



Executive Committee

Twenty-eighth Regular Meeting
22-24 July 2008

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Report of the Special Meeting of the Special Advisory Commission on Management Issues

San Jose, Costa Rica

1. **Opening of the meeting**

The 2008 Special Meeting of the Special Advisory Commission on Management Issues (SACMI) was called to order at 08:30 on 22 April 2008 in the United States/Canada Room at IICA Headquarters.

2. **Proceedings of the meeting**

2.1 **Introduction**

2.1.1 Remarks by the Director General

The Director General extended a cordial welcome to the members of the SACMI to whom he expressed a vote of thanks. He noted that the Commission's recommendations had been a key factor in many of his Administration's achievements.

The Director General pointed out that the SACMI's recommendations had been crucial in the decision of the Executive Committee and the IABA to adopt effective measures to encourage Member States to keep up to date with their quota payments. As a result, with support from senior national officials, IICA had managed to reduce the amount of quota arrearages from US\$17.4 million in 2002 to US\$5.8 million in 2007. He also mentioned that 33 of the 34 Member States were up to date or in regular status with their quota payments.

He then referred to the assessment of IICA's technical expertise and the SACMI's role in the process of translating important recommendations into viable decisions that would make it possible to continue transforming and modernizing the Institute. The process was essential if the organization was to build the capacity required to meet the growing demand for its services in the Member States and, at the same time, carry out the mandates issued by the Summit of the Americas Process.

The Director General then described the main measures that his Administration had taken since 2002 to modernize and reposition IICA, with a view to providing Member States with cooperation that would help them tackle the challenges of the 21st century. He mentioned the following specific achievements: (i) the implementation of a new model of technical cooperation; (ii) the development of a new relationship with Member States based on regional and national cooperation agendas; (iii) support for the countries in implementing the AGRO 2003-2015 Plan; (iv) the promotion of policies to ensure operational efficiency and financial prudence in the management of the General Directorate; (v) the promotion of a culture of excellence in performance based on ethical principles; (vi) the implementation of a policy of strategic partnerships; and (vii) the strengthening of the Institute's financial base.

Other important achievements included improvements to the Institute's infrastructure, the implementation of a new financial system, the establishment of the IICA Office in Miami, the allocation of resources to promote staff training programs, the implementation

of organic agriculture and biotechnology programs, the establishment of Agronet (which now had 17,000 users), the creation of a new institutional website and closer ties with organizations such as FAO, the Inter-American Development Bank, the World Bank, Harvard University, Florida International University, EMBRAPA and others.

The Director General emphasized that in the remaining months of his Administration the aim would be to consolidate what had been achieved, continue to improve the Institute's technical expertise, promote knowledge management and expand the development programs.

In concluding his remarks, the Director General expressed appreciation for the genuine interest that the members of the SACMI and the governments of Member States had shown in strengthening the Institute's technical expertise. As a result, IICA would be able to guarantee the organization's stakeholders - the countries - effective, timely and high-quality technical cooperation. He therefore reiterated his readiness and commitment to working with the members of the SACMI and the Institute's governing bodies to strengthen IICA's technical expertise.

2.1.2 Election of the Chair

The Plenary elected Mr. Chelston W. D. Brathwaite, Director General of IICA, as chair of the meeting.

Mr. Brathwaite said his contribution as chair would be to facilitate dialogue and consensus among the countries, since the meeting was a joint activity of the countries and the Administration.

2.1.3 Approval of the work program

The Chair asked the plenary to study the work program, which was approved without modifications.

2.2 Progress made by the General Directorate in implementing the recommendations contained in the assessment of technical expertise at IICA

Mr. James French, Director of Technical Leadership and Knowledge Management, gave a presentation on the status of the recommendations made by consulting firm SIDE S.A. with respect to IICA's technical capabilities. He said the Institute was already carrying out a number of actions called for in several recommendations and planned to execute another set of actions in the 2008-2009 biennium.

The most important actions already under way were: (i) the consolidation of the Directorate of Technical Leadership and Knowledge Management (DTLKM), which now encompassed all of the Institute's technical areas; (ii) efforts to disseminate information and knowledge, particularly the implementation of a new Web portal, the restructuring of CECADI, the publication of the "ComunIICA" technical journal and the development of

communities of practice on strategic subjects; (iii) the holding of regional planning and integration meetings; (iv) various actions aimed at human resource development; and, (v) the formulation and implementation of national, regional and hemispheric technical cooperation agendas.

