organization's annual budget estimates.⁹

PAHO officials take steps to ensure that the funds allocated to its budget by WHO are managed in accordance with the priorities established in the WHO program budget for the Americas, and report on the exercise of these funds in the manner requested by WHO.¹⁰

Article 3 of the PAHO/WHO Agreement recognizes PAHO's authority to program its own activities and to "adopt and promote health and sanitary conventions and programs in the Western Hemisphere, provided that such conventions and programs are compatible with the policy and programs of the World Health Organization and are separately financed."

It is important to mention some other political, administrative and institutional elements that confirm PAHO's character as an autonomous institution for the American hemisphere.

The organization has its own financial and staff regulations and, although it has adopted the UN remuneration and pensions system dictated by the International Civil Service Commission, it has done so by its own decision, since it is not a requirement of the PAHO/WHO Agreement or of the WHO Constitution that personnel of a regional organization of WHO adopt the UN personnel system.

⁶ The term "integrated" indicates that the budget includes specific activities and programs to be financed with obligatory quotas, miscellaneous income and voluntary contributions from the Member States and international organizations. Very little funding comes from the private business sector or from NGOs, due to potential problems of conflicts of interest. The total amount received for the period 2014-15 was USD 11.7 million.

⁷ See *Program-Budget of PAHO 2016-2017*, 54 CD Doc. 350 (1 Oct. 2015), CD54-OD350-s%20(1).pdf, Introductory Note, p. 4.

⁸ *Id.*, complete budget, p. 15-16. At the end of 2016 the figure for anticipated voluntary contributions was reduced to USD 300 million.

⁹ WHO/PAHO Agreement, Art. 7.

¹⁰ See Art. 8 of the WHO/PAHO Agreement, which states that the funds contributed to PAHO "shall be managed in accordance with the policy and financial procedures of the World Health Organization." Apparently, as already demonstrated in practice, WHO policy and procedures allow PAHO to manage its funds in accordance with its own financial regulations.

In addition, PAHO sets its own technical agenda, given that the WHO has no legal or formal mechanism for taking decisions on PAHO's programs or projects. PAHO also ensures that the WHO can achieve its programmatic objectives for the region of the Americas with a proportion no greater than 30% of the resources contributed.

Furthermore, of all the WHO regional offices, PAHO is the only one with its own legal office, which is not subject to the WHO. This office operates autonomously with respect to the authorities in Geneva and answers directly to the Director of PAHO. Similarly, PAHO conducts its own audits in accordance with its own rules and requirements and contracts the audit firm.

The Director of PAHO has two functions. He/she is responsible for the Pan American Sanitary Bureau, being elected by the Pan American Sanitary Conference, in accordance with Article 21 of the PAHO Constitution. In addition, he/she acts as Director of the WHO Regional Office for the Americas, and is appointed by the WHO Board, in agreement with the Regional Committee and in accordance with Article 52 of the WHO Constitution.

Based on Articles 48 and 49 of the WHO Constitution, the WHO regional committees are authorized to adopt their own rules of procedure and to meet "as often as necessary." Therefore, the Rules of Procedure of the PAHO Directing Council can be applied to the WHO Regional Committee for the Americas when it is performing those functions.

2.3. Advantages of the PAHO/WHO model

To summarize, the formal legal structure of the cooperative relationship between PAHO and WHO, strengthened by the practice and custom of the last 67 years, provides an attractive model for restructuring the IICA/FAO partnership. The direct beneficiaries of the model have been the countries of the region themselves, given that the PAHO-WHO relationship has facilitated the use of the public resources available to the region's health sector to strengthen an efficient multilateral regional organization, thereby avoiding the existence of two weakened organizations in the region, competing for the same funds, projects and personnel.

This model has also benefited both organizations, enabling the WHO to implement its programs and accomplish its objectives in the region through an experienced partner, without the need to invest in creating an administrative and political infrastructure in the region. For PAHO, this model has facilitated access to a group of experts from around the world and, through its Directing Council, acting as the Regional Committee of WHO, it has had the opportunity to have a direct political impact on global-level decisions that affect the health of the Americas, without losing its autonomy and its identity as a completely inter-American institution.

