



INTER-AMERICAN BOARD OF AGRICULTURE

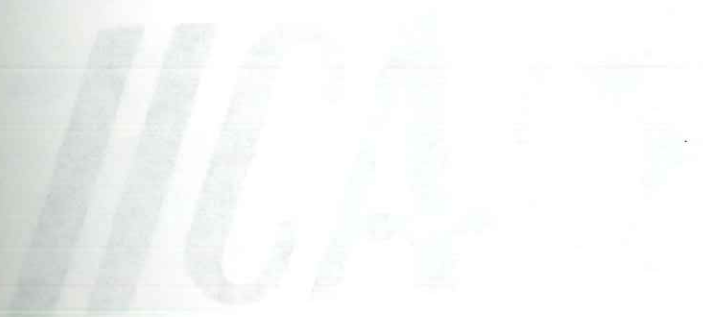
Eleventh Regular Meeting
Punta Cana, Dominican Republic
26-29 November 2001

SPECIAL ADVISORY COMMISSION ON MANAGEMENT ISSUES

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Pursuant to Resolution 350 "Special Advisory Commission on Management Issues," approved by the Executive Committee at its Twenty-first Regular Meeting, the General Directorate of the Institute submits the following documents to the Member States: (i) the first report of the Commission; (ii) a copy of the aforementioned Resolution 350, and (iii) the Director General's document "Follow-up Report to the Recommendations of the Special Advisory Commission on Management Issues."

In addition, the agenda of the Eleventh Regular Meeting of the Inter-American Board of Agriculture (IABA) includes the topic "Special Advisory Commission on Management Issues."



Conclusiones de la Comisión
Director General

Special Advisory Commission

on Management Issues

Through its "Institutional Transition" vision that, once realized, will have a great life in the hemisphere. This vision is identifying an integrated approach that are already well under way.

The following model was used to create the framework.

Integrative Management Framework

A model was used to situate specific

Stakeholder Expectations

IICA



Results
Strategic Goals

Reports to
Stakeholders

assess the significance/materiality of the suggested remedies with respect to IICA. While the Commission has in supporting development of the institution.

Summary of

Conclusions and Recommendations

October 20, 2000

Recommendations were developed:

- Activity Planning, Coordination
- Organization and Dissemination
- Impact of decentralization
- Information and consultation
- Budget accumulation for the
- Salary Proposals
- Changes to Electoral Rules

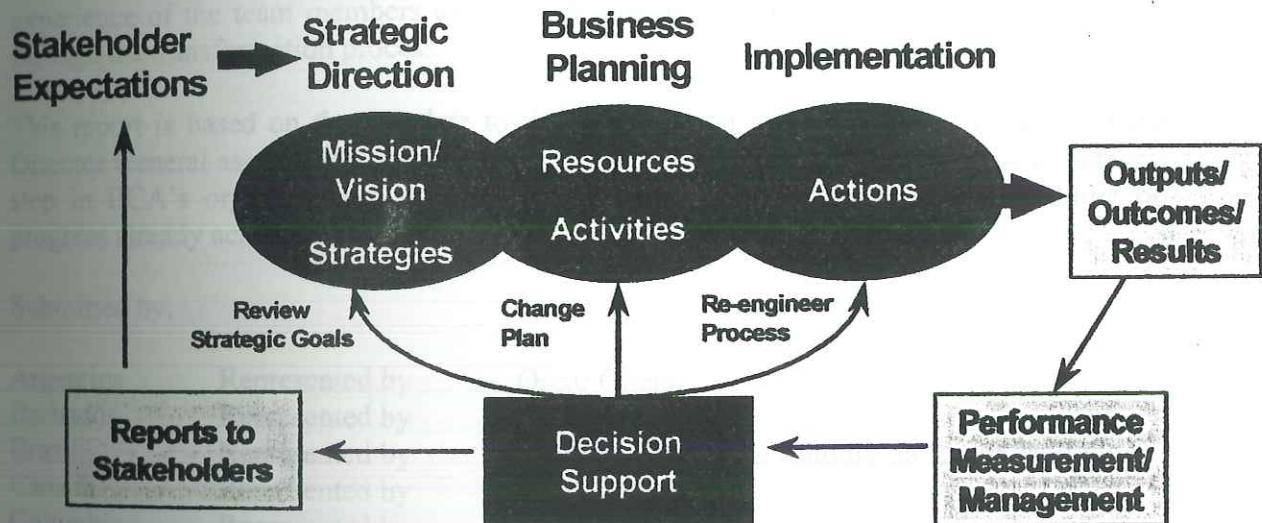
EXECUTIVE SUMMARY

Through its "Institutional Transformation" process, IICA has developed a forward-looking vision that, once realized, will have positive implications for sustainable development and rural life in the hemisphere. This report provides conclusions and recommendations aimed at identifying an integrated approach to assist in implementing transformational activities that are already well under way.

The following model was used to identify the key elements of an integrated management framework.

Integrated Management Framework

A model was used to situate specific strategic planning and management process issues,



assess the significance/materiality of these issues (and the implications for IICA) and to test the suggested remedies with respect to how each contributes to improved decision making within IICA. While the terminology within the model remains open for debate, its value lies in supporting development of required linkages amongst issues highlighted as requiring attention.

Recommendations were developed for the following managerial and financial issues”

- Activity Planning, Coordination and Execution Process
- Compilation and Dissemination of Qualitative and Quantitative Information
- Impact of decentralization
- Information and consultation on the decision-making process for major acquisitions
- Budget formulation for the next biennium
- Salary Proposals
- Changes to Electoral Rules

**Summary of
Conclusions and Recommendations**

October 20, 2000

Acknowledgements

The members of the Special Advisory Commission on Management Issues would like to express their gratitude for having the opportunity to work on this important undertaking. The support of IICA at all levels is appreciated and without their cooperation, we would not have been able to complete this work. We believe that the collective knowledge and experience of the team members can provide practical advice to guide IICA as it moves through the transformation process.

This report is based on the mandate to the Commission and the specific requests of the Director General as recorded in the minutes of the first meeting. It is considered an integral step in IICA's organizational transformation process already underway by building on progress already achieved.

Submitted by,

Argentina	Represented by	Oscar Gherzi
Barbados	Represented by	Anthony Patrick Wood, M.P.
Brazil	Represented by	Ambassador Carlos Antonio da Rocha Paranhos
Canada	Represented by	Bill Doering
Columbia	Represented by	Jorge Mario Diaz
El Salvador	Represented by	Armando Servellon Rodriguez
United States	Represented by	Joan Segerson
Mexico	Represented by	Jaime Almonte Alvarez and Lourdes Cruz Trinidad
Venezuela	Represented by	Libertad Colucci

Members of the Special Advisory Committee on Management Issues

1. Background

Through Resolution No.341: "The New Institutional Dimension", the Inter-American Board of Agriculture (IABA), during its Tenth Ordinary Meeting, which took place in October 1999 in Salvador, Bahia, Brazil, approved creation of a Special Advisory Commission on Management Issues. The Commission operates under the statutes approved in this resolution.

