



Thirty-sixth Regular Meeting of the Executive Committee

**Report on the Status of Resolution  
IICA/JIA/Res. 501 (XVIII-O/15)**

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**REPORT ON THE STATUS OF RESOLUTION  
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During its Eighteenth Regular Meeting, held in 2015, the Inter-American Board of Agriculture (IABA) adopted resolution IICA/JIA/Res. 501 (XVIII-O/15), in which, among other things, it instructed the Director General of the Inter-American Institute for Cooperation on Agriculture (IICA) to lend technical and administrative support to the Special Advisory Commission on Management Issues (SACMI) and the Executive Committee (EC), with a view to the latter submitting to the next regular meeting of the IABA (2017) recommendations for the reorganization and strengthening of IICA to meet the cooperation needs of its member countries.

The purpose of this note is to inform the Member States of the progress made in implementing the aforementioned resolution.

To that end, the Director General has set up an ad hoc team within the Institute to draft and submit proposals to the next meeting of the SACMI, as requested in the resolution. This group has begun its work, which affords the members of the EC an opportunity to share their initial thoughts on the subject.

Since the present administration took office in January 2010, the Institute has implemented a series of strategic reforms reflected in the medium-term plans, the new technical cooperation model, and the corporate reorganization. Thanks to those reforms, IICA has been able to continue to offer its Member States a high level of technical services designed to meet their changing needs, despite the serious financial constraints that the Institute has faced due to the erosion of the purchasing power of its regular budget and the resulting cumulative reduction in available resources.

The General Directorate has continually monitored the institutional structure in order to make the adjustments required to simplify it, make savings, and ensure greater efficiency and accountability in the delivery of services to the Member States. Thus far, those adjustments have not called for significant changes to the Institute's rules. Should the Director General deem it necessary to propose more comprehensive changes to the rules, he will submit the corresponding proposals to IICA's governing bodies.

In keeping with the spirit of IABA resolution 501, IICA needs to investigate different long-term options for financing its operations that would enable it to achieve greater financial stability without undermining its supply of technical cooperation, such as a more formal strategic partnership with the United Nations Food and Agriculture Organization (FAO), using as a model the experience of the Pan American Health Organization (PAHO) with the United Nations World Health Organization (UN/WHO).

Since 1949, the PAHO, which like IICA is a specialized agency of the Organization of American States (OAS) under the terms of Chapter XVIII of the OAS Charter, has also functioned as the WHO's regional organization for the Americas. The PAHO has a dual role, as a specialized agency of its two mother organizations: the OAS and UN/WHO.

It is not the first time that this issue has been addressed within IICA. The previous administration of the Institute suggested exploring this possibility, with the idea being floated at the meeting of the

IABA held in Jamaica in 2009. Following some initial consultations with the FAO and the Member States, it was concluded that it was not the right moment to pursue the idea.

Times and conditions change, and ideas that were not well received first time around may get more traction when tweaked and put forward a second time. In the current situation, the prospects for exploring the idea are better. Today IICA (and the FAO) are seeking innovative strategic mechanisms to achieve greater technical and financial efficiency. In this regard, it should be noted that the programs of the two organizations overlap in significant areas, and the coordinated, complementary work has improved during this administration.

Today it makes more sense to enter into a partnership under which the FAO's regional program for the Americas is incorporated into IICA's technical program and operating model, taking advantage of the Institute's network of 34 delegations. This would eliminate the duplication of thematic areas, management duties and meetings in which the same subjects and projects with complementary objectives are addressed.

If IICA were to function, for example, as the FAO's regional agency in the Americas, it would be possible to eliminate the costs currently incurred in maintaining two administrative-bureaucratic and technical structures that operate side by side, thereby promoting better use of the resources of the two organizations to advance the region's interests and technical priorities.

Therefore, at this meeting of the Executive Committee, the General Directorate of IICA is requesting permission from the Committee to begin exploring the advantages and disadvantages of a strategic partnership between the two organizations, based on the WHO/PAHO model.

The administration realizes that such a process is unlikely to be completed before it concludes its term in office. However, it is felt that in the long run such an arrangement would be in the interests of both organizations and their Member States.

The Convention on IICA establishes the Institute's objectives, political structure, and funding base. Were the findings of the proposed study to be positive and a favorable tentative agreement reached for a more institutionalized strategic partnership between the two organizations, those elements of the Convention would have to be analyzed. If not, and unless the countries felt that the present Convention poses major obstacles to the Institute's work, it is unlikely that amendments to the instrument would need to be proposed.

Another option considered by the ad hoc group concerns structural modifications to simplify, update and, if applicable, scrap any policies, rules, procedures and processes that hinder the consolidation of a modern, robust, and efficient management model, such as the Rules of Procedure of the General Directorate, the Financial Rules (the process is already under way) and the Staff Rules, and conduct a review of IICA's cost structure.

The cost of maintaining the Institute's offices in all the countries was another matter discussed by the Member States prior to the adoption of IABA resolution No. 501. The issue has also been raised within the OAS and the FAO, which, like IICA, are seeking ways to cut operating expenses. This convergence of interests creates favorable conditions for new talks with those organizations on the possibilities of cutting costs by sharing offices. If progress is made in this area, it needs to be duly reflected in the Institute's proposed budget for the next biennium.

Another aspect of IICA's financial strengthening and strategy concerns the annual contributions from the Regular Fund that the Institute makes to the Tropical Agriculture Research and Higher Education Center (CATIE) and the Caribbean Agricultural Research and Development Institute (CARDI). One possibility being considered by the ad hoc group is that these resources be deposited with each institution as seed capital. Then, working with IICA, the institutions would use them to implement commercial projects at market prices that would produce a real overhead and a financial return that could then be allocated to more projects of the same kind, and thus complement the organizations' traditional budgets.

It has been suggested that IICA should set up a foundation eligible to receive donations from other foundations, international organizations and private sector donors, etc., offering tax incentives in their respective countries.

The UN, the PAHO and the OAS, among other organizations, have established such foundations for that purpose and have been using them for quite some time. Previous IICA efforts to institute this model did not prove successful. However, the ad hoc group has suggested this as a feasible, low-cost complementary option. As part of the studies on the financial strengthening of the Institute, the administration should obtain recent information about the relative successes and failures of the OAS and PAHO foundations, to determine the viability of reestablishing a foundation at IICA as an alternative way to attract more resources for Institute projects.

Another matter that has been discussed is the possibility of the private sector participating in IICA's activities, not only to strengthen and encourage strategic partnerships between this sector and Member State governments but also to obtain financial support for the implementation of projects under a market model.

It is unlikely to be recommended that individuals or institutions from the private sector become members of the Institute, since that would mean IICA forfeiting its status as an international-intergovernmental agency, along with the advantages it enjoys under international law and the domestic legislation of the Member States.

Other OAS agencies, such as the Inter-American Telecommunication Commission (CITEL) and the Inter-American Committee on Ports (CIP) allow business entities and non-governmental organizations (NGOs) to take part in technical commissions without the right to vote.

In order to join such technical commissions, entities must agree to pay a minimum quota. The total amount received from quotas does not constitute a significant financial contribution for the institutions concerned, so such arrangements would have to be studied carefully to ensure they offer a source of complementary cooperation as well as financial support. The implementation of similar alternatives for private sector participation within IICA could be considered.

It will also be very important for the Member States to contribute additional ideas for analysis at the next meeting of the SACMI, as established in IABA Resolution No. 501. It is suggested that Member States that are unable to take part in that meeting send the Director General details of any ideas, concerns, and reservations they may have on the subject.