2.4. Disadvantage of the PAHO/WHO model

The only disadvantage of this model is considered to be the possibility of tensions arising between the two organizations on the issue of autonomy. According to personnel interviewed, WHO is accustomed to exercising greater control over the regional organizations established after its creation, and it was not necessary to reach an agreement or recognize the same level of autonomy with them as that enjoyed by PAHO. The conflicts on this matter have been resolved, but PAHO staff members believe that these could have been avoided by signing a more detailed and better drafted agreement in 1950.

III. IICA and FAO: natural partners for the achievement of common and complementary objectives in the Region

The capabilities and experience accumulated by IICA in its 75 years of history make it an essential strategic partner of governments, other organizations and the production sector, in the urgent process of evolving toward a new model of agriculture based on an intensive use of knowledge, innovation and technology, and consistent with the strategic objectives included in the Institute's 2014-2018 Medium Term Plan (MTP).

IICA's modernization has been taking shape through a renewed cooperation structure that is more efficient, flexible, cost-effective and of greater quality. This structure is characterized by its flexibility and its capacity to address, in an effective, timely and pertinent manner, the demands for support from the agricultural sector of its 34 Member States, through its network of offices in the countries of the Americas. The Institute has retained this capacity, despite having suffered a gradual decline in its finances for more than 20 years, due to continuous increases in the cost of goods, services and salaries, the freezing of quotas and changes in the fiscal and financial policies of its member countries. Given this situation, IICA's functionality and efficiency will be unavoidably and seriously affected in the short term, unless it implements a comprehensive change that offers a robust and long term solution.

At the same time, the budget resources that FAO allocates to the LAC region are targeted toward five key areas in which the organization considers itself better positioned to respond to the needs of agricultural development posed by global trends, and to the challenges facing its Member States, namely: a) to help eliminate hunger, food insecurity and malnutrition; b) to make agriculture, forestry and fisheries more productive and sustainable; c) to reduce rural poverty; d) to promote inclusive and efficient agricultural and food systems; and e) to increase the resilience of livelihoods to threats and crises.

Both organizations have clear similarities in terms of the financial difficulties they have faced in recent years, as well as in the innumerable steps taken by their respective managements to systematically mitigate, control and improve the situation. Unfortunately, however, these measures cannot continue to be applied indefinitely; moreover, their results have been insufficient to comprehensively resolve a financial problem that has become chronic and demands a strategic and comprehensive solution, with great vision. It is important to recall that both IICA and FAO receive quota contributions from the same national budgets, though in different proportions, and that these budgets will be increasingly constrained by the adverse effects of the global economy.

In addition, from their nature and origins to their objectives, IICA and FAO have many similarities, since they share the common purpose of supporting their member countries and societies on issues of agricultural development, in order to improve food and nutrition, combat poverty, promote resilience to climate change, mitigate its harmful effects and improve productivity and competitiveness, among other aspects (Table 1).

Table 1. Strategic Analysis

FAO	IICA
VISION	VISION
<i>“A world free of hunger and malnutrition, where food and agriculture contribute to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner.”</i>	<i>“To create a competitive, inclusive and sustainable inter-American agriculture that feeds the hemisphere and the world, while at the same time generating opportunities to reduce hunger and poverty among farmers and rural dwellers.”</i>
MISSION	MISSION
<i>“We are adopting an integrated approach to eradicate hunger, malnutrition and rural poverty.”</i>	<i>“To encourage, promote and support our Member States in their efforts to achieve agricultural development and rural well-being through international technical cooperation of excellence”.</i>
GLOBAL GOALS	CHALLENGES AND OPPORTUNITIES AT HEMISPHERIC LEVEL
<ol style="list-style-type: none"> 1. Eradicate hunger and malnutrition. 2. Sustainable management and use of natural resources. 3. Poverty reduction through economic development. 	<p>Productivity and competitiveness. Sustainability and climate change. Inclusion. Food and nutritional security. Innovation. Integrated management of water resources.</p>
Strategic Objectives	Strategic Objectives
<ol style="list-style-type: none"> 1. Help eradicate hunger, food insecurity and malnutrition. 2. Increase and improve the supply of goods and services from agriculture, forestry and fisheries in a sustainable manner. 3. Reduce rural poverty. 4. Promote inclusive and efficient agricultural and food systems. 5. Increase the resilience of livelihoods to threats and crises. 6. Quality, knowledge and technical services. 	<ol style="list-style-type: none"> 1. Improve the productivity and competitiveness of the agricultural sector. 2. Strengthen agriculture’s contribution to the development of rural areas and the wellbeing of the rural population. 3. Improve agriculture’s capacity to mitigate and adapt to climate change and make better use of natural resources. 4. Improve agriculture’s contribution to food security.
31.ST REGIONAL CONFERENCE OF FAO FOR LAC (2010) DEFINED FOUR PRIORITY AREAS OF WORK	FLAGSHIP PROJECTS (FP)
<ol style="list-style-type: none"> 1. Food and nutritional security (FNS). 2. Climate change and sustainable management of agriculture and natural resources (CC&S). 3. Family agriculture (FA). 4. Agricultural health and food safety (AHFS). 	<ol style="list-style-type: none"> 1. Competitiveness and sustainability of agricultural chains for food security and economic development. 2. Inclusion in agriculture and rural areas. 3. Resilience and comprehensive risk management in agriculture. 4. Productivity and sustainability of family agriculture for food security and the rural economy 5. Agricultural health and food safety (cross-cutting issue).