Other actions were designed to strengthen the strategic partnerships with key organizations such as FAO, the Inter-American Development Bank and the World Bank. Furthermore, since 2002, the delivery of technical cooperation had been made the core component of all new projects, thereby reducing the number of projects in which the Institute's action was limited to the administration of funds.

With regard to the actions that IICA planned to carry out in 2008-2009 to implement the recommendations contained in the assessment document, Mr. French said a new initiative would be undertaken to tap the true potential of rural areas through the application of the territorial approach to rural development. An information system on consultants would also be designed and resources reallocated to meet new technical needs in the areas of biotechnology and biosafety, bioenergy, agricultural insurance, natural resources and the environment, and leadership.

Mr. Paul Murphy, of Canada, congratulated IICA on the measures implemented to eliminate the signing of agreements in which IICA's participation was limited to administration of external resources without making any technical contribution. He then asked the Director General why the Institute had entered into agreements of that nature and why Member States had asked IICA to do so.

Mr. Francisco Barea, Director of Administration and Finance and Programming, explained that the purchasing power of IICA's income had declined significantly. There were several reasons for that, including the policy of freezing the quota contributions of Member States, in effect since 1995, and changes in the Consumer Price Index and the exchange rate of the currencies of a number of Member States. Mr. Barea added that, to cope with the situation, the Institute had implemented a policy designed to capture external resources, not only providing technical cooperation but also generating additional resources (CATIs/INR). Both the Member States and IICA had benefited from the policy.

He said the Institute's rules had been amended in 2002 to ensure that IICA's participation in externally funded agreements focused on the delivery of technical cooperation. IICA now signed:

- i. Agreements for the direct delivery of technical cooperation services, whose purpose was to help enhance the capabilities of public and private organizations in the Member States. IICA prioritized and promoted projects of this kind.
- ii. Agreements for the delivery of technical services for the management of priority projects included in a national technical cooperation agenda. Technical services of this kind involved activities such as the contracting and oversight of studies and

consulting services, the preparation of requests for proposals and the facilitation of joint activities involving various actors of expanded agriculture.

Mr. Barea added that IICA no longer signed new agreements involving only the administration of resources and the number of long-standing agreements would gradually decline as the respective legal instruments expired.

Turning to the reasons why the Member States had asked the Institute to enter into agreements for the administration of resources, Mr. Barea said this had been due mainly to the trust they placed in IICA, the transparency with which the Institute executed projects and accounted for funds administered, and the agility and flexibility afforded by IICA in administering resources for these projects.

The Director General then commented that its financial problems had led IICA to seek alternative funding sources such as the CATIs/INR. However, it subsequently became clear that by administering resources without providing technical cooperation, IICA was losing credibility as a technical cooperation agency. It was then decided that the Institute's rules and policies, already approved by the IABA, needed to be changed. Consequently, the Institute was in the process of gradually reducing its participation in projects that had no technical cooperation component.

2.3 Steering Committee report and proposal for following up on the assessment of IICA's technical expertise

2.3.1 Presentation by Mr. Victor Villalobos

Mr. Victor Villalobos, in his capacity as Chairman of the Steering Committee, presented a report on the process followed in complying with Executive Committee Resolution No. 447 (September 2006), which pointed to the need to conduct an assessment of IICA's technical capabilities. He explained that the Steering Committee, comprising representatives of Canada, Belize, Costa Rica, Argentina, Panama, Paraguay and Mexico, had been tasked with monitoring the assessment, which was assigned to the consulting firm *Servicios Internacionales para el Desarrollo Empresarial S.A. (SIDE)*. The results of the assessment had been presented to the Executive Committee at its 27th Regular Meeting, held in May 2007. He explained that the report was later shared with the 34 Member States, and that the comments received from the United States, Canada, Dominican Republic and Mexico on same had been studied in March 2008 by a Special Committee, comprising the members of the Steering Committee and a technical group from IICA, meeting in Miami.