The first meeting of the Commission held on June 28-29, 2000, in San José, Costa Rica, dealt with the topics listed below, which are included in Annex A attached.

In a special meeting of the Advisory Commission with IICA's Director General and Deputy Director General, expectations of this administration were clarified in relation to the work that the Advisory Commission would develop to consolidate the institutional transformation process during the 2000-2001 biennium. Also, and in response to the Director General's request for advice, it was agreed that Commission members would review cross-cutting and specifically requested issues in the following areas:

Preliminary List of Cross-Cutting Issues:

1. Application of the planning process;
2. Information on results and lessons learned and sharing of this information;
3. "Definition" of activities;
4. Coordination between planning and execution;
5. Qualitative and quantitative information (financial, performance, comparative analysis, stakeholders satisfaction, cost breakdowns and impact assessment);
6. Impact of decentralization, including financial implications, quality and impact on program delivery; and
7. Information and consultation on the decision-making process for major acquisitions such as informatics and accounting systems.

Specifically Requested Issues:

- Third Parties Analysis;
- Budget Formulation for the Next Biennium;
- Salary Proposals; and
- Changes to Electoral Rules.

2. Objectives

The objectives of this report are to:

1. Summarize conclusions of the cross-cutting and specific issues identified at the June 28-29 meeting; and
2. Provide recommendations to the Director General.

3. APPROACH

3.1 This analysis is based on information received from different areas of IICA in response to specific requests by Commission members, and their collective knowledge and expertise and that of those they consulted.

3.2 Developing An Integrated Management Framework

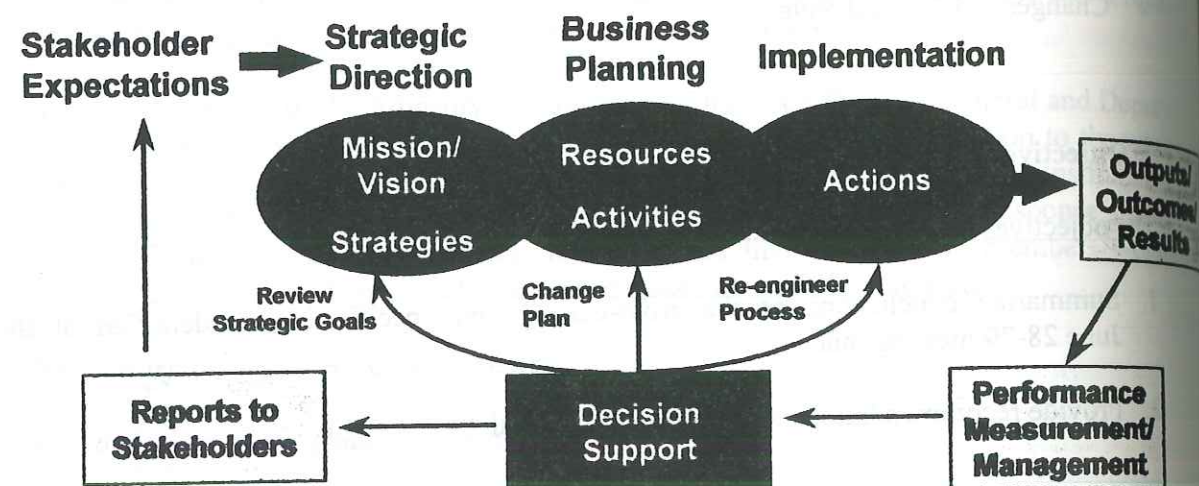
Strategic planning and management issues identified by Commission members, in conjunction with the Director General at the June 29, 2000, meeting, are not unique. In preparing this report, the Commission was guided by the need to present a balanced assessment of the issues and suggested remedies, and has placed considerable importance on providing recommendations that will contribute to strengthening decision-making processes at all levels within IICA.

The following model identifies the key elements of an integrated management framework that includes processes to:

- determine strategies and strategic priorities responding to stakeholder expectations;

- develop business plans that link activities, resources and objectives as part of implementing IICA strategies;
- manage the processes and activities leading to the results/outcomes desired by IICA and its stakeholders; and
- monitor and report on IICA achievements.

Integrated Management Framework



A generic model has been used to situate issues. Its value lies in the development of linkages amongst the issues.

4. Members' Conclusions and Recommendations

The following is a brief description of each issue, and a summary of conclusions and recommendations for the Director General's consideration. During the discussions, it was determined that some of the cross-cutting issues overlapped. Thus issues 1, 3 and 4 were merged, as were 2 and 5. While issues are addressed separately in this section of the report, Section 5 provides a summary of recommendations as a basis for developing an integrated action plan.

Activity Planning, Coordination and Execution Process

Description

In order to promote sustainable economic development, the Medium Term Plan (1998-2002), adopted by IICA's Members, included priorities that underlined the need for tridimensional (production, trade and institutional) transformation, as well as recognizing that development should be sustained in three primary elements: competitiveness, equity and sustainability.

The importance of developing a new institutional focus for agriculture, and the recognition of its strong impact as an integral component of economic globalization, have oriented the Institute's action in each of its strategic areas, and are key drivers of IICA's mission, vision and its general strategy.

There are some priority areas which can be developed more fully and for which greater impact may be expected. Strategic measures should be taken to focus the Institute on the most important challenges faced by the majority of countries of the Americas; primarily that of improving the competitiveness of agriculture and living conditions in a sustainable rural environment.

While positive changes are being carried out in the organization, such as participation of Member States in the change process, modernizing the organization to be open, transparent and accountable begins with the planning process.

In this regard, activities derived from the planning process are not clearly visible at the regional and national level, as there is a need to attain an adequate balance between the functions of IICA as an administrator of funds and its technical cooperation actions in the Member States.

The existence of different needs regarding project support created through regional initiatives is acknowledged. Such initiatives must be integrated regionally and lessons must be learned from the evaluation of successful and unsuccessful projects.

In turn, planning activities should be considered the cornerstone to attain optimum results for all Member States. For this process to effectively translate planning into execution, there must be open, transparent and timely communication amongst all stakeholders.

Conclusions

- Slow and inconsistent responses to the challenges of regional integration and requests for cooperation services by Member States have a negative impact on organizational transformation and consolidation.
- An improved strategic vision is necessary to adequately respond to the challenges of regional integration and country requests.
- Regions continue to provide services according to traditional models, often duplicating activities carried out by IICA's Cooperation Agencies.
- The renewed emphasis on the Medium Term Plan has not been strengthened through a new style of technical cooperation.
- It is necessary to update and train staff in the optimal use of new methodologies and to meet the requirements of a modern organization.
- Programs and priorities must respond to, and be in harmony with the collective interests of Member States.
- Regional resource allocations are not always in accordance with thematic priorities. Therefore, Regional Centres and Cooperation Agencies do not always carry out relevant projects.
- There is a need to develop efficient evaluation mechanisms for the activities planned and carried out.
- IICA should not mix project results it manages with funds from the countries themselves with those technical cooperation actions which it should provide in accordance with its mission.