FAO	IICA
MAIN GLOBAL CHALLENGES	ISSUES ADDRESSED BY THE FP AND THEIR LINKS
Challenge 1: Increase production in agriculture, forestry and fisheries, and the contribution of these sectors to economic growth and development, while ensuring the sustainable management of ecosystems and the implementation of strategies for adaptation to and mitigation of climate change.	SUSTAINABILITY: Water management, soil management, adaptation of agriculture and mitigation, food safety, use of species, genetic resources, integrated risk management.
Challenge 2: Eradicate food insecurity, lack of nutrients and harmful foods in a context of high and volatile food prices.	COMPETITIVENESS. Public institutional framework, management of production chains, health, marketing, global/regional forums, standards, trade, agribusiness, innovation, agroindustrial development.
Challenge 3: Improve the quality and balance of food consumption and nutrition.	PRODUCTIVITY. Institutional and technological innovation (biotechnology, nanotechnology, protected agriculture etc.), control of pests and diseases, linking producers to markets, extension services, knowledge management.
Challenge 4: Improve the means of subsistence of rural populations, including small-scale farmers, foresters and fishermen and especially women, in the context of rapid urbanization and agrarian structures undergoing a process of change.	INCLUSION: Small-scale agriculture, social investment, rural well-being, women, youth, value added, organization, extension services, expanded agriculture.
Challenge 5: Improve the integration of agrifood systems at local, national and international level.	RELATIONS: Agribusiness and commercialization, innovation, rural development, climate change, natural resources, food and nutritional security.
Challenge 6: Increase the resilience of livelihoods to threats and crises related to agriculture and food security.	AGRICULTURAL HEALTH AND FOOD SAFETY
Challenge 7: Strengthen mechanisms of governance in order to meet the needs of food, agricultural, forestry and fishery systems at the national, regional and global levels.	FAMILY AGRICULTURE Innovation. Water management, youth and women.

These similarities in the FAO/IICA technical agendas have clearly resulted in the duplication of efforts, redundancies in terms of work, management and administration costs and even an unacceptable element of competition. This state of affairs is well known and should necessarily lead to efforts to promote, with the utmost determination, a strategic partnership between IICA and FAO as a viable alternative for resolving their financial situation. This, in turn, will enhance their technical contributions in the region, adding greater value to their work and strengthening their financial structures.

The situation of both organizations could be improved without the need to increase the financial contributions of the member countries, given that a more efficient and precise aggregated technical agenda would be created. This would generate a multiplying effect which would increase the scope, coverage, volume and quality of the projects, benefiting the agrifood sector of the American hemisphere.

An important aspect of implementing a strategic partnership between IICA and FAO under a new cooperation model would be its inclusive nature, which would encourage the participation of the United States and Canada (for the UN) and of Cuba (for the OAS), and would significantly strengthen cooperation in LAC.

Both organizations have offices in the countries of the American hemisphere. However, a detailed analysis has shown that the number of personnel employed by IICA is 36 % higher than at FAO, and yet its costs for personnel services are lower, by between 17 and 25 per cent.

