

Report of the Director General

2002-2006 Administration



Inter-American Institute for Cooperation on Agriculture (IICA)

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2002-2006 Administration***

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Foreword

In my acceptance speech for the post of Director General,¹ I stated that in the 21st century IICA needed to embrace a new style of technical cooperation, one that is characterized by operational efficiency, prudent financial management, more effective use of human resources, an expanded network of international strategic partnerships, and a new relationship with its Member States, based on participation, transparency and accountability. This report discusses our efforts to achieve those goals.

When I assumed office in January 2002, I launched a process of institutional reform to transform IICA into a modern development institution at the service of its Member States cognizant of the fact that the Institute had to be strengthened to maintain its technical excellence and leadership in the agricultural community of the Americas. At the core of the transformation process was a new technical cooperation model keyed to strengthening the relationship between the Institute and its Member States.

At the Third Summit of the Americas, held in Quebec City in April 2001, the heads of state and government of the hemisphere recognized that agriculture and rural life have a vital role to play in alleviating poverty and in boosting overall development in the countries. As a result, IICA's role was expanded to include new responsibilities. In addition to providing technical cooperation, it was to contribute to promoting dialogue and developing consensus in the hemisphere on aspects of critical importance to agricultural development and rural well-being.

The Medium-Term Plan approved for IICA for the 2002-2006 period added to this thrust by proposing that the Institute be transformed into an institution that promotes the sustainable development of agriculture, food security, and prosperity in the rural communities of the Americas. Thus, when I



Chelston W.D. Brathwaite

¹ *Eleventh Regular Meeting of the Inter-American Board of Agriculture (IABA), Bavaro, Dominican Republic, 26 November 2001.*



assumed responsibility for the Institute in January 2002, my main objective was to institute a process of institutional reform to make IICA a modern organization at the service of its Member States.

The reform process was driven by the deep conviction that the nature of the challenges we will face in the 21st century require that new institutions be created or existing ones reformed. Our work is therefore not limited to directing IICA's activities; we must also look ahead and envision IICA not only for what it is today but also for what it needs to be in the future.

The Institute has also undertaken an unprecedented effort to account for its work and for the use of its capabilities and resources

to government authorities and the private sector in its Member States, the regional fora of ministers, its own governing bodies, and the Permanent Council of the Organization of American States.

This report describes the principal activities and results of the cooperation provided by IICA to its Member States during the 2002-2006 administration. It also describes the outcomes of the process to transform and modernize the Institute and the process to generate and deliver technical cooperation to its 34 Member States through cooperation agendas agreed to with each Member State and with each regional mechanism, all framed by the hemispheric priorities defined in our 2002-2006 Medium-Term Plan.

Chelston W. D. Brathwaite
Director General

Part A



*A New Hemispheric Dynamic
for Agriculture in the Americas:
IICA's Participation*

Part A

A New Hemispheric Dynamic for Agriculture in the Americas: IICA's Participation

The advent of a new century and millennium spawned a resolute effort on the part of government leaders and organizations to identify challenges and adopt commitments on the future development of humankind. Thus, over the past six years there has been an intensification of the process of dialogue, consensus-building and commitment at the global level and across the hemisphere, all with the aim of building a world that is more just, secure, prosperous, and equitable in the 21st century. The Millennium Development Goals for 2015 and the mandates from the Summits of the Americas are concrete outcomes of these processes. IICA has fully endorsed these objectives and has pledged to lend its firm support to efforts to meet these goals.

The mandates and commitments of the Summits process also gave rise to the Ministerial Meetings on Agriculture and Rural Life in the Americas, which have helped raise awareness of the value of agriculture and rural life, and influenced national development agendas and the agendas of organizations that support the countries' efforts to bring about integral development.

These challenges, mandates and commitments, which constitute a new hemispheric dynamic for agriculture in the Americas, now inform the strategic orientation and focus of IICA's cooperation. For this reason, the thrust of the Institute's modernization process included introduction of a new cooperation model and firm support for efforts to build consensus on the agriculture ministers' agenda for agriculture and rural life in the Americas, entitled the *2003-2015 AGRO Plan of Action for Agriculture and Rural Life in the Americas*, as well as subsequent follow-up efforts.

Development of a strategic and visionary interest on the part of the ministers: a political framework for agriculture and rural life through the year 2015, from Quebec in 2001 to Mar del Plata in 2005.

Since the inception of the inter-American process in 1994 and until the recent Fourth Summit of the Americas (Mar del Plata, November 2005), the ministers of agriculture have given ongoing strategic, priority interest to efforts to position agriculture in the



Summit of the Americas process and in the decisions of government leaders.

At the First Summit of the Americas, held in Miami in 1994, agriculture and rural life were not among the components considered to be of strategic importance for the integral development of the countries of the hemisphere. The underlying message of this appreciation by the presidents and heads of state sparked the concern of the agriculture ministers, who spearheaded an effort to ensure that these topics be included on the inter-American agenda of the highest-level political forum of the Americas.

This strategic and visionary initiative bore fruit at the Third Summit of the Americas (Quebec 2001), which was a watershed event for agriculture and rural life. On that occasion, the heads of state and government recognized the importance of agriculture and rural life for addressing poverty and promoting sustainable development, especially since they represent a way of life for millions of rural dwellers and are a strategic aspect of the socioeconomic system that must generate prosperity.

On this basis, the heads of state and government undertook to foster *joint hemispheric*

action among the stakeholders of agriculture in order to promote sustainable improvements in agriculture and rural life. They further undertook to promote *national medium- and long-term strategies* to this end, based on dialogue among government ministers, lawmakers, and various segments of civil society. The government leaders also made IICA an institutional partner in the Summits process, entrusting it with supporting the countries in implementing the mandates and participating in the follow-up mechanisms.

This strategic and visionary interest resonated in the appropriate forum in due course on the occasion of the Third Summit of the Americas, held in Quebec in 2001. That Summit became a watershed event for agriculture and rural life when the Heads of State and Government recognized the importance of agriculture and rural life in addressing poverty and promoting sustainable development in their countries, given the fact that agriculture and rural life represented a way of life for millions of rural dwellers and were a strategic sector in the socioeconomic system for generating prosperity.

At the Quebec Summit, the government leaders recognized and endorsed hemispheric

ministerial meetings as useful mechanisms for fulfilling their mandates. This led to the establishment of the Ministerial Meetings on Agriculture and Rural Life in the Americas as part of the Summit of the Americas process. In the brief and fruitful hemispheric ministerial process launched in 2001, the ministers arrived at far-reaching decisions on agriculture and rural life, which are set out in the following Hemispheric Ministerial Agreements:

- *Ministerial Declaration of Bávaro for the Improvement of Agriculture and Rural Life in the Americas.* Bávaro 2001. First Ministerial Meeting.
- *AGRO 2003-2015 Plan of Action for Agriculture and Rural Life in the Americas.* Panama 2003. Second Ministerial Meeting.
- *AGRO 2003-2015 Plan. Ministerial Agreement of Guayaquil for Agriculture and Rural Life in the Americas.* Guayaquil 2005. Third Ministerial Meeting.