He went on to say that in Executive Committee Resolution No. 462, the recommendations issued in the assessment had been divided into five categories: (i) recommendations that could be implemented by decision of the Director General and that required no additional resources; (ii) recommendations that could be implemented by

decision of the Director General and that required additional resources; (iii) decisions that had to be approved by the governing bodies of the Institute and that required no additional resources; (iv) decisions that had to be approved by the governing bodies of the Institute and that required additional resources; (v) those that entailed amendment of the Convention on the Institute.

He then said that the General Directorate had begun implementation of some of the recommendations included in the first two categories. However, implementation of those decisions that had to be approved by the governing bodies of the Institute, those that required additional resources and those that entailed amendment of the Convention on the Institute was still pending.

He added that, in order for the Institute to reposition itself in such a way that it can meet the demands for technical cooperation from its Member States and solve structural problems accumulated over the years, it would be necessary to adopt a comprehensive strategy including five sets of recommendations aimed at:

1. Defining a strategic framework for IICA that would take into account the factors and emerging challenges that could affect agriculture and the rural milieu, the role of institutions and other groups of stakeholders in the emerging scenarios, and the future role of the Institute as an intergovernmental organization with a hemispheric mandate.
2. Formulating a strategic plan for 2010-2020 which would define the vision, mission, goals, objectives and accomplishments of the Institute; the role to be played by governments as partners in hemispheric actions; the thematic areas and instruments for the provision of technical cooperation; and a long-term strategy for securing the financial resources the Institute would need to implement the plan.
3. Preparing a Medium-Term Plan (MTP) and a budget covering 2010-2013, which should define the financial resources, technical personnel and the management and operational guidelines needed for their implementation, as well as mechanisms for improving accountability and continuing implementation of the 2010-2020 strategic plan.
4. Improving the management system of the Institute by reviewing the duties of the SACMI, the Executive Committee and the IABA, and establishing a panel of IICA staff members and external experts to analyze, every two years, progress in implementing the MTP.
5. Redesigning the human resource base of the Institute by conducting a thorough review of the human resources policy, formulating criteria for determining the managerial and technical personnel required and formulating and implementing a human resources development strategy.

Mr. Villalobos stated that the process of following up on the assessment of IICA's technical capabilities should continue with the following actions: (i) presentation and discussion of the proposal of the Steering Committee at the next SACMI meeting; (ii) presentation at the next meeting of the Executive Committee of the decisions and recommendations of the SACMI regarding this proposal and other recommendations set out in the SIDE report; and (iii) identification of actions to be taken between the SACMI meeting and the next meeting of the Executive Committee.

Mr. Villalobos concluded his presentation by recognizing the importance of the complex task accomplished by the Steering Committee. He noted that the process should be continued so that the Institute could move further ahead, and that it was important to determine, with the participation of the Member States, the procedures for following up on the recommendations.

3. **Recommendations**

3.1 **2010-2020 Strategic Framework**

To recommend that the Executive Committee:

- Set up a team of experts from outside the Institute to work with IICA staff members and representatives of the SACMI in preparing, in ongoing consultation with Member States, a proposed strategic framework for IICA covering the period 2010-2020.
- The 2010-2020 Strategic Framework should:
 - i. define the changes and challenges faced by agriculture worldwide and in the hemisphere, with respect to production and environmental impact, for example. The strategic framework should also propose options with respect to the general orientation for the Institute's actions and the role the Institute should play, taking into account the demands of the Member States for a wide variety of cooperation services;
 - ii. define the mission, vision, objectives, organizational changes and the guidelines and instruments that will govern the Institute's activities in each scope of action and specific area of work, taking into account the need to continue ongoing improvements in management and its human resources. Furthermore, it should establish the role of governments and other organizations as partners in hemispheric action and the long-term strategy that will be the basis for its financial viability; and

- iii. be submitted for the consideration of the Executive Committee at its Twenty-ninth Regular Meeting, and submitted for approval at the Fifteenth Regular Meeting of the Inter-American Board of Agriculture (IABA) in late 2009.

3.2 Medium-Term Plan and Budget 2011-2014

To recommend that the Executive Committee:

- Instruct the Director General elected in 2009 to prepare in 2010 IICA's 2011-2014 Medium-Term Plan, taking into consideration the 2010-2020 Strategic Framework. The Medium-Term Plan should include: (i) the budgetary requirements for financing the Plan in that period; (ii) management and operational guidelines for its implementation; (iii) a procedure for accountability; and (iv) the necessary linkage and consistency with the 2010-2020 Strategic Framework to ensure its implementation.
- Consider holding a special meeting of the IABA in 2010, which would be convened for the purpose of approving the Medium-Term Plan and its budgetary requirements. This measure would allow the Plan to have the full support of the 34 Member States.