Recommendations

- Review the Medium Term Plan, including the Mission and Vision, with the involvement of Member States to determine if it will be necessary to make adjustments to meet stakeholders' expectations. Verify such expectations at the strategic level and adjust policies and strategies to attain the results expected.
- Implement a planning process that is both well developed and communicated, and is applied consistently in the various technical and cooperation units (e.g. strategic direction and resource allocation - business plans at HQ and Regions, operational plans in Cooperation Agencies).
- Act in accordance with priorities defined by Member States, which will be the basis for strategic direction, resource allocation and performance measurement across the different strategic areas.
- Utilize IICA's strategic direction and regional business plans as the basis for the scope of action and the responsibilities of HQ and the Regions. Regions should then establish their own actions with Cooperation Agencies through operational plans.
- When necessary, HQ should provide support to Member States to ensure a consistent strategy and define efficiency evaluation strategies for activities carried out.
- Improve the Institute's planning and coordination processes with the Member States, avoiding duplication and ensuring that what is programmed in each strategic area is effectively implemented at the regional and national levels.
- Strengthen the process of institutional alignment to involve all staff in transformation efforts promoted by the Director General.
- Develop monitoring and evaluation mechanisms based on the Medium Term Plan, both in Regional Centres and Cooperation Agencies, as well as the performance of program and project activities and their impact.
- Develop, as soon as possible, a more ambitious communications strategy, to better disseminate planning and execution of activities at the central, regional and national levels.
- Conduct an in-depth evaluation of projects for which quota resources are used, and of the role of the Institute in identifying projects as well as the type of support provided by the Institute in project formulation.
- Strengthen consultation mechanisms carried out by the Institute.

Compilation and Dissemination of Qualitative and Quantitative Information

Description

Multi-lateral organizations, by their very nature, need an effective policy for gathering, storing and disseminating information and experiences learned from cooperation efforts.

Member States need short, medium and long-term solutions to problems that limit their agricultural and rural development. Countries have resources and capabilities that are not being fully utilized for such development due to reduced access to information and technical and scientific expertise. There are countries within the inter-American system that have succeeded in overcoming problems and making good use of their capabilities thanks to various cooperation activities carried out by the Institute. Member States can benefit from the experiences which the both Institute and other countries have accumulated.

Left unchanged, Member States will continue to duplicate efforts to problems already overcome by other countries and the Institute, and their CA's will continue to implement solutions and cooperation programs without the benefits of past lessons learned (successful and unsuccessful) and shared experiences. This reduces the efficiency and effectiveness of human, technological and financial resources.

The Director General noted that "different levels, modalities and methods of evaluation have been applied to projects according to their characteristics and nature of their financing" (paragraph 3.3.2 of the Minutes of the First Meeting). It was indicated that "this area can be improved," with better strategic analysis. It is essential that Cooperation Agencies maintain an inventory of experiences to shape their strategic orientations and policies.

Conclusions

- It is not clear that IICA-HQ has an adequate databank with a project progress breakdown;
- In general, regional offices do not standardize their project information reporting systems, including an analysis of reasons for successes and failures and mechanisms for sharing those experiences with other regions;

- Cooperation Agencies need to work closer with governments or local agencies to develop mechanisms for qualitative and quantitative project evaluations, and ensure performance data is reported at the regional and headquarters levels to avoid errors and duplication of effort;
- The capacity within the Institute should be further developed for gathering relevant qualitative and quantitative project information;
- Resource information regarding cost breakdowns is currently not available;
- Governments and agencies consulted were unanimous in recognizing this issue as a priority, and one which should be given greater importance;
- Despite some dissemination of experiences at different levels, this has not been a reflection of a well-defined institutional policy, but rather the result of isolated efforts without a rigorous and systematic framework;
- Headquarters, through the Management of the Technical Consortium, compiled an inventory of the technology developed by IICA. Although a step in the right direction (namely the development of a system to capture and disseminate relevant cooperation experience), none of the agencies or governments consulted even mentioned this inventory;
- HQ presently does not have an integrated system for project evaluation with established criteria for regional and national level "input" according to those criteria;
 - There is no common project evaluation process for comparison of options for IICA participation in projects at the national level;
 - Cooperation Agencies do not harmonize parameters adopted by member governments for project evaluations, with the methodology established by IICA-HQ in order to conduct a post analysis of project performance; and
 - HQ-established evaluation criteria and methodology are not used by Regional and Cooperation Agencies to carry out project evaluations.

Recommendations

- Implement a policy and develop a systematic program for gathering, storing and disseminating experiences gained from cooperation between the Institute and its Member States.
- Develop an integrated project information and post analysis system to identify projects, activities and subject areas;
- Adopt a common management and accounting system at all levels in order to conduct comparative analyses in the fields of finance, performance, costs and impact of evaluation;
- Establish a means for classifying and evaluating projects. For example, detailed data could be obtained by examining results based on the following criteria: substantive technical cooperation projects; logistical and operational support programs; projects deemed successful by the participating parties ; and projects deemed a failure by participating parties.
- A functional review by all management levels to ensure an understanding of their roles, responsibilities and relationships:
 - HQ, working in conjunction with country government officials should examine, and where possible, harmonize project evaluation systems;
 - All levels of the organization should identify and share lessons learned, success stories and problems detected in project evaluations in order to continually improve the operation; and
 - Cooperation Agencies should ensure ongoing integration and dialogue with government organizations involved in projects, in order to provide regional offices and HQ with comments and suggestions for improving project evaluation systems.
- Promote agreements among Member States that would allow other members access to experiences generated by programs and projects already under way.

Impact of Decentralization, Including Financial Implications, Quality and Impact on Program Delivery

Description

One of the central elements of IICA's institutional transformation process (proposed and initiated since 1994) was a focus on decentralization aimed at strengthening the Institute in terms of both the delivery of cooperation and technical assistance and improvement of the Institute's capacity to respond to its members and regional integration bodies. This process was based on priorities agreed upon by the IABA. The decision was supported with the establishment of Regional Offices and decentralization of some of HQ's functions and authorities to those offices. This process entailed restructuring the Institute and reducing the number of units reporting directly to the General Directorate.

Theoretically, Regional Offices are responsible for supporting joint initiatives and actions of Member States so as to organize both local and regional cooperation services and facilitate hemispheric dialogue. These actions in turn strengthen areas of analysis at both local and regional levels, resulting in the creation of strategic alliances, harmonization of Regional strategies with respect to the Medium-Term Plan, as well as institutional, managerial, administrative and operational aspects.