Adapting the PAHO/WHO model to the IICA/FAO partnership would create a mechanism that would make use of IICA's infrastructure, which would be less onerous, since its average office costs are one-third lower than those of the FAO. Similarly, it could take advantage of any appropriate FAO infrastructure that would contribute to rationalize the use of resources. This proposal offers the multilateral cooperation sector in the Americas the opportunity to reduce redundancies and lower its high costs, since the 68 offices operated by the two institutions could be reduced by half, and reductions made among the more than 660 employees of both organizations in LAC, without considering 261 officers whose costs are covered by IICA with sources other than the Regular Fund.

IICA's budgetary situation contrasts with that of FAO. The FAO Budget for financing operations in LAC for the biennium 2016-2017 is USD 63.5 million¹¹, i.e. 161 % greater than IICA's. In addition, FAO has USD 20.3 million for technical cooperation, aside from the resources that it receives for specific programs in the region, totaling USD 154.1 million (Table 2).

¹¹ Adjustments to the Program of Work and Budget (PWB) for 2016-2017. CL 153/3. December 2015. Taken from <http://www.fao.org/3/a-mo518s.pdf>.

Table 2. Basic information about IICA and FAO

Item	American Hemisphere 2016-2017		
	IICA	FAO	
Number of member countries	34	33 ¹²	
Budget in the countries of the American hemisphere	USD 24 318 000 ¹³	USD 63 543 000 ¹⁴	
Personnel in the countries of the Americas	Headquarters (Costa Rica)	90	1474 (Rome)
	Local Personnel:	64	606
	International Personnel:	26	868
	Offices	329	1471
	Local Personnel:	278	860
International Personnel:	51	611	
Total		419¹⁶	2 945¹⁷
Note: the information should be verified and updated			American Hemisphere 243 ¹⁵

As shown in Table 2, an IICA/FAO partnership based on the PAHO/WHO model, in which FAO's cooperation agenda would be transferred to IICA, would offer FAO a major opportunity to achieve significant savings in its management structure in the American hemisphere. Based on a preliminary analysis, the use of IICA's infrastructure and personnel would enable FAO to substantially reduce its budget for operating costs (USD 63.5 million). These savings would enable it to take better advantage of its budget resources to finance technical cooperation and its operational costs in LAC, and also achieve other improvements.

For IICA, this comprehensive change would also provide an opportunity to utilize its technical and administrative capacity and infrastructure more efficiently, since a major economy of scale would be created that would strengthen its financial and technical capacity, while at the same time maintaining its intellectual capital. IICA could even absorb FAO specialists and incorporate them into the new cooperation agenda.

In conclusion, the adaptation of the PAHO/WHO model to the IICA/FAO partnership would enable both institutions to achieve greater specialization in order to better respond to the agriculture sector's priorities, concentrate their actions and target their resources toward those priorities. They would also be able to eliminate aspects that are not related to those priorities, maximize and enhance their comparative advantages, eliminate redundancy and duplication of efforts, avoid thematic dispersion and reduce costs.

¹² Includes Cuba, but not Canada or the USA. December 2015. Taken from <http://www.fao.org/americas/paises/es/>.

¹³ Include the costs of the Representative and administrative and technical staff, as well as operating costs covered by the Regular Fund. Taken from: Biennial Program Budget 2016-2017 Rev.1. IICA.

¹⁴ Program of Work and Budget for biennium 2016-2017. Revised. FAO. Does not include extra-budgetary funds for USD 154 164 (thousands) or USD 20 293 (thousands) corresponding to technical cooperation. Total: USD 238 000 (thousands). From: <http://www.fao.org/pwb/home/es/>.

¹⁵ Information up to 2014.

¹⁶ Figure only contemplates personnel covered with the Regular Fund. Biennial Program Budget 2016-2017 Rev.1. IICA.

¹⁷ CL 153/3 Adjustments to the PWB 2016-2017. Information Note 2. Technical Capacity of the Organization. November 2015. FAO. Taken from <http://www.fao.org/3/a-mp126S.pdf>.

IV. COMPATIBILITY OF THE LEGAL STRUCTURE OF BOTH ORGANIZATIONS AND GUIDELINES FOR THE IMPLEMENTATION OF THE IICA/FAO MODEL

4.1. The legal structure of FAO

The Food and Agriculture Organization (FAO) was established in 1943. It currently has 194 member states, two associate members and one member organization, the European Union (EU).¹⁸ FAO has 122 offices outside its headquarters in Rome, including six Liaison Offices and two Information Offices. The remaining 114 offices include five Regional Offices, nine Subregional Offices and 100 country-level offices. Ninety (90) of these offices are headed by an international staff member, and 83 have a FAO Representative resident in the country.