Through the countries' participation in negotiating the Summit agreements, and IICA's

support as Secretariat of the Ministerial Meetings, these agreements have had a positive impact on the topics addressed at the Summits, as well as on the mandates and commitments stemming from them.

At the Special Summit of the Americas (Monterrey, Mexico, 2004), the heads of state and government expressed unequivocal support for the efforts led by the agriculture ministers to improve agriculture and rural life. In the Declaration of Nuevo León, they pledged to sustain efforts to improve the living conditions of rural populations, promote investment, and create an environment conducive to the sustainable improvement of agriculture in order to contribute to social development, rural prosperity and food security. In this connection, they agreed to support implementation of the *AGRO 2003-2015 Plan of Action*.

At the Fourth Summit, the heads of state and government reaffirmed the importance of improving agriculture and rural life, underscoring their strategic and priority contribution to national development. Specifically, in the Summit's Declaration and Plan of Action, the government leaders underscored the importance of growth, job development, and



decent employment, the renewal of the institutional framework, and their support for the implementation of the AGRO 2003-2015 Plan. They also endorsed the Hemispheric Ministerial Agreement of Guayaquil, which was adopted by the ministers of agriculture at their Third Ministerial Meeting, as a national commitment.

With respect to agriculture and rural life, the mandates and commitments emanating from the Summits (Quebec 2001, Monterrey 2004, and Mar del Plata 2005) constitute the hemispheric political framework for the ministerial process “Agriculture and Rural Life in the Americas.” These mandates and commitments, combined with the Hemispheric Ministerial Agreements adopted by the agriculture ministers in Bavaro (2001), Panama (2003) and Guayaquil (2005), comprise IICA’s new mandates for the 21st century and the political framework for the design of strategies for agriculture and rural life.

The modernization and contributions of IICA: a partner committed to integral development

In the face of these new challenges and mandates, IICA’s response has been swift and committed. Beginning in 2002, its process of

institutional modernization sought to better equip the Institute to help the countries implement their national strategies for the sustainable development of agriculture and rural life, a key aspect of the Summits’ mandates in this area and of the 2003 Ministerial Agreement reached in Panama: the AGRO 2003-2015 Plan.

The modernization process included adopting a new cooperation model that has at its core a management model based on consultation with the countries, efficient operations, transparency, and accountability.

Over the last four years, IICA cooperation has had a dual focus:

Facilitating the continuity of the ministerial process, which included:

- Supporting the Member States’ efforts to implement the mandates with its new style of technical cooperation, based on consultation with key stakeholders in agriculture to jointly define the technical cooperation agendas of the Institute at the national, regional and hemispheric levels. These agendas are revised at least once a year to bring them into line with the changing needs of the countries and to ensure that they further implementation of the AGRO 2003-2015 Plan.

- Promoting efforts to monitor agriculture and rural life, fostering reflection and dialogue on the state and future of agriculture and rural life.
- Supporting the agriculture ministers and the ministerial delegates in preparing for and holding the ministerial meetings. This involved facilitating dialogue among the stakeholders in agriculture and building consensus on the countries' strategies to bring about the sustainable improvement of agriculture and rural life. Support was also provided to ensure continuity of the ministerial process by helping follow through with those strategies.
- Coordinating actions with other international organizations whose work supports the improvement of agriculture and rural life in the Americas.

Facilitating interface between the ministerial process and the Summit of the Americas process, by:

- Reporting to the Summit Implementation Review Group (SIRG), made up of the foreign ministers of the hemisphere and their national coordinators, regarding

the countries' progress to implement the mandates received from the heads of state and government for agriculture and rural life; the headway being made in the ministerial process; and IICA's contributions and those of other international organizations.

- Participating in the joint Summit working groups coordinated by the OAS Secretariat for the Summit Process.
- Maintaining close communication with the OAS Secretariat for the Summit Process.
- Supporting efforts in the countries to forge closer ties between the Ministerial Delegate for Agriculture and Rural Life and the National Summits Coordinator in the Foreign Ministry.

A challenge and an opportunity: working together to shape the shared vision for 2015

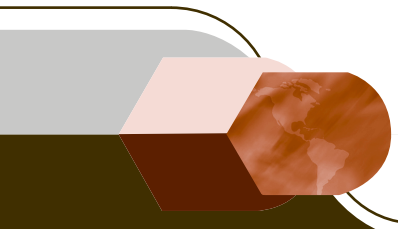
IICA has given unequivocal support to the minister-led process to improve agriculture and life in rural communities. In addition, as an institutional partner in the Summits process, it has sought to keep the process aligned with the objectives, strategic actions and mechanisms established for implementing and following up on the mandates of the



Summits and the development strategies defined by the countries.

Nonetheless, what is needed is for all stakeholders in agriculture to work to strengthen the political

decision of the government leaders and ministers to build an institutional framework that will facilitate efforts to reach the shared vision of agriculture and rural life in the Americas by the year 2015.



Part B



IICA's Cooperation Model in the
2002-2006
Administration

Part B

IICA's Cooperation Model in the 2002-2006 Administration

1. In pursuit of excellence in technical cooperation with the Member States

1.1. The three basic components of IICA's vision

The 2002-2006 Medium-Term Plan is the Institute's hemispheric agenda and the instrument that guides all its actions. As set out in that Plan, IICA's vision has three basic elements.

i) Promotion of the sustainable development of agriculture

The sustainable development of agriculture means productive, efficient, and competitive agriculture; agriculture that is environmentally sensitive and capable of preserving the social fabric of rural communities for future generations. With its strategic partners, IICA forms part of a multinational effort that supports the Member States in their efforts to implement this model of sustainable agriculture, through cooperative activities that contribute to:

- Improving policies and strategies based on a more holistic and broader approach to agriculture,
- Modernizing and strengthening the institutional framework,
- Increasing investments in the agri-food system, and
- Upgrading education and training.

ii) Promotion of food security

Food security is more than just one aspect of national self-sufficiency. It is envisaged as the development of conditions that will enable all inhabitants of the Americas to have access to a safe and nutritious diet, to meet their food needs, and to live healthy and productive lives.

The Institute contributes to achieving food security in the hemisphere through initiatives aiming to improve agricultural trade and food safety, and to furthering rural development. To this end, it coordinates efforts with the national, regional and international



organizations that are working to build institutional capabilities at all levels. Its actions help governments to:

- Define and adopt a common conceptual and operational paradigm to address the problems associated with food security from a more holistic point of view;
- Modernize institutions for the more effective planning, formulation and execution of their food security policies and strategies;
- Increase investment in the rural sector so as to augment food supply, improve food distribution and access to wholesome food for broad segments of society;
- Promote the development and improvement of national markets, including those for goods and services.

iii) Promotion of rural prosperity

Economic development must benefit all strata of society so that economic prosperity, human progress, and sustainable development develop in a harmonious and balanced manner.