Decentralization is viewed as a process of supporting an "...organizational model based on strategic distribution of authority, powers, resources and responsibilities to technical and administrative bodies that provide services (internal and external) to achieve the efficiency and effectiveness required to secure institutional leadership in their cooperative services¹." This objective is accompanied by a series of progressive decisions and actions aimed at ensuring the transfer of resources and assignment of responsibilities to the operating units.

Conclusions

Despite progress in decentralization, further consolidation remains to be done. Some positive changes to date mainly take the form of human and financial resource decentralization to Regional Offices, strengthening linkages between IICA and Regional Offices, an increase in the use of external resources and the gradual incorporation of technological advances in communications to ensure better management.

¹Taken from the material presented at the first meeting of the Special Advisory Commission on Management Issues held in San José, Costa Rica, from June 28-29, 2000.

An analysis has revealed the need to:

- Improve the analysis and evaluation of technological infrastructure to be incorporated as a management tool, to encourage, expedite and support development of technical personnel;
- Improve management monitoring and control mechanisms at all levels;
- Strengthen intra- and inter-institutional relations; and
- promote new strategic alliances and strengthen existing ones to expand coverage for the delivery of services to Member States.

Recommendations

- Develop a strategy to complete the decentralization of areas of responsibility from HQ to Regional Offices and Regions to Cooperation Agencies. This will involve not only decentralizing human and physical resources (including technology and communication infrastructure improvements), with accompanying delegation of authority, but also strengthening the regional and horizontal integration process.

Information and Consultation on the Decision-Making Process for Major Acquisitions Such as Informatics and Accounting Systems

Description

An organization must have policies, norms and procedures for acquisitions which allow it to implement adequate procedures aimed at obtaining better goods and services for fulfilling its requirements through a more fair and competitive process.

Conclusions

- There is no consultation mechanism which allows the participation of Member Countries in important acquisitions; moreover, the current acquisition policies, norms and procedures have not been updated for some time.
- Current policies, norms and procedures are not sufficient, particularly for acquisitions considered strategic or important to its transcendence and financial value.

Recommendations

- Review and revise policies, norms and procedures for acquisitions and contracts with an emphasis on important, strategic acquisitions, with the objective of assuring the most effective procedures.
- Communicate these new policies, norms and procedures, provide the necessary training and install a monitoring mechanism to assure compliance at all levels of the organization.
- Establish a mechanism for informing Member States and enabling them to participate in major acquisitions.

Third Parties' Analysis

This item has been deferred until the next round.

Budget Formulation for the Next Biennium

Description

To begin formulating the budget for the next biennium, we were asked to consult with our member governments on their position on budgets for multilateral organizations.

Conclusions

The budget information requested was received late and not in the form requested for consideration, and thus no analysis could be done.

Not all countries were consulted but it is unlikely any will be in favour of a quota change.

The preparation of future budgets should include input from the Advisory Commission on Management Issues, on such issues as format and level of detail, etc.

No decisions on financial issues which will have budget implications for the next administration should be taken at this time.

Salary Proposals

Description

At the Executive Committee in 1998, IICA Management proposed, as part of the budget, to submit a 5% increase in IICA's salary scale to the IABA. The justification provided was that there had been no increase to the salary scale for 5 years. Such an increase in the salary scale would require one of three things to happen: an increase to their budget with a corollary increase to member states' assessments; a decrease of program funding within a no-growth budget to offset the increased staff costs; or, a reduction in the number of staff.

Several major donors insisted that there be more justification and requested that IICA hire a consultant to compare its salary scale and position structure with that of other international organizations. A list of consultants familiar with the UN and OAS scales was provided to IICA and Mr. Paul Belanga, an expert in UN salary and position structures and who had worked with the OAS when they went to UN parity, was selected.

Mr. Belanga met with IICA management and staff, performed random position audits and conducted a comparison of UN and OAS salary scales and benefits packages to that of IICA. His findings, based on the 17 audits performed indicated that, while all 10 P-level staff were properly graded, the majority (5) of the 7 D-level staff were over graded. There were 37 D-1 and D-2 positions at the time the audits were performed out of a total IPP staff of 109, or 34% of IICA's professionals, at the D or Senior-level.

Conclusions

IICA's pay scale differs substantially from that of UN agencies, by an average of 54.2% behind that of UN agencies. There has been no increase in IICA's scale since 1992. However there are other factors involved in compensation where IICA's practices would appear to offset partially or almost totally the scale difference:

- IICA's scale includes a single rate with or without dependents. All IICA employees get a pay rate as if they all had dependents while UN organizations have different scales depending on whether they have dependents. Since most UN employees have dependents, this is not a major issue at the U.N.
- IICA hires new staff on a different salary basis than UN agencies. While UN agencies bring all staff, with few exceptions, into the grade at Step 1, IICA hires by

determining what percentage of the next grade's qualifications the candidate possesses. For example, an individual hired into a P-4 position who possesses 40% of the qualifications for a P-5 is paid 40% of the difference between P-4, Step 1 and the P-5, therefore entering at a P-4, Step 6. The effect is that new staff at IICA enter at 2-3 grades higher than those in the UN system, effectively granting an increase.

- IICA's scale contains 20 steps for P-3 through P-5 and 10 steps at the D-level, many more steps than in the UN system.
- In most international organizations that follow the UN system, step increases are granted based on the step held by the staff member. For example, for the first several steps, and based on satisfactory or better performance, a staff member can be granted a step increase. At the higher steps, and based on performance, a step increase can only be granted every two years. IICA has a different system. Step increases are granted every two years and are based on performance – one step if above satisfactory and two steps for performance at the highest level. As a matter of practice however, the majority of staff get two steps every two years regardless of performance.
- All IICA step increases are \$720 whereas UN agencies vary the amounts based on the step. The steps are a percentage of the base salary and therefore increase with each step and grade. But IICA gives the same increase to Step 1 as to Step 10, advantaging the lower grades while disadvantaging the higher grades.
- The waiting period for a step increase is reset when a staff member receives a promotion at UN agencies while IICA uses the entry on duty date for step increases regardless of promotions.
- When IICA promotes a staff member, it grants a 2 to 3-step increase, or the first step in the higher grade, whichever is more advantageous to the employee. UN agencies do the same but they only grant 3 steps when the employee has served a substantial time since the last step increase. This is often more generous than the U.N.
- IICA grants step increases for other reasons – such as when they assign or promote staff to positions involving administrative or representational responsibilities, such as Country or Regional Representatives. Regional Representatives receive 3 then 4 steps while Country Representatives receive 3 then 2, 3 or 4 steps depending on the complexity of the work assigned. UN agencies do not provide additional steps for reassignment or promotion of this nature. They do however, sometimes provide an allowance for representational positions when it is determined this is required.
- The increases for Country and Regional Representatives and other regional staff, who comprise 40% of the IPP staff, would result in these staff serving at a level 2 to 7 steps above what they would be otherwise entitled. A representational allowance

for some might be more appropriate and cost effective than step increases for all. There is also no provision for these increases except for administrative positions in IICA's personnel manual.