The FAO's legal and organizational structure is similar to that of the World Health Organization (WHO) and, like the WHO, it is a specialized agency within the United Nations System.¹⁹ It is governed by a Constitution adopted by its Member States,²⁰ and its principal organs are the Conference and the Council, supported by the Director General and personnel of the FAO. There are also several commissions, various committees and the Regional Conferences created by the Conference.

The supreme organ of FAO is the Conference, made up of all the Member States. Its main functions are to determine policy and approve the biannual budget of the Organization, adopt General Rules and Financial Regulations and elect the Director-General. For the purposes of this proposal, the Conference has two other key functions: to establish Regional Conferences and to enter into agreements with other similar international organizations, defining the distribution of responsibilities and methods of cooperation.²¹

The Council is made up of 49 Member States, elected by the Conference. It meets in five regular sessions held each biennium.²² Its functions are delegated by the Conference; however, some functions assigned by the Constitution to the Conference cannot be delegated to the Council, including all those cited in the previous paragraph.

The Director-General is responsible for the management and implementation of FAO's activities, under the general supervision of the Conference and the Council. He/she participates, without the right to vote, in all meetings of the governing bodies, and can submit proposals for appropriate action for consideration. The Director-General of FAO appoints the staff of the organization and assigns and supervises their activities in accordance with the rules established by the Conference²³. One of the specific tasks assigned to the Director-General by the Constitution is to establish regional and subregional offices, with the approval of the Conference.²⁴

¹⁸ See <http://www.fao.org>.

¹⁹ See: FAO (Food and Agriculture Organization). 2015. *Basic Texts of the United Nations Food and Agriculture Organization*. Vols. I and II. Rome, Italy. Available at <http://www.fao.org/3/a-mp046s.pdf> (*Basic Texts /FAO*).

²⁰ All Member States can vote in the bodies in which they participate. The Constitution makes provision for participation by Associate Members, which do not have the right to vote or to hold positions in the Conference, the Council or the various commissions and committees established by the Conference and the Council. It should be noted that the Constitution does not possess the legal formalities of a treaty, and is therefore easier to amend.

²¹ Constitution of FAO, Arts. IV, VII, XIII.

²² General Rules of the Organization ("Rules /FAO"), Art. XXV. It may also hold extraordinary (or special) sessions.

²³ *Id.*, Arts. VII, VIII.

²⁴ *Id.*, Art. X.

The Conference has established five Regional Conferences for Africa, Asia and the Pacific, Europe, Latin America and the Caribbean and the Near East and Europe. These normally meet once every biennium during the years in which no regular meeting of the Conference is held.²⁵

The Regional Conferences of FAO play a very similar role to that of the WHO's Regional Sanitary Conferences. They provide a forum for consultation on all matters pertaining to the organization's mandate within the region, and for the formulation and articulation of regional positions, with a view to "promoting regional coherence on global policy and regulatory matters."

In addition, the Regional Conferences advise on and identify the problems of their respective regions and priority areas of work that should be taken into account in the preparation of FAO's planning and budgetary documents. They also review and advise on the plans, programs and projects carried out by FAO which impact the region; furthermore, they assess and report on the progress of FAO's work in the region, in accordance with relevant indicators. The Regional Conferences may adopt their own regulations, provided that these are consistent with the Constitution and the General Rules of the Organization.

The RC/LAC is comprised of 33 Member States. All, except Cuba, are Member States of IICA. In its current composition, the RC/LAC excludes Canada and the USA, which belong to the Conference of Europe. As explained further on, this difference between the membership of IICA and that of the RC/LAC does not constitute an insuperable obstacle for the IABA (IICA) to assume the functions of the FAO- RC/LAC.

The work carried out by the RC/LAC and the administration of FAO projects in LAC is supported by the Regional Office, which has headquarters in Santiago, Chile, and two subregional offices, one in Panama and another in Barbados.