To support the Member States' efforts to bring prosperity to their rural areas, IICA's cooperation focuses on strengthening the capabilities of public and private institutions to:

- Design appropriate policies and strategies for strengthening the rural economy;
- Promote education and training with a view to increasing knowledge, know-how and skills, and to equipping rural inhabitants to participate effectively in agricultural and rural markets;
- Strengthen civil society organizations and promote greater interaction among the stakeholders of agrifood chains for the purpose of designing common agendas, upgrading their competitiveness, and negotiating and defending their interests;
- Modernize and expand the coverage of agricultural services in order to boost productivity;
- Upgrade the institutional capabilities of public and private agricultural and rural organizations in order to increase,

through integrated efforts, their efficiency and effectiveness; and

- Promote increased investments in the rural economy.

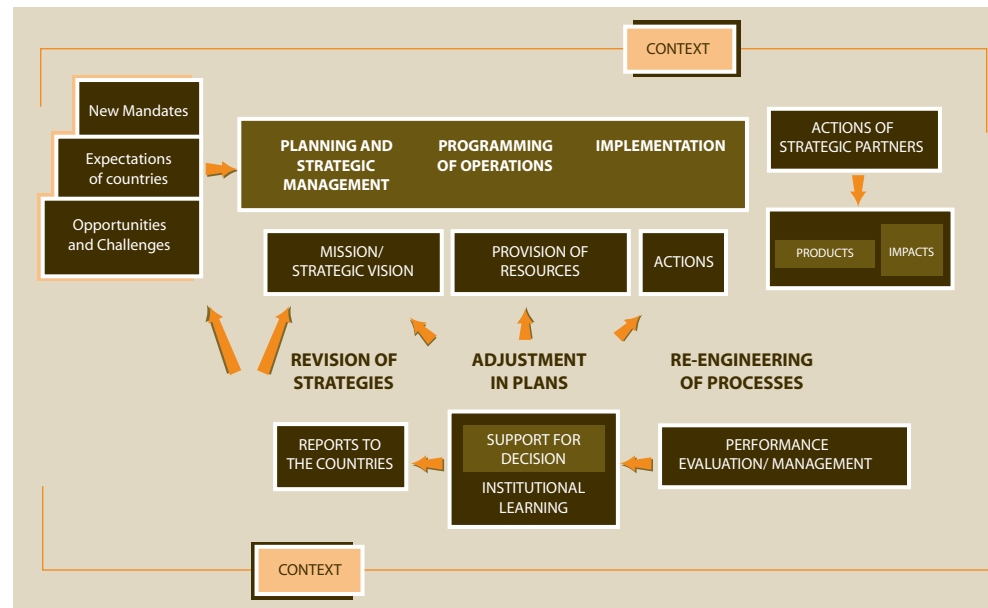
1.2. The new technical cooperation model

IICA's presence in its 34 Member States, its more than 60 years of accumulated experience, and its know-how on agriculture and

rural life are resources public and private national teams can use to provide effective solutions to the principal problems hindering development. Moreover, the opportunities afforded by expanding markets, regional integration and innovative government policies can be tapped to modernize agriculture and improve rural life.

IICA developed its new technical cooperation model in order to more effectively focus its response on the priority needs of its

An integrated management model to ensure effective institutional action



Member States. These needs include: (i) the programs created and priorities set by each country to address specific challenges, and for which they require cooperation; (ii) efforts to fulfill the mandates received from the Summit of the Americas process; (iii) efforts to strengthen integration; and (iv) efforts to modernize and transform national institutions so as to better equip them to address the challenges of globalization.

The countries want an IICA that is capable of analyzing the state of and developments in agriculture and rural life and, based on these findings, to visualize the future in light of the model they desire, as expressed in the AGRO 2003-2015 Plan and the Millennium Development Goals. This will enable IICA to better communicate with the Member States regarding likely macro trends in agriculture at the global level, and to identify likely scenarios and their associated opportunities and risks.

1.3. IICA's technical cooperation agendas

i) National agendas

IICA's national technical cooperation agendas are the result of a process of dialogue and consensus building in each Member State. The dialogue

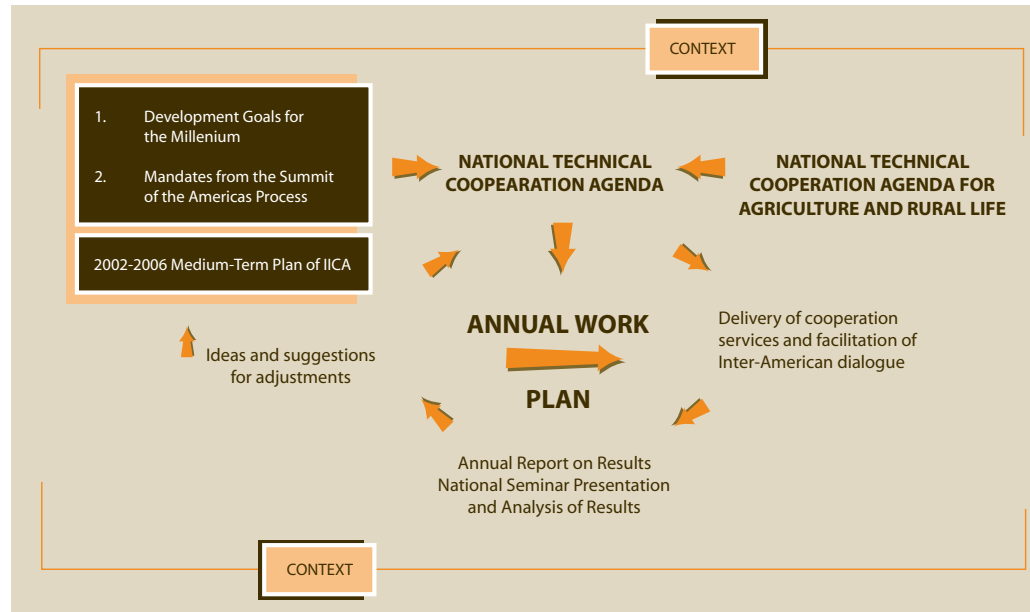
takes place between the IICA Representative and his or her team, and the national authorities responsible for agricultural and rural development, as well as representatives of the private sector, the academic community and civil society

The overall framework for this process in each country is shaped by three elements: the Millennium Development Goals and the mandates received from the heads of state and government through the Summit of the Americas process; the Member State's agricultural and rural development plan; and IICA's 2002-2006 Medium-Term Plan.

Designed in this fashion, the national agendas enable IICA to program its efforts and tailor its cooperation directly in response to the high-priority needs of its Member States.

In addition to building consensus on priorities, this dialogue also facilitates the design of the country strategy and determination of the activities and services IICA will provide, ensuring sufficient human and financial resources to achieve expected results.

Building and adjusting the national cooperation agendas of IICA



This ensures that the agendas are consistent with national priorities and with the strategic guidelines governing each of IICA's priority areas, which provide the technical foundation for the cooperation actions agreed to in each country.

In order to ensure effective implementation of the national agendas, IICA ensures that the operational processes to program, allocate, and disburse resources are efficiently managed, which enables it to provide the high-quality, timely and effective cooperation that the countries need.