- IICA's promotion policy versus its practice would appear to be at odds with one another. The policy is that advancement to the next grade is usually after advancing through most of the steps and involves considerable increases in functions, experience, and, in some cases, education. However, a random sample of promotions showed that most promotions did not follow this practice and the largest number of promotions were from P-5 to D-1 and D-2. It is at the D-1 and D-2 levels where IICA diverges most noticeably from other UN agencies and is a major way IICA has given salary increases.
- Post adjustment has an effect on compensation. Post adjustment is much higher at IICA since IICA takes the entire post adjustment as determined by the UN, even though the cost of living in Costa Rica is low. Other UN agencies take part of the post adjustment and increase their base salary scale, which results in a higher agency contribution to the pension plan since the contribution is based on a percentage of salary. Had IICA handled post adjustment the way most U.N. agencies have, the salary scale might be comparable.
- IICA's allowance for dependents is much lower than that of UN agencies. However, the cost of living in IICA countries is also lower and IICA pays the allowance until dependents are 25 while UN agencies pay only until the dependents are 21.
- IICA pays 100% of educational expenses of dependents of IPP's serving outside their home country, up to \$1380 per year for secondary school and \$1530 per year for post-secondary studies. The allowance for post-secondary studies is limited to five years or receipt of a university degree. This is substantially less than the benefit allowed in UN agencies.
- Housing allowances are paid by CATI's subject to their availability. The allowance is 6-12% of base pay, with no proof of expenditure, time limitation or restriction on duty station, and averages 8% of net pay. UN agencies only pay a portion of rent exceeding a threshold and varies from country to country and the allowance is only given when a staff member is serving outside his home country.
- Pension plan contributions are 14% of the staff member's pensionable remuneration while UN agencies contribute 15.8%. With a lower base of remuneration, the difference between 14% and 15.8% is increased.
- There are other allowances and benefits, some of which are greater for IICA staff than UN agencies give.

- The study acknowledges that on a pure salary and benefits basis, IICA staff are paid almost 10% less than staff at UN agencies. It also states that this disparity does not include the impact of over-grading which seems to be how IICA has adjusted to give staff more compensation, therefore calling into question whether salaries can be looked at in isolation.
- Although the study indicates (page 5, paragraph 2) that the "net base pay of IICA has fallen badly behind the ICSC (International Civil Service Community) Agencies since the Institute's last general pay increase in 1992," this is misleading. Any meaningful analysis of salaries must take into account post adjustment which is a significant part of take-home pay. Although IICA has not, over the years, rolled post adjustment into base salaries, i.e., increased them the way the ICSC agencies have, it is our understanding that IICA has, nevertheless, used data supplied by the ICSC to increase post adjustments, as appropriate. Accordingly, it would seem that IICA's total compensation has increased at roughly the same rate as ICSC compensation has increased. At least since 1990, except for a real .4 (point four) percent increase to base salaries implemented by the UN in 1997, it has not granted any salary scale increases besides those attributable to roll-ins of post adjustment (i.e., on a no gain basis).
- P-3 and below: Inasmuch as the study did not address IICA-UN classification equivalencies at levels below P-4, the study was unable to reasonably ascertain whether a salary increase for those levels would be warranted.
- P-4 and P-5: The UN's minimum base (i.e., first step) salaries plus post adjustment are approximately 3 percent more than IICA's minimum base (again, first step) salaries plus post adjustment. At maximum rates, the UN is roughly 5 to 7 percent higher than IICA. Inasmuch as this comparison was made using UN dependency rates (that are higher than UN single rates by very roughly 8.0 percent at these grade levels) and considering that compared to the UN system, IICA would be overpaying its single staff, on balance it would appear that no increase is warranted.
- D-1 and D-2: The UN's minimum base (i.e., first step) salaries plus post adjustment are roughly 12 to 13 percent more than IICA's minimum base salaries plus adjustment. At maximum rates, the UN is roughly 14 to 16 percent higher than IICA. This comparison was made using UN dependency rates that are higher than UN single rates at these grade levels by roughly 9.0 percent.
- The analysis did not take into account retirement plan contributions. The UN contributes more to its retirement plan for staff than IICA contributes to its plan. However, the latter plan provides benefits with at least as much value to staff as the UN plan. If IICA's retirement plan produces benefits comparable to the U.N.'s plan, at a lower cost, the result is that IICA employees benefit from having to make a smaller retirement contribution (i.e., more disposable income than they would otherwise have).

Recommendation

- The Director General should review the study's conclusions and the analysis done by the Commission, considering them in terms of their accuracy, budgetary implications, impact on staff morale, legality (i.e. compliance with existing staff rules), and timing, before making any concrete proposals. The Commission is ready to work further on this issue with the Director General once he has formulated such proposals.

Changes to Electoral Rules

Description

The Director General requested comments on the document "Draft Rules to Govern the Presentation of Candidates for the position of Director General."

Conclusions

This matter should be referred to the Executive Committee.

Recommendations

- Reference Article 1 paragraph 1.2
Last sentence be revised from "...so re-elected, may not be a candidate..." to "...shall not be a candidate."
- Reference Article III paragraph 3.1
The footnote is inconsistent with the text. Candidates may wish - it need not be mandatory.
- Article II
We see no reason to change article 1.05 as currently written.
- With the exception of Article IV, all changes be instituted only after the next election.

5. Summary of Recommendations

Issue	Recommendations	Issue	Recommendation
Activity Planning, Coordination and Executive Process	<ul style="list-style-type: none"> • conduct strategic review of Mid Term Plan • implement consistent planning processes follow IICA priorities • utilize IICA strategic direction and Regional business plans as a basis for accountability contracts • HQ should support Regional and National implementation of common business planning • improve IICA's planning and coordination process with Member States • strengthen institutional alignment process • develop monitoring and evaluation mechanisms • develop, as soon as possible, a more ambitious communications strategy • have more in-depth evaluation of projects involving quota funds • strengthen consultation with Member States 	Impact of decentralization	<ul style="list-style-type: none"> • continue decentralization, including human and physical resources with delegation of authority, and strengthening of the regional and horizontal integration process
Compilation and Dissemination of Qualitative and Quantitative Information	<ul style="list-style-type: none"> • implement a policy and develop a program for gathering, storing and disseminating information and lessons learned • develop project information and post analysis system to identify projects, activities • adopt common management and accounting system at all levels • HQ establish the means for classifying and evaluating projects • all management levels review and update their roles, responsibilities and relationships • HQ should harmonize, where possible, project evaluation systems with governments • all levels should encourage exchanges of lessons learned between Member States • CA's should ensure integration and dialogue with government organizations involved in projects 	Information and consultation on the decision-making process for major acquisitions	<ul style="list-style-type: none"> • review and revise policies and procedures for the selection and recruitment of contractors • widely communicate policies and procedures and provide training for those directly involved in their implementation • establish mechanisms to enable Member States to participate in major acquisitions
		Third Parties Analysis Budget formulation for the next biennium	<p>Deferred to the next round.</p> <ul style="list-style-type: none"> • include input from Advisory Commission • no decisions should be taken on financial issues which will have budget implications for next administration
		Salary Proposals	<ul style="list-style-type: none"> • DG should review the study and analysis, consider accuracy, budgetary limitations, impact on morale, legality and timing before making proposals
		Changes to Electoral Rules	<ul style="list-style-type: none"> • Art. 1 para 1 - last sentence - "..., <u>shall</u> not be a candidate.." • Art III para 3.1 - foot note inconsistent • Art II - no reason to change • implementation after next election except Art IV