4.2. IICA's legal capacity to serve as the FAO Regional Conference and Regional Office²⁶

The IABA could assume, on behalf of FAO, the functions of the Regional Conference for the American hemisphere. In fact, as the Institute's highest organ, the IABA performs functions very similar and complementary to those of the LAC Conference. These include: "to serve as a forum for the exchange of ideas, information and experience related to the improvement of agriculture and rural life," "to serve as the principal forum of the Inter-American System for the discussion of topics related to the sustainable development of agriculture and the rural milieu," and the "formulation of related policies." The IABA also "promotes meetings aimed at facilitating consensus and the commitment of the Member States to the analysis and adoption of national policies, for subsequent adoption at the regional and hemispheric levels," with the aim of advancing the sustainable development of agriculture and the rural milieu.²⁷

As in the case of the RC/LAC, regular meetings of the IABA are held at ministerial level every two years.²⁸ Apparently, there is nothing in the IABA's Rules of Procedure that would necessarily be inconsistent with the FAO's General Rules and Constitution and, if there were, an agreement between both institutions, approved by the RC/LAC, could stipulate that the

²⁵ *Id.*, Art. VI; Rules of FAO, Art. XXXVI, in *Basic Texts /FAO, supra*.

²⁶ It is assumed that readers are familiar with IICA's institutional legal framework and therefore this report does not include a detailed description of the competencies and functions of the Institute's organs.

²⁷ Convention on IICA, Art. 8; Rules of Procedure of the IABA, Arts. 2 and 3.

²⁸ Convention on IICA, Art. 9.

IABA would continue using its own rules, even when performing the functions of the Regional Conference for the Americas. For its part, the IABA, under the Convention on IICA, has the authority to adopt its own Rules of Procedure, taking into account the proposals of FAO, provided that these are consistent with its Convention.

The difference in the membership between the two governing bodies could be resolved, in part, through a resolution of the Conference that would redefine the LAC Region as the “Region of the Americas” and would transfer Canada and the USA from the European Region to the Region of the Americas.

Considering that Cuba is already participating in PAHO, in its capacity as a member of WHO, and that the resolution which excluded this country from the Inter-American System was repealed by the OAS General Assembly in 2009,²⁹ it is anticipated that there would be no obstacle to Cuba’s participation in meetings of the IABA, if the latter were to assume the functions of the FAO Regional Conference for the Americas. Moreover, if Cuba were to sign the Convention on IICA, it could participate in all the decisions of the IABA and enjoy the other benefits accorded to the Institute’s Member States.

Similarly, the General Directorate of IICA could assume the administrative and technical functions currently handled by the FAO Regional Office, just as the PAHO Office performs the regional functions of the WHO Office for the Americas. This transfer of roles and responsibilities could be facilitated by the Director-General of FAO, who may, “subject to any decision of the Conference, enter into agreements with other intergovernmental organizations for the maintenance of common services, for common arrangements with regard to recruitment, training, conditions of service and other related matters, and for interchanges of staff.”³⁰

4.3. The need for a Basic Agreement for the implementation of the IICA/FAO model

As in the case of the PAHO/WHO arrangements in the area of health, the proposal to establish a partnership between IICA and FAO, in which the Inter-American System’s regional body for agriculture would serve as the regional body for a specialized global organization of the UN for agriculture, is legally feasible and does not require the reform of the constitutive instruments of IICA and FAO. However, it will be necessary to amend the regulations of both institutions, a task for which the supreme bodies of both organizations are fully authorized. The most important step will be to draw up a basic agreement between both organizations, to be submitted for approval by the FAO Conference and by the IABA, on behalf of IICA, in order to implement the model, and to ensure its operation, financing and sustainability.

The PAHO/WHO Agreement, together with the experience of their relationship over the past 67 years, can serve as a good guide for that purpose. Therefore, we suggest the following:

First, the Agreement should establish that the FAO/IICA relationship is not a merger, but rather a “pact of solidarity” between two independent partners with common objectives in the Americas, under which the General Directorate of IICA will serve as the FAO Regional Office for the Americas and the IABA will fulfill the functions of the FAO Regional Conference for the Americas, in accordance with its own constitutive instruments. Said agreement could

²⁹ Resolution on Cuba, AG/Res. 2438 (XXXIX-O/09).

³⁰ Constitution of FAO, Art. XIII (2).

specify that IICA would add the following text under the name on its letterhead: “a specialized organization of the OAS and the Regional Office of FAO for the Americas.” It is also important to specify that no provision in the Agreement should be interpreted as a limitation of the Institute’s faculties enshrined in the Convention on IICA.