As the setting and priorities change, the ongoing process of dialogue and consultation enables IICA to amend the strategy, suggest new proposals, reprogram actions, propose changes in strategic decisions, and modify the contents of the agenda. The agenda is periodically revised, based on an assessment of the progress made and the results obtained. Problems that may have hindered cooperation, emerging opportunities, and lessons learned are also taken into account.

ii) The regional agendas

The agendas for the five regions in which IICA works (Andean, Caribbean, Central, Northern and Southern) are designed in a manner that is similar to that of the national agendas.

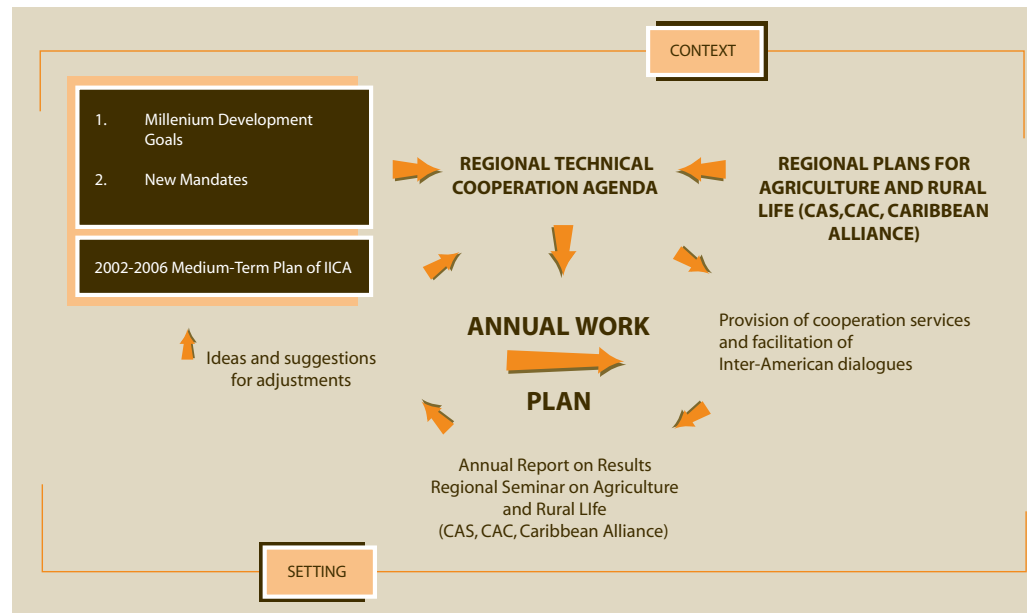
The Member States reach agreement on the regional cooperation agendas with IICA, taking into account current circumstances and the priorities associated with the different integration processes. This is accomplished

through mechanisms that the countries themselves have established to promote development and integration in their regions, to wit: the Central American Agricultural Council, the Alliance for Sustainable Development of the Caribbean, the Southern Agricultural Council, and the meetings of ministers of the Andean and Northern regions.

The regional agendas must be consistent with the guiding framework made up of the plans, programs and priorities established by each Member State in the given region, as well as IICA's guiding framework: its 2002-2006 Medium-Term Plan and the guidelines for cooperation it has established for each of its six strategic areas of action.

The regional agendas update, reinforce and supplement IICA's work in each country. IICA's technical cooperation supports and strengthens the countries' efforts to move integration efforts forward, cognizant that its actions to address topics on the regional agenda are more effective

Developing and adjusting the regional cooperation agendas



than isolated efforts carried out in individual Member States.

The thrust of IICA's work at the regional level is to:

- Support the Member States' integration efforts in the area of agriculture and rural life;
- Support and strengthen the supranational mechanisms created

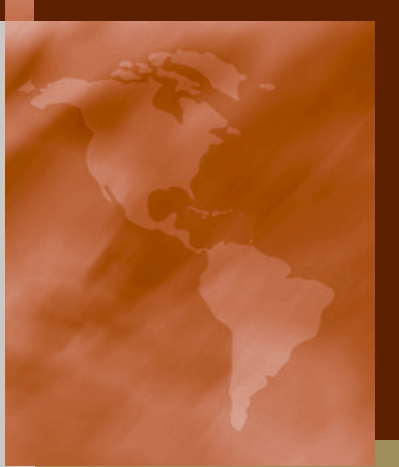
to promote integration, as well as actions to design regional policies and to harmonize national policies relevant to integration;

- Generate and disseminate information on the state of agriculture and rural life in the region and on emerging opportunities that warrant joint action;

- Provide cooperation to governments and organizations for the identification, design and execution of regional or multinational programs, projects and specific actions of priority concern for the region;
- Promote and support dialogue between authorities in the Member States and the regional bodies, with a view to helping to implement initiatives and projects to transform production and trade in areas where the region needs to upgrade its competitive advantages;
- Support the Member States in building public and private institutional structures to promote development;
- Facilitate technical information and studies for analyzing and discussing opportunities for participating as a group in international markets, dispute resolution, and efforts to develop common positions in wider forums;
- Contribute to extending cooperation efforts that were successful in one country to other or all countries of the region;
- Articulate the Institute's cooperation with the countries, supplement its capabilities and resources with those of other organizations through strategic partnerships, and extend to the regional level experiences gained and methodologies used in successful national projects.

Part C

Principal Gains and Results of Technical Cooperation



Part C

Principal Gains and Results of Technical Cooperation

1. Cooperation for the development of trade

A movement has been afoot in the Americas since the sixties to expand markets and achieve regional and hemispheric integration. This has been reflected in the establishment of the Southern Common Market (MERCOSUR), the North American Free Trade Agreement (NAFTA) and the Andean Community of Nations (CAN). It has also been reflected in the strengthening of the Caribbean Common Market (CARICOM) and the Central American Common Market (CACM). These efforts, along with the project of building a Free Trade Area of the Americas (FTAA), are a manifestation of the will of the countries of the hemisphere to proceed with integration. At present, the countries are moving towards increasingly more complex trade agreements. NAFTA is in the consolidation phase; six of the seven countries involved have already signed the Free Trade Agreement between Central America and the United States (CAFTA), and a free trade agreement is being

negotiated among Colombia, Ecuador, Peru and the United States. The establishment of the South American Community of Nations, which will unite CAN and MERCOSUR, and the many bilateral treaties that exist, represent a new scenario in which different processes for opening up markets at the hemispheric, regional and bilateral levels co-exist.

Despite its ups and downs and the current standstill, the Free Trade Area of the Americas (FTAA) is considered the most important political economic project ever undertaken together by the nations of the hemisphere. The potential that creating a single hemisphere-wide market of 800 million people and a capital market of US\$20 billion represents poses both challenges and opportunities for the countries of the Americas. Recognition that the FTAA can co-exist with other regional agreements and progress registered with the signing of free trade agreements among countries and groups of countries are clear signs of the importance that this subject—one of topical interest—



holds for the countries of the hemisphere. However, NAFTA, which is to include all of the countries of the hemisphere, has yet to come of age and is a task in the making that is still being discussed.

Trade growth will become reality if and when liberalization is controlled and regulated by transparent rules and regulations that are scientifically-based and by instruments and institutions that promote the equitable distribution of benefits generated by trade growth. This underpinning must be the essential characteristic of any new hemispheric economy that is more effectively linked to the world economy.