IICA/CE/Res.350(XXI-O/01)

25 July 2001

Original: English

RESOLUTION No. 350

SPECIAL ADVISORY COMMISSION ON MANAGEMENT ISSUES

THE EXECUTIVE COMMITTEE, at its Twenty-first Regular Meeting,

HAVING SEEN:

The document entitled "Special Advisory Commission on Management Issues, Summary of Conclusions and Recommendations, October 20, 2000," and the document entitled "Follow-up Report to the Recommendations of the Special Advisory Commission on Management Issues," IICA/CE/Doc.386(01),

CONSIDERING:

That by Resolution IICA/JIA/Res.341(99), the Inter-American Board of Agriculture ("IABA") created the Special Advisory Commission on Management Issues ("Advisory Commission") to facilitate "more regular discussions between the Director General and the Member States on administrative and financial initiatives and issues in order to facilitate the process of reaching consensus on those issues and initiatives in the Executive Committee and in the IABA";

That the work of the Commission is additional to the on-going internal and external audit procedures of the Institute;

That by Resolution IICA/CE/Res.340(00), the Executive Committee instructed the Director General to take into account the recommendations set out in the Special Advisory Committee's Report in his efforts to improve, modernize, and transform the administrative and financial management of the Institute;

That the Director General, upon the request of the Advisory Commission, prepared and distributed to the Member States the document entitled "Follow-up Report on the Recommendations of the Special Advisory Commission on Management Issues," for the purpose of informing the Member States on measures taken pursuant to the recommendations set out in the Advisory Commission's Report;

That Article 9.1 of the Statute of the Advisory Committee provides that the Commission shall have a duration of two years and that "the Executive Committee, with the support of the Director General, will present a report on the Advisory Commission's performance to the IABA, at its Eleventh Regular Meeting, which will decide on whether to renew or otherwise extend the Advisory Commission's mandate;"

That members of the Advisory Commission and the Director General have endorsed the renewal of the Advisory Commission's mandate in their oral remarks during this meeting of the Executive Committee,

RESOLVES:

1. To thank the Director General for the document "Follow-up Report on the Recommendations of the Special Advisory Commission on Management Issues," and his additional observations concerning the Advisory Commission.
2. To request that the Director General report semiannually to the Member States regarding measures taken with respect to the Advisory Commission's recommendations.
3. To recommend that the IABA renew the Advisory Commission's mandate for another two years in accordance with Article 9.1 of the Commission's Statute.
4. To instruct the Director General to include the Advisory Commission as an agenda item of the Eleventh Regular Meeting of the IABA in November 2001, and to transmit to the IABA for its consideration the Advisory Commission's Report, the Director General's document "Follow-up Report on the Recommendations of the Special Advisory Commission on Management Issues," and a copy of this resolution.

IICA/CCG
November 2001
Original: Spanish

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



IICA

SPECIAL ADVISORY COMMISSION ON MANAGEMENT ISSUES

Creation

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

Objectives

The objectives of the Advisory Commission are:

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

Meetings held by the Advisory Commission

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

Reports Submitted

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

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

TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS

RECOMMENDATIONS

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

PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION

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

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

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

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

- This year, a new Consultation with National Leaders was carried out, which will provide inputs for the next 2002-2006 MTP.

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

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

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

TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
	<ul style="list-style-type: none"> - The business plans (i.e., the Program Budget and the operational plans) are the instruments of the planning system that establish the priorities to be addressed, the actions to be taken and specific results to be achieved by the different units at Headquarters, the Regional Directorates and the Cooperation Agencies. It is the responsibility of each unit chief to analyze the responsibilities of the units, their plans of action and the resources allocated, and to maintain consistency among them. - At the regional level, the Regional Directors and IICA's Representatives in the countries establish the strategic guidelines and action plans for each region, which should be in line with the Institute's Corporate Strategy. The aim is to ensure that the action taken through the Cooperation Agencies and the Regional Directorates responds to priority initiatives of the countries, and are shaped by the priorities approved by the governing organs of the Institute in the MTP and the Program Budget.
5. When necessary, HQ should provide support to Member States to ensure a consistent strategy and define efficiency evaluation strategies for activities carried out.	<ul style="list-style-type: none"> a) Within the Institute: Traditionally, the Institute has used planning methods and procedures that are applied uniformly by all its organizational units. The Consortium for Planning and Coordination (CONPLAC) coordinates and provides support to the rest of the units of the General Directorate in applying the mechanisms and instruments of organizational planning. This includes formulation of strategies for IICA action in the countries and region (medium-term plan), and proposals for the Program Budget (biennial) and the operational plans (annual).

TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
6. Improve the Institute's planning and coordination processes with the Member States, avoiding duplication and ensuring that what is programmed in each strategic area is effectively implemented at the regional and national levels.	<ul style="list-style-type: none"> b) In support of the Member States: After the Third Summit of the Americas¹, a consultation has been undertaken in all the Member States with the national leaders of the community of agriculture and rural life. This activity supports efforts to make adjustments in national strategies in order to improve agriculture and rural life, as called for by the Heads of State and Government at the Third Summit, and will serve as a valuable input for improving the Institute's strategy at the hemispheric, regional and national levels. <p>In addition, Headquarters complements and strengthens the actions of the Cooperation Agencies that help Member States requiring Institute cooperation in the area of strategic planning. By way of example, this type of work was recently undertaken in El Salvador, Honduras, Dominican Republic, Panama and Peru. This type of work is expected to continue in the other Member States.</p> <p>This action should be extended in the future to include a greater number of countries.</p> <p>The improvement and modernization of IICA's planning and coordination processes is a key and permanent concern of the Administration, which has brought about the substantive improvements described below:</p> <ul style="list-style-type: none"> - The Member States' intervention and involvement in the Institute's planning process occurs at three levels. At the <u>hemispheric (inter-American) level</u>, the IABA and the CE approved the Medium Term Plans and the biennial Program Budgets, which contain the Institute's strategic guidelines and priorities for action. <u>At the regional level</u>, through consultations with the countries