Second, the Agreement should require FAO to include in its biannual budget, at minimum, a budget allocation to finance the programs and projects that it wishes to implement in the Americas. It could also establish that a fixed percentage of this allocation - for example 20% - be assigned to the recovery of indirect costs incurred by IICA in those programs and projects.

Third, the Agreement should specify that IICA will continue to operate according to its own systems and regulations on personnel, salaries, pensions, other emoluments, procurement, technological information, databanks, communications, cybersecurity, auditing and other administrative-financial activities.

Fourth, the Agreement should specify that IICA will prepare its own program budget based on its own methodology and regulations, with the exception of the budget allocated by FAO for its programs and projects, in line with the priorities established and based on the IABA’s recommendations, in fulfilment of its role as Regional Conference of FAO.

Fifth, the Agreement should specify that IICA will report to FAO on the use of the funds provided for programs and projects in the Americas, in accordance with the procedures, policies and requirements stipulated by FAO.

Sixth, the Agreement should include transitory provisions to ensure that current regular staff members of both institutions do not suffer any impairment of their working conditions as a result of the implementation of this new relationship.

Seventh, the Agreement should include a clause establishing that, in the event of any conflict between the regulations of the two organizations, the provisions established in this Agreement shall prevail.³¹

Finally, the Agreement should include a provision outlining the procedure for the amendment and/or termination of the Agreement itself.

V. RECOMMENDED ACTIONS FOR POLITICAL AND INSTITUTIONAL MONITORING

The first step has been taken toward the objective of strengthening the IICA/FAO partnership and expanding cooperation efforts to benefit the member countries, possibly in accordance with the guidelines proposed in this report. In February of this year, the Director General of IICA held preliminary talks with his counterpart at FAO, who was very receptive to the proposal and expressed interest in the initiative, mentioning that both organizations complement each other. The Director General of IICA also discussed the matter with several ministers of the Institute’s member countries to hear their opinions on this proposal.

³¹ Such a provision is legally viable because the Agreement would need to be approved by the IABA and the FAO Conference, the supreme bodies of both organizations.

However, any agreement of this scope and magnitude between IICA and FAO would need the full approval of the Member States on the governing bodies of both organizations, as well as the support of their staff and clients or users.

In this regard, the next step would be for the IABA to issue a resolution at its next regular meeting, stating “as an objective” the establishment of a strong relationship of cooperation between IICA and FAO, based on the PAHO/WHO model.

Said resolution of the IABA should encourage the Director General of IICA to continue engaging in conversations with the Director-General of FAO, and with other interested parties, in order to accomplish this objective. In addition, it should urge those member countries of the Institute that are members of the FAO Regional Conference, to approve a parallel resolution at the next RC/LAC, and submit it to the consideration of the FAO Council and Conference.

The two resolutions could also authorize the directors general of IICA and FAO to submit a draft agreement and a plan for its implementation to the consideration of their respective governing bodies. In the case of IICA, a draft resolution for the IABA should be submitted, in first instance, to the consideration of its Executive Committee.

It should be noted that, if we proceed in this direction, it will be necessary to ensure that the “Basic Framework Agreement” between the two organizations stipulates that FAO will continue to contribute a percentage of its budget for programs and projects implemented in the Americas; otherwise, there would be a risk that the economic benefits derived from the agreement could be diverted to other regions of the world, instead of remaining in the Americas.

To this end, and in order to prevent or minimize any tensions that could arise from the adoption of the WHO/PAHO model by FAO-IICA, it will be necessary to pay attention to the details in the “Basic Framework Agreement” to be signed by both organizations.

Another central element of this proposed strategic partnership is the formulation of a common technical cooperation agenda for the American hemisphere. As a first stage, it will be essential to determine the projects and programs with which FAO would initiate the transition and which IICA would implement. It will also be necessary to determine the amount of resources to be allocated for that purpose and identify the initial management and operational mechanisms.

In synthesis, an alliance between IICA and FAO based on the WHO/PAHO model is a visionary and viable option. It is a proposal that seeks to increase and share their capacities, define an aggregate technical agenda and take full advantage of the infrastructure and common experience of both organizations in order to generate economies of scale that will strengthen them financially and enhance their contributions to their member countries, significantly reducing operating costs and decreasing the pressure on national budgets.