Since the Fourth Meeting of Ministers of Trade of the Americas, held in Quito, Ecuador, in November of 2002, significant headway has been made in achieving consensus on the methods and modalities of negotiation for the access of agricultural products to markets. However, agriculture continues to be one of the most complex and debated topics in the countries negotiating free trade agreements. This is so because the countries, especially the smaller ones, and those with a large rural population, are concerned about the impact of trade opening, where countries with more advanced agricultural systems that are more competitive or that have more support from

their governments, participate in the negotiations.

In the Ministerial Declaration of Bavaro, signed in November of 2001, the ministers of agriculture of the Americas expressed the view that in order to guarantee equitable access for all countries to the benefits of integration and expanded markets, agricultural trade liberalization, the elimination of subsidies and a substantial reduction in other trade-distorting support measures were a must. This topic is crucial in the multilateral negotiations of the Doha Round of the World Trade Organization (WTO) and in regional and bilateral negotiations to expand markets. In the AGRO 2003-2015 Plan, the ministers of agriculture supported the establishment of free trade areas and integration agreements in the Americas and underscored the importance of strengthening and expanding services to support production and trade, with a special emphasis on investment.

The mandate for IICA

In its capacity as an organization of the Inter-American System that is specialized in agriculture, IICA committed itself, in its 2002-2006 Medium-Term Plan, to supporting the efforts of its Member States to ensure that

agriculture and the rural sector gained a lucrative share in national and international markets. It further established that it would support the development of agro-industry and agribusiness by promoting the introduction of technology and reinforcing management to increase competitiveness.

With regard to trade policy and strategies for integration, IICA, has a mandate to continue providing technical support to its Member States to enable them to shore up their participation in free trade agreements. IICA has become a forum for critical strategic thinking on agriculture and rural life in a neutral environment for the discussion of positions and the shaping of common agendas to strengthen partnerships that promote regional and hemispheric integration.

IICA has also been supporting its Member States, through cooperative activities, to promote trade integration, secure for agriculture and the rural sector a lucrative share in national and international markets and promote the introduction of new technologies and business principles to increase the competitiveness of agriculture. An immediate challenge which the countries must face is strengthening their capabilities to administer trade agreements. In this, they have requested support from the Institute.

IICA's contribution to Member States in the areas of trade and agribusiness has focused on the following fields:

1.1 Support for capacity building in international trade negotiations

The Trade Policy and Negotiations Unit has followed up on WTO negotiations and, in due course, has participated in the meetings of informal groups of agricultural negotiators. It has also assisted with international and national events on the current status of WTO agricultural negotiations, the positions of the countries, the potential benefits of free trade agreements and WTO standards.

The Inter-American Program for the Promotion of Agricultural Trade, Agribusiness and Food Safety, based in Miami, was conceived as a means of supporting Latin America's and the Caribbean's entry into external markets. One of the mandates of this Program is to support governments and the private sector with identifying trade opportunities and disseminating information on standards and rules of the game governing international agricultural trade. It further provides direction and technical support for the implementation of concrete actions in support of trade among private parties and works with institutions and organizations



to provide relevant information for timely decision-making on trade-related issues.

1.2 Support for capacity building in Member States for more effective participation in agricultural trade

In an effort to bring the benefits of the liberalization of agricultural trade to Member States and place their products on markets in the hemisphere and worldwide, over the last five years, IICA has played a role in capacity building in small- and medium-scale agricultural and agro-industrial exploits and assisted with the development of business export programs and the placement of their products on new markets. It has also assisted public institutions with capacity building and has lent support to companies in promoting trade to enable these institutions and companies, as well as the rural regions in which they operate, to benefit from better prices for their products, which increases employment and rural income.

Through its “Export Platform: Creating Exporters” Project, which is currently part of the Inter-American Agribusiness Program, IICA provides training and technical support to small- and medium-sized businesses that have export capacity to inform them of existing requirements on new target markets and thereby ensure that

their products meet access requirements and their businesses materialize.

IICA has provided technical support and partial financing for participation by 32 of its 34 Member States in three consecutive meetings of the WTO’s SPS Committee. The aim here has been to lend assistance in developing multilateral standards that regulate trade and reinforce the ability of Member States to participate in the mechanisms that define those regulations at the WTO level.

For the institutionalization of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, the Institute has assisted with the establishment and operation of the National SPS Committees, which are inter-sectoral coordination and consultation mechanisms involving both the public and private sectors. These committees, which coordinate actions with the mission of the respective country in Geneva, contribute to capacity building for trade negotiations and the generation of notifications to the WTO to strengthen transparency mechanisms and communication which must prevail in multilateral trade.

1.3 Food safety

This new field, which has become an essential factor in securing access to markets and

maintaining a foothold on current external markets, is one in which the countries of Latin America and the Caribbean –with the exception of Argentina, Brazil, Chile and Mexico- are weak institutionally. IICA support in this major field is explained in detail in section 2.4 of this report dealing with agricultural health and food safety.

1.4 The modernization of markets

IICA has been providing effective cooperation to the countries of Latin America and the Caribbean with the modernization of markets through innovative instruments and the upgrading of marketing services by means of “exchange posts” which are companies associated with the exchange whose function is to mediate between the producer and the buyer and guarantee business, sign contracts on behalf of the customers, provide advisory services for decision-making with regard to production and marketing and facilitate the contracting of transportation services, the preparation of products for sale, storage and financing, etc.

IICA has promoted the creation of commodity exchanges as one of the mechanisms for modernizing trade systems. In this, it has provided technical

support for the organization of spot markets in 11 countries: Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala, Panama, Venezuela, Peru, Bolivia, Dominican Republic and Chile. Other exchanges, such as those in Colombia and Ecuador, have received support from IICA in the form of training and the development of marketing instruments. In Paraguay, preparations are under way to set up the exchange. In these exchanges, all types of agricultural products are negotiated, but the so-called commodities are predominant. In recent years, the exchanges have included transactions in meat products, fruits and vegetables and some processed products.

IICA has assisted the countries with the harmonization of quality standards, the establishment of arbitration chambers for the settlement of disputes and the operation of clearing houses for settlements and payments and the establishment of quality testing laboratories and storage depot networks for receiving and delivering products.

IICA cooperation has been particularly impressive in the organization and creation of new agricultural markets, in which producers, marketing specialists, agro-industrialists, exporters, the financial sector and institutions providing marketing services (Stock Market) have participated;



in the design of new financial instruments for production and marketing (titles, reports, trusts); in the development of contract agriculture (futures contracts) and in the promotion of private companies for the delivery of public marketing services (exchange posts, clearing houses, storage depots). With support from IICA, the five countries that make up the Andean Region now have agricultural commodity exchanges in operation which allow for greater transparency in the markets.

Finally, two exchange associations have been organized and developed. They have facilitated businesses among the countries of the hemisphere as well as horizontal technical cooperation among them. They are: the Exchange Association of Central America (Bolceca) and the Pan American Association of Commodity Exchanges, chaired by the Buenos Aires Cereal Exchange (BCBA), to which 17 exchanges across the hemisphere belong, including the Chicago Board of Trade.