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

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

TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
	<p>specialized unit at Headquarters, and concluded in 1999 with a study by a specialized firm to assess the alignment of all the units of the General Directorate.</p> <p>Actions to strengthen institutional alignment (i.e., the commitment of IICA staff to the Institute's mission, vision and values) continue to be a priority in the 2000-2001 period.</p> <p>The mechanisms used by the General Directorate for consultation with the Member States cover the three scopes of action of Institute: inter-American, regional and national. They have been strengthened as follows:</p> <ul style="list-style-type: none"> - At the hemispheric level, this includes the regular meetings of the IABA and the Executive Committee, the ministerial forums held in conjunction with the regular meetings of the IABA, and the First Inter-American Consultation of Leaders in Agriculture, held in 1997. The goal of this consultation was to identify issues that would affect the development of agriculture in the future, and it targeted leaders from the public sector, producers' organizations, and representatives of academia and international organizations. Electronic forums were used on several opportunities as a rapid, effective and inexpensive way to make consultations on specific institutional issues. <p>During the process under way since 2000 to introduce the topic "Agriculture and Rural Life" into the Third Summit of the Americas, IICA was in constant consultation with the countries, achieving support for this initiative. On the basis of the decisions of that Summit (April 2001), consultations continued through national and regional meetings for the preparation, by the countries, of a Ministerial Declaration and Strategic Guidelines of inter-American scope, for implementing the presidential agreements. These documents will be adopted at the 2001 IABA.</p>
8. Strengthen the consultation mechanisms used by the Institute	

TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
	<p>At the hemispheric level, IICA has also developed thematic hemispheric networks for topics covered in the MTP. Specialists from the Member States participate in these networks, for which IICA serves as the technical secretariat.</p> <p>At the regional level, the mechanisms for consultation are more diverse. In addition to the regional councils of ministers of agriculture, there are technical and entrepreneurial forums with which IICA maintains a dialogue on the situation in and outlook for agriculture, and the actions of the Institute.</p> <p>At the national level, the IICA Representatives are in constant contact with senior officials at the ministries of agriculture, and other public- and private-sector actors who play a key role in ensuring that the Institute's cooperation in each country continues to be relevant and effective.</p> <p>The main efforts undertaken by the General Directorate to strengthen the Institute's communication strategy are:</p> <p>a) preparation of a proposal for a plan of action for improving communications within IICA, which was the result of consulting services carried out by Price Waterhouse Coopers, in support of the institutional transformation process; b) development of an information and documentation system for the Americas; c) adoption of a communications platform (Lotus Notes) which has revolutionized internal communications; d) creation of the Institute's web site; e) the Technical Information System http://Infoagrar.net, composed of four thematic modules (trade and trade negotiations, technological innovation, agricultural health and food safety, sustainable development) were very successfully designed and implemented, and at the disposition of users in member countries. Its purpose is to facilitate communication, dialogue</p>
<p>9. Develop, as soon as possible, a more ambitious communication strategy, to better disseminate the planning and execution of activities at the central, regional and national levels.</p>	

TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
	<p>and the exchange of information and know-how on different aspects of agro-food systems. These modules as a whole have shown dynamic growth, with 246,000 successful hits (7,950/day) in October 2001; f) production of electronic bulletins; g) IICA exhibits at many international fairs and events; h) the ComunIICA magazine; i) distribution of the Annual Report; and j) the bulletins and pamphlets produced by the units at HQ, the Regional Centers and the Cooperation Agencies.</p>
<p>10. Develop monitoring and evaluation mechanisms based on the Medium Term Plan, both in the Regional Centers and the Cooperation Agencies, as well as the performance of program and project activities and their impact.</p>	<p>Within the framework of the process of strategic planning and administration at the Institute, monitoring and evaluation are viewed as elements closely articulated with the institutional strategic framework, strategy, programming and operations. Both, combined with up-to-date knowledge of the evolving context, provide important inputs for reflection and strategic learning.</p>

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

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

TOPIC: COMPILATION AND DISSEMINATION OF QUALITATIVE AND QUANTITATIVE INFORMATION	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
	and country levels. It also presents information on the Institute's financial and human resources, and a list of all publications produced during the year. It should be mentioned, however, that the dissemination of the Institute's experiences is limited by financial constraints due to the high unit cost.
15. Develop an integrated project information and post analysis system to identify projects, activities and subject areas.	The data base developed for IICA's projects can be consulted via Internet. It contains information on the results programmed and achieved, the budgetary allocation, the cooperation agreements of the different organizational units and projects currently under way. It also contains a summary of the evaluations of organizational units, programs and cooperation projects executed during the last 15 years.
16. All the levels of the organization should identify and share lessons learned, success stories and problems detected in project evaluations in order to continually improve the Institute's operations.	Design and organization of the Data Center for Planning and Coordination has begun. Its purpose is to facilitate access to data (on the setting and on IICA) that are essential for the Institute's planning and coordination process. The Center will provide and systematize information on the evolution of the national and international settings as they affect and condition IICA's action; the performance of the Institute at the overall and project levels; successful experiences and opportunities for expanding cooperation. All the information will be organized by subject area and geographic scope, and will be disseminated electronically both within the Institute and to the Member States.

TOPIC: COMPILATION AND DISSEMINATION OF QUALITATIVE AND QUANTITATIVE INFORMATION	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
17. The Cooperation Agencies should ensure ongoing dialogue and integration with government entities involved in projects, in order to provide the Regional Offices and Head-quarters with comments and suggestions for improving project evaluation systems.	The Cooperation Agencies have been strengthening their efforts to expand the dialogue with national counterpart agencies, regarding progress made in project implementation and other cooperation actions, as well as their priorities and needs for cooperation. This exchange is the foundation for reaching agreement on and updating cooperation actions. Also, it provides insight into the opinions of national agencies regarding the Institute's performance and the policies, rules and procedures of interest to them, which they usually convey to the Regional Directorates and to Headquarters, as the case may be.
18. Promote agreements among the Member States that would allow other members access to experiences generated by programs and projects already under way.	IICA will seek to extend the mechanisms for joint action among groups of countries for the exchange of experiences and the formalization of agreements. In addition, it should be noted that one of the Institute's key strengths is the transfer of successful experiences through: a) multinational projects; b) technical networks; c) electronic forums; d) international events and meetings; e) production of technical materials; f) training activities; and g) dissemination of information which have been described above.
19. Adopt a common management and accounting system at all levels in order to conduct comparative analyses in the fields of finance, performance, costs and impact of evaluation.	Installation of the first stage of the BAAN system is complete. Currently it has been installed in the Cooperation Agencies in the Southern Region (except Argentina) and at HQ. The system will be implemented in the CAs in Panama and Colombia in the first half of 2002. This system comprises six principal activities. 1) Consolidation, which will contain consolidated information from all the Cooperation Agencies. 2) The DEM, which is the process modeling toolkit. 3) Distribution, which centralizes Procurement, Reception of Materials, Inventory, Sales and Stocks.