3.3 Improvements in the Management System

The members of the SACMI recommended revising the functions of the Advisory Commission, the Executive Committee and the IABA in the context of the 2010-2020 Strategic Framework and the 2011-2014 Medium-Term Plan.

With regard to the frequency of the meetings of the Executive Committee, the members of the SACMI discussed the advisability of holding the Executive Committee meetings every two years as preparatory meetings for the IABA. This would require an amendment of Article 15 of the Convention on the Institute, which establishes that the Executive Committee must hold annual meetings.

With regard to the SACMI, both the members of the Advisory Commission and the Director General recognized the important role of this advisory body, which they considered to be the appropriate mechanism for bringing Member States and the General Directorate of IICA together. They proposed that the Commission continue to make recommendations to the Director General and the governing bodies to strengthen the Institute and improve its management.

They also recommended establishing a joint panel of external experts and IICA staff members who would be responsible for discussing and preparing biennial reports on progress achieved in implementing the 2011-2014 Medium-Term Plan. Those reports should be analyzed by the SACMI prior to consideration by the Executive Committee and the IABA.

3.4 Redesigning the Human Resource Base

To recommend that the Director General and the Director General-elect, within the framework of Article 21 of the Convention on the Institute, continue to develop a comprehensive human resource policy, for which they should:

- Complete the work of establishing profiles for all technical positions and for the Institute's Representatives in the Member States.
- Further enhance the Institute's personnel recruitment process to ensure that the most qualified technical personnel can be hired in accordance with the profiles established for each post.
- Further develop the general evaluation mechanism based on performance indicators to make it possible to analyze and monitor the work of staff members and design a system for incentives and recognition.
- Develop an institutional database of consultants to facilitate the mobilization of additional technical expertise of this kind to meet the demand for technical cooperation in an efficient and timely manner. In addition, these databases should be linked to the databases of the countries.
- Introduce innovative rules, mechanisms, incentives and procedures for hiring and retaining qualified technical personnel to ensure that the Institute has professional staff that meets the requirements for technical expertise. Moreover, it is recommended that the Institute explore the possibility of establishing a remuneration and benefits package that technical personnel with demonstrated experience and the required qualifications would find attractive.

3.5 The Special Advisory Commission recognized that the major recommendations contained in the Steering Committee's Report on IICA's Technical Expertise had been addressed in the report of the Special Meeting; nonetheless it wished to clarify that there were other recommendations in the report and the consultant's report that should continue to be implemented or taken into account in formulating the 2010-2020 Strategic Framework.

4. Closing Session

The 2008 Special Meeting of the Special Advisory Commission on Management Issues (SACMI) was adjourned at 09:30 hours on April 23, 2008.

APPENDIX 1

PROVISIONAL SCHEDULE SPECIAL MEETING April 22-23, 2008

Monday 21	Participants welcomed at airport and transported to hotel	
Tuesday 22		
08:30 – 08:45	• Welcome remarks and introduction	Director General
08:45 – 09:00	• Adoption of the Provisional Schedule	Members of SACMI
09:00 – 10:00	• Response of the General Directorate to the recommendations of the evaluators	Mr. James French
10:00 – 10:30	<i>Coffee break</i>	
10:30 – 11:00	• Report of the Steering Committee	Mr. Victor Villalobos
11:00 – 12:00	• Dialogue on the Strengthening of Technical Expertise at IICA	Members of SACMI/ IICA Officials
12:00 – 14:00	<i>Lunch</i>	
14:00 – 16:00	• Continuation of the Dialogue on the Strengthening of Technical Expertise at IICA	Members of SACMI/ IICA Officials
16:00 – 16:30	<i>Coffee break</i>	
16:30 – 17:00	• Recommendations for Strengthening Technical Expertise at IICA	Members of SACMI
17:00 – 18:00	The Rapporteur, with support from the Secretariat, begins preparation of the Report of the Special Meeting of SACMI on technical expertise at IICA	
18:00 – 20:00	• Reception	
20:10	• Participants are transported to hotel	

APPENDIX 2

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