1.5 Dissemination of information

Information via the media with the widest coverage on what, how much and when to produce, on the quality of products and on the market price enables producers to make counter-offers, to relate them to demand and

to conclude export business deals or negotiate sales to the domestic market.

IICA has strengthened the Agricultural Trade and Trade Negotiations Information System (Infoagro Comercio) through which it receives over 3,000 monthly consultations on the topics. In addition, through the electronic review "InterCambio", it has disseminated information on legislation, standards applicable to agricultural trade, results of the work of the Institute, events and training. Access to technical documents of interest to governments and businesspeople has been facilitated. IICA has also helped to facilitate access by government employees, specialists and businesspeople to various technical documents that the Institute has produced in the areas of agricultural policy, international agricultural trade negotiations, good practices in agriculture, agro-industry, law and standards on bio-terrorism, competitiveness in agrifood chains, etc.

In this area, noteworthy are the production of technical publications, bulletins and articles and the establishment of electronic information systems. The electronic bulletin INFOAGRO/Comercio, which receives more than 590,000 hits a month, is one example. This bulletin is part of the information system that is focused on agribusiness and the private sector, known as Infoagro/Agronegocios.

The development of expertise to manage trade agreements has been the result of the Institute's efforts to train technicians in the public and private sector. Once the free trade agreements are formally concluded, effective management of them is as much a priority as it is a challenge for the countries.

The effective management of trade agreements becomes an urgent priority for governments which must consolidate their national agricultural trade strategies, institute more effective policies to promote competitiveness, direct their investments more effectively, cut the costs of the liberalization of trade in less competitive regions or regions that are forced to change their production structure to be viable and take advantage of the opportunities afforded by the opening-up of markets.

2. Support for the development of agribusiness

IICA's view is that agribusinesses are integrated consumer-oriented systems. They include primary production, the processing of production and all storage, distribution and marketing activities, as well as public and private services required to ensure that companies in the sector operate competitively.

It also considers agriculture to be a system of value chains that seek to satisfy consumer demand and preferences. This it does by introducing practices and procedures that include all activities within and outside the production unit.

One of the major efforts that IICA has made in the form of direct support for agribusiness has been to design and implement the Inter-American Program for the Promotion of Trade, Agribusiness and Food Safety, which is now being consolidated. The mandates are:

- To assist farmers and operators of agribusinesses in the hemisphere, especially small- and medium-scale ones, with analyzing relevant information for active and competitive participation in international trade;
- To provide technical cooperation to enable small- and medium-scale producers in the hemisphere to improve their expertise in order to fulfill food safety requirements and meet market demand.
- To assist with building expertise among small- and medium-scale producers so that they can compete successfully on the new world scene.



2.1 Principal activities in support of the development of trade in the regions

IICA cooperation in aid of agribusiness has been adjusted to fit production and marketing development models that have been applied in agriculture across the hemisphere. IICA support has focused on the design of marketing strategies that are attuned to development models, ranging from those with a high degree of government intervention to current free market models and those involving international commitment.

In the **Caribbean Region**, the Institute established the Regional Agribusiness Unit in 2003, which focused on devising strategies to help change the mentality of operators of agribusinesses in the region. This Unit has held workshops and seminars, some of which have been conducted in cooperation with the Agricultural Education Distance Network and have sought to develop expertise through the use of information technology, the widespread use of better practices for producing and adding value to agricultural products.

From the methodological standpoint, the leadership role that IICA has played in creating methodologies to analyze the competitiveness of agrifood chains (CADIAC) is noteworthy. This instrument has been a

source of reference, both in practical terms and in terms of training specialists and students. Today, all countries without exception talk about agrifood chains and all see the work of IICA as pioneering in this field.

For example, in all of the countries of the **Central Region** and the **Andean Region**, significant technical assistance has been provided to governments and the private sector in the organization of agrifood chains, as has been recognized by stakeholders. This has promoted and facilitated an analysis of these chains, the formulation of strategic plans for their development, the establishment and consolidation of spaces for dialogue and consensus among actors, the implementation of appropriate information systems for this new vision and the generation of a policy framework to promote that process and improve competitiveness.

In the **Central Region**, support has been received from the Heads of State spearheading the Puebla-Panama Plan to put into operation the Regional Innovation Project for the Development of Agribusinesses in Tropical Fruits. IICA has mobilized an entire team of specialists in various topics to ensure the success of the project based on experience and models that IICA has been promoting in this area in Guatemala and El Salvador.

Especially noteworthy is support that IICA has provided for the formulation of public policy to promote the development of agricultural production chains in Colombia, Peru and Bolivia. In addition, IICA provided advisory services to the governments in the design of policies to promote the development of consensus-building and negotiating bodies, instituting specialized information systems for the follow-up and evaluation of their performance. Recently, a working agreement was signed with the General Secretariat of the Andean Community of Nations to provide support for the development of agricultural production chains and improve their competitiveness.

In the **Caribbean Region**, under the Regional Transformation Program, a decision was made, under IICA leadership, to adopt a chains approach to prioritize the development of agrifood industries in the region. The Institute conducted an evaluation of the pork meat chain in the three major producer countries in the region. This evaluation served as a basis for the plan of action initiated by the Pork Association of the Caribbean. A similar approach is being applied for the small ruminants chain, which is one of those with greatest potential in that region.

Efforts are currently underway to reinforce and spread these initiatives to Mexico and to

the countries of the Southern Region and the Caribbean. One case that comes to mind is the IICA Office in Colombia which has worked along these lines on an ongoing and systematic basis for over five years, mainly in relation to government programs, such as PLANTE, associated with alternative development projects, and PADEDER, providing support to rural micro-enterprise, with a marked gender approach. The IICA Office in Bolivia has been providing support for over five years to the Association of Food Producers of Bolivia as it has endeavored to position itself on the markets for value-added products.

2.2 Support for the development of agroindustry

National programs to promote and develop rural agro-industry have departed from the conventional assistance-oriented approaches to small industry and have adopted an innovative approach aimed at promoting the development of agro-industries that are linked to agrifood chains. Here, IICA cooperation seeks to incorporate new policy and promotional instruments and to promote training as a fundamental factor in ensuring that agro-industries are managed with more modern approaches. Support for the development of mechanisms to facilitate linkage among



actors intervening in the chains in each country is critically important.

IICA cooperation with the public sector is intended to develop effective public policies in promoting rural agro-industries; strengthening public and private institutional infrastructure to regulate and provide services to companies; developing and adapting mechanisms to facilitate innovation in companies located in rural regions, particularly those in the hands of small-scale producers. Here, IICA assists with the strengthening of human resource training programs, improving basic infrastructure and developing and operating local companies that provide services for production.

Cooperation also seeks to develop technical expertise to afford rural agro-industries access to innovations that have a favorable impact on the quality of their products. It is extremely important to point out market niches worldwide for organic, exotic, ethnic and alternative products where products from countries of the region might be well placed.

Activities to that effect include creating and developing markets, strengthening networks of providers, promoting development and disseminating alternative technologies for the use of energy; quality control, export promotion, the establishment

of competitive funds and the promotion of public-private partnerships, networks and consortiums, etc.