TOPIC: COMPILATION AND DISSEMINATION OF QUALITATIVE AND QUANTITATIVE INFORMATION	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
	4) Projects, which contains everything related to the Control of Projects, Control Options, Follow-up and Budget Generation. 5) The BAAN Enterprise which has the management indicators and follow-up reports. Finally, there is 6) Finance, which will include Accounting, Treasury, Accounts Payable, Accounts Receivable and Budget Control. This integrated system will make it possible to conduct comparative analyses in the financial and project areas, exercise greater and better control over cash, and monitor management indicators, among other advantages, in this way complying fully with the recommendation of the Advisory Commission.
TOPIC: IMPACT OF DECENTRALIZATION	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
20. Develop a strategy to complete the decentralization of areas of responsibility from HQ to Regional Centers and Regions to Cooperation Agencies. This will involve not only decentralizing human and physical resources (including technology and communication infrastructure improvements), with accompanying delegation of authority, but also strengthening the regional and	Main achievements: The administration of IICA personnel has been decentralized (except in the case of International Professional Personnel) The Cooperation Agencies and Regional Directorates have final responsibility for their actions in the area of human resources, including everything related to personnel recruitment and selection, performance evaluation, training, etc. For reasons of institutional policy, in the case of International Professional Personnel recruitment and selection, as well as administration, must continue to be managed at Headquarters.

TOPIC: COMPILATION AND DISSEMINATION OF QUALITATIVE AND QUANTITATIVE INFORMATION	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
horizontal integration process.	With regard to physical resources (infrastructure, communications technology), firewalls have been installed that afford the Cooperation Agencies and Regional Centers secure and stable access to the systems at Headquarters. The band width of the Internet connection at Headquarters was increased from 512 kbps to 2,048 kbps, and the type of connection was changed, to one that is more stable and provides a better quality service. Thanks to this new connection, with four times the band width, the Cooperation Agencies and Regional Centers are better equipped to exchange information via the Internet, including the possibility of replication among institutional systems. Furthermore, some of the servers have been replaced at Headquarters, in order to provide faster response times and more storage capacity, particularly those used for the email and data base activities for the institutional systems. The above activities, combined with others described in this document, are strengthening the Institute at the regional and national levels, and maintaining the necessary institutional integration.
TOPIC: INFORMATION AND CONSULTATION ON THE DECISION - MAKING PROCESS FOR MAJOR ACQUISITIONS SUCH AS INFORMATICS AND ACCOUNTING SYSTEMS	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND OBSERVATIONS OF THE ADMINISTRATION
21. Review and revise policies, norms and procedures for acquisitions and contracts with an emphasis on important, strategic acquisitions, with the objective	The Institute has been improving the mechanisms that guarantee adequate controls for the procurement of goods and services that have been decentralized. These include the Procurement Manual, the Financial Rules, the Executive Order on Consultants, and other internal control procedures.

TOPIC: COMPILATION AND DISSEMINATION OF QUALITATIVE AND QUANTITATIVE INFORMATION	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
of assuring the most effective procedures.	The Personnel Manual and the Executive Order on Consultants have been updated to reflect institutional circumstances, as well as the last resolutions of the IABA and the Executive Committee. It should be pointed out that large purchases made with external funds are processed pursuant to the rules established by the governments and the financial organizations in the respective agreements and contracts. These manuals and regulations are being revised in order to proceed to adjusting them to the requirements of the BAAN system and taking into account the recommendations of the Commission.
22. Communicate these new policies, norms and procedures, provide the necessary training and install a monitoring mechanism to assure compliance at all levels of the organization.	Consolidation of the decentralization process under way should contribute to strengthening regional and horizontal integration recommended by the Advisory Commission. Due to the installation of the new BAAN system, a review is being made of the procedures for administering the Institute's resources. Application of the new system requires intensive training program for all staff in the different Institute units, which is under way at HQ and in the Southern Regional Center. This program will make it possible to comply with this recommendation and to address specific proposals from the governing organs of the Institute, and that will require changes in the rules and procedures.
23. Establish a mechanism for informing Member States and enabling them to participate in major acquisitions.	IICA purchases goods and services following purchasing procedures and regulations that allow it to provide the Institute's different operating units, in a timely manner, with the goods and services they need to execute activities carried out in compliance with the mandates given by the member countries, through the IABA and the Executive Committee. These procedures and regulations aim to ensure the efficient application of resources earmarked by the Institute for purchasing goods and

TOPIC: COMPILATION AND DISSEMINATION OF QUALITATIVE AND QUANTITATIVE INFORMATION	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
	services, and the best conditions of quality, price and technical support possible for users.
	TOPIC: THIRD PARTIES' ANALYSIS
RECOMMENDATION	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
24. Analysis by third parties	Pursuant to the recommendation of the Special Advisory Commission on Management Issues itself, this point has been postponed until its next working meeting.
	TOPIC: BUDGET FORMULATION FOR THE NEXT BIENNIUM
RECOMMENDATION	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
25. Preparation of future budgets should include input from the Advisory Commission. No decisions on financial issues should be taken that have budget implications for the next administration.	In order to maintain normal Institute activities and also address the recommendation of the Special Advisory Commission, the Administration decided to: a) prepare the draft Program Budget only for the 2002 fiscal year, leaving the incoming administration freedom to introduce adjustments and formulate the proposal for 2003; b) the budget proposal for 2003 does not include increases in the quota contributions of the Member States; c) technical and institutional policy measures were

TOPIC: COMPILATION AND DISSEMINATION OF QUALITATIVE AND QUANTITATIVE INFORMATION	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
	adopted to address some of the specific recommendations; d) the Program Budget was formulated pursuant to the rules in force. It was considered that format and other issues should be decided by the incoming administration in consultation with the Advisory Commission. This is one of the reasons for presenting only one year of the Program Budget.
TOPIC: SALARY PROPOSALS	
RECOMMENDATION	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
26. The Director General will review the study and the analysis made by the Commission, as well as its accuracy, budgetary implications, impact on staff morale, legality and timing, before making its proposal.	While we recognize importance and usefulness of the salary study, as well as the document on the matter prepared by the consultant hired for this purpose, and we share the recommendations on same, implementation of the proposed measures requires adoption of regulatory, legal and financial measures and others related to the institutional climate. Based on the analysis, the study will be presented to the new administration. It is felt that it would be inappropriate for the current administration to make substantive decisions regarding staff salaries and other benefits, that affect the budget, technical actions and basic structure of the Institute at the end of its term in office.

TOPIC: CHANGES TO ELECTORAL RULES	
CONSIDERATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
27. Art. 1, paragraph 1.2 last sentence "... may not be a candidate" Art. III paragraph 3.1 Footnote inconsistent Art. II. No reason to change it. Changes be instituted only after the next election.	The proposed Electoral Rules that include the amendments recommended by the Special Advisory Committee were submitted to the consideration of the Executive Committee, at its Twentieth Regular meeting, and adopted by that body by means of Resolution IICA/CE/341(XX-O/00).