Cooperation has focused on creating networks and associations that could ensue from the Program for Support to Rural Agro-industry (PRODAR). For 15 years, the Program has been helping to reinforce small rural industry through information services, training, technical assistance and co-financing for technological and trade innovation projects. It has further promoted and supported the organization of rural agro-industry networks (REDAR), such as those that are active at the regional level in Bolivia (REDAR-Oruro) and Colombia (REDAR-Southwest) and national networks established in Bolivia, Peru and Ecuador.

2.3 Strengthening of capabilities in agribusiness for access to markets

In Costa Rica, IICA has assisted with the development of a center to advise companies on the application of existing rules related to labeling. Canada has provided funding for this endeavor. The use of differentiation seals for products that have special features that are recognized and valued by consumers has also been promoted. In addition, since 2003, the Office in Colombia has been engaged in a

specialized line of work in this area. In response to the United States Public Health Security and Bioterrorism Preparedness and Response Act, IICA has launched a publicity program.

In the Central Region, IICA established a partnership with GTZ and the AGRONATURA association to consolidate participation by entrepreneurs dealing with organic products from Central America in the most important market of that niche, BIOFACH. This made it possible to display the variety of products from the region and promote business opportunities for organic products. Support from export promotion agencies, such as PROCOMER (Costa Rica) and AGEXPRONT (Guatemala) has been significant. In the Andean Region, worth mentioning is support from PRODAR, which lends cooperation to the National Commission for Ecological Products (CONAPE) and to the Regional Fund of Appropriate Technologies for the Sustainable Management of Natural Resources (FOMRENA) which carries out activities in Bolivia, Colombia and Ecuador with resources from GTZ.

In the area of the identification of trade opportunities and the upgrading of business export capacity, the Export Platform Program was promoted and supported in

Costa Rica, El Salvador, Honduras, Nicaragua and the Dominican Republic. Thanks to this successful program, more than 125 small- and medium-sized companies in the agrifood sector have been modernized. Basic tools have been given to them to initiate or upgrade their export capacity and prepare their own business plans. An analysis of the results of the program show that 50 per cent of companies that complied with all the stages and selection criteria suggested are exporting to the selected market. In addition, exporters' missions have been organized from Nicaragua and the Dominican Republic to the Miami market as a result of which more than 80 business meetings were conducted.

The Institute has also assisted with reinforcing the institutional framework for agribusiness. For example, it is IICA that conceived the idea of forming the Alliance for Sustainable Development of the Caribbean, now recognized for its great significance in ensuring agricultural development in the region. Other examples are the *Caribbean Agribusiness Association (CABA)*, the *Caribbean Forum of Youth in Agriculture (CAFY)* and the *Caribbean Network of Rural Women Producers (CNRWP)*.

With regard to information for decision-making on trade-related matters, IICA



made available to agribusinesses in the Americas the Infoagro/Agronegocios system. Users have access to information about the main requirements that must be met in order for fresh and processed agricultural products to gain entry to the markets of the United States, Canada and the European Union. The system also affords access to important business news, documents of interest and various information sources.

To support the development of the public institutional framework needed to promote agribusiness activities, IICA continued to serve as the Executive Secretariat of the Market Information Organization of the Americas (MIOA). It also provided support to the Belize Trade and Investment Development Service (BELTRAIDE) to upgrade their capabilities in the area of export promotion, marketing and the development of entrepreneurial know-how. It also lent assistance to the Pan American Association of Commodity Exchanges in topics related to integration and the operation of market instruments.

3. Promotion of technological innovation

IICA feels that technological innovation is fundamental in achieving competitive levels for

agricultural production and productivity. Through technological innovation, natural resources can be exploited in a sustainable manner, the positioning of products can be strengthened on domestic and international markets and some headway can be made towards improving income levels and the standard of living of producers and the rural population.

In the area of technology and innovation, IICA cooperation has focused on: (i) supporting Member States' efforts to upgrade national and regional capabilities in technological innovation; (ii) designing and implementing technological innovation policies; (iii) consolidating the Regional Technology Innovation System and strengthening its connection to the worldwide scientific and technological community; and (iv) developing and managing the Scientific and Technological Information System for the Americas (INFOTEC).

3.1 Support for strengthening national capabilities for technological innovation

Here, IICA support is intended to enable countries to introduce the new paradigm for innovation in their national research systems. To that effect it assists in evaluating their current systems and identifying areas to be

strengthened and capabilities to be developed. IICA also assists with institutional upgrading and with training activities required for the design and establishment of more effective systems that have the necessary technical capabilities, leadership and management skills.

In the period 2002-2005, IICA cooperation activities included the strengthening of technological innovation systems (e.g.: INIFAP in Mexico), establishing the INTA in Costa Rica (study abroad program) and upgrading and modernizing CORPOICA in Colombia, and ICTA in Guatemala. It also provided cooperation to Belize, El Salvador and Guatemala in modernizing their respective institutional systems for technological innovation.

3.2 Cooperation in policy design

The Institute has conducted an analysis of agricultural extension in Latin America and the Caribbean, and trends, through regional studies which have been a key factor in guiding IICA cooperation activities in this area and in paving the way for establishing a hemisphere-wide rural extension network. It has also described the institutional panorama with respect to biotechnology, bio-safety and intellectual property in the

countries of the Americas, in specific regard to standards, institutional mechanisms, the use of OVM in research, seed production and marketing. The purpose of its analysis was to ascertain where to start with the introduction and safe use of new agrobiotechnologies in agriculture.

In partnership with the Regional International Organization for Plant Protection and Animal Health (OIRSA) and CATIE, the Central American Isthmus started formulating a regional agrobiotechnology strategy in which it identified the needs of the countries in this field. It also completed the design of a regional biotechnology and bio-safety strategy for the Caribbean and completed an action plan. It identified needs in that region and prepared a proposal for upgrading regional capabilities in bio-safety.

It further initiated a process for formulating the Hemispheric Biotechnology and Biosafety Program. In this, it benefited from the advisory services of a hemisphere-wide working group, comprising professionals and scientists from 15 countries in the hemisphere. It promoted activities that link the various regions in an effort to exchange experiences in the areas of biotechnology and bio-safety and thereby more successfully include this topic on the respective national agendas. For example, IICA



coordinated a meeting between the North American Biotechnology Initiative and the Biotechnology Group of the Southern Agricultural Council (CAS) so that they could exchange their respective experiences in the topic and identify possible joint activities they might undertake.

In another area, activities undertaken by the Institute to strengthen the position of the Americas with regard to international agreements, such as the Protocol of Cartagena, include the promotion of the creation of mechanisms through which its member countries might exchange information and report on their respective positions.

3.3 Cooperation for consolidating the Regional Technology Innovation System

An important feature of the technological innovation model for the Americas promoted by IICA is the articulation of national systems of countries in the same region through cooperative research and innovation programs (PROCI). As a result, joint technological innovation programs can be implemented and active horizontal cooperation can be provided through a network that can promote research in critical fields, complement scientific capabilities, resources and infrastructure in the countries and generate new technologies and

information that the countries involved can share.

The Institute has endeavored to consolidate the circulation of knowledge among countries and provide support to improve the efficiency and effectiveness of research institutions by strengthening PROCISUR, PROCIANDINO, PROCITROPICOS and PROMECAFE, which have longstanding experience and a recognized impact on the regions in which they operate, and establishing and developing networks. It has further promoted the development of new PROCI's, such as PROCINORTE, which has been working through technical teams in phylogenetics resources (through the NORGEN Network), tropical and subtropical fruits, research in agricultural health and documentary information. In Central America, headway has been made in setting up the Central American System for Agricultural Technology Integration (SICTA). The purpose of this System is to institute a process for complementarity and mutual cooperation whereby technology becomes the basic means for making agriculture in that region competitive. IICA is working in close coordination with CATIE in the running of SICTA.

PROCI's contribution has focused mainly on developing joint research in the Andean Region (fruits, vegetables, potato, corn and dual purpose cattle) in Central America (developing

new varieties, improving the quality of certain crops and controlling coffee pests and diseases) and in the Southern Region (improving corn, wheat and beef and direct sowing methods).

In support of processes for analyzing and implementing policies that link agriculture to the sustainable management of natural resources, within the framework of PROCISUR, technology and information have been developed with regard to eco-certification and greenhouse gas emissions mitigation. Within the framework of PROCITROPICOS, special attention has been paid to the recovery of degraded areas and the use of technologies for the sustainable management of renewable natural resources.

In addition to spearheading linkage of the network of PROCIs, the Directorate of Technological Innovation of IICA serves as Secretariat for the Forum of the Americas for Agricultural Research and Technological Development (FORAGRO). That Secretariat brings together the public and private sectors and academia. It promotes dialogue, the coordination and dynamic action of the network in new high-priority topics for Member States. FORAGRO has moved forward with building an agenda for the scientific and technological development of

agriculture in the Americas and has given priority to the new agro-biotechnologies, phylogenetic resources, agribusiness and natural resources. During the 2002-2005 period, two international meetings of FORAGRO were held –one in Brasilia and the other in Panama. At these meetings research priorities that might serve as a basis in shaping a regional research agenda were defined.

IICA's contributions through the PROCIs buttress the efforts of countries to increase the competitiveness of agriculture since they enable national research institutions to combine expertise and execute programs that mobilize the capabilities of all member countries and that have the support of the international technological innovation centers of the CGIAR. In addition, through the PROCi network, IICA has assisted with identifying priorities common to the countries and formulating and executing projects that are multinational in scope.

The Regional Fund for Agricultural Technology (FONTAGRO) is, for its part, a program carried out by 14 countries. It is co-sponsored by the IDB and IICA and is intended to finance technological innovation projects. Between 2002 and



2005, FONTAGRO financed 42 regional projects. The Institute has supported that Fund with the impact assessment of 12 regional research projects, the dissemination of information on their results and the management of 23 regional projects.

3.4 Management of scientific and technological information

Through the INFOAGRO.net platform, the Institute has developed the INFOTEC information system. Through that system it facilitates the distribution of relevant information on agricultural technology, research and innovation. INFOTEC promotes linkage among the key stakeholders in national and regional technological innovation systems.

Within the framework of that information system are the INFOTEC bulletin, published on a weekly basis, and which currently has 4,000 subscribers in 35 countries of the Americas, and the technologies market module for agricultural innovation. That platform was expanded with the inclusion of information systems developed by regional programs, such as PROCISUR and the SICTA Network.

Finally, an information system was developed, specializing in biotechnology and bio-safety, in genetic resource conservation and management for agriculture, and in other areas that link biotechnology to agricultural trade (INFOAGRO.net/biotecnología).

4. Strengthening capabilities in agricultural health and food safety (AHFS)

Striking a balance between protection and trade is the major challenge to countries in the areas of agricultural health and food safety. The constant growth of international trade and progressive tariff reductions have confirmed the major role that AHFS has to play in promoting competitiveness in the agrifood sector, promoting trade and contributing to the protection of the sanitary or phytosanitary status of countries.

It is therefore essential that the Member States of IICA participate in developing the capabilities of AHFS services with a view to the effective fulfillment of the SPS Agreement. It bears noting that this agreement establishes the frame of reference for promoting protection of the sanitary status and proper marketing of agrifood products.

Most of the countries of Latin America and the Caribbean (LAC) need to develop capabilities to improve their AHFS services because a significant portion of the resources and much effort invested have been dedicated to eradicating specific diseases and pests and to investment in infrastructure. As a result, institutions have surfaced but their organizational model is no longer in keeping with a global vision or the needs of a changing environment.

To meet the new challenges, investment must be diverted to develop technical and management expertise in official agricultural health and food safety services. These investments must be accompanied by a broad vision that identifies the requirements for capacity building to prevent and/or control any pest or disease.

IICA cooperation starts with an analysis of institutional performance so as to identify and prioritize critical competencies in AHFS services on which the government and private sector must focus effort and to which resources need to be channeled. The Institute also recognizes the rights and obligations set forth in the SPS Agreement and their implications for the countries. This provides the basis for the approach and priorities with regard to cooperation activities.

In an effort to promote technical cooperation among countries (horizontal cooperation), IICA draws on technical expertise existing in the more advanced countries that are prepared to share this expertise for the benefit of others. Accordingly, it promotes the establishment of regional networks of technicians and specialists and facilitates the dissemination of information on the needs of some countries and the technical expertise that other countries have.

4.1 Institutional modernization in accordance with current challenges

Member States have recognized that their AHFS services need to be modernized and their capabilities upgraded in order to meet international commitments in the framework of WTO and other international agreements. In order to support national institutions, therefore, IICA, through a strategic partnership established with the OIE, developed an instrument known as Performance, Vision and Strategy (PVS), intended to characterize the performance of national veterinary services. It also developed a similar instrument for characterizing the performance of national organizations for phytosanitary protection and national food safety services. The PVS



instrument helps countries to establish the level of performance of the organization, promote a vision common to the private and public sectors, define well grounded priorities and facilitate strategic planning. Accordingly, IICA cooperation has focused on upgrading technical expertise, providing training so that the countries might gain market access for their agricultural products, promoting the development of human and financial capital and coordinating activities with the private sector where the Institute has been expanding cooperation steadily.

The instrument has been applied in the veterinary services of 11 countries (Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Peru, Colombia, Ecuador and Paraguay) and in phytosanitary protection organizations in four countries (Peru, Colombia, Ecuador and Paraguay); in 2006, an initial effort will be made to apply it to national food safety services. The highest value added is produced when the countries undertake to take action to improve official services on a continuing basis.

4.2 Internationalization of official services: SPS Initiative for the Americas

In an effort to promote effective application of the WTO/SPS Agreement and the sanitary

and phytosanitary standards emanating from international reference organizations such as CODEX, OIE and IPPC, IICA has been implementing the SPS Initiative for the Americas since October of 2002.

The purpose of this Initiative is to promote the development of know-how in the countries to increase the active implementation of the WTO/SPS Agreement in a sustainable manner. Thanks to the Initiative, 179 technicians from the Americas have participated in the meetings (44% from the Caribbean; 20% from the Central Region; 17% from the Andean Region; 17% from the Southern Region and 2% from the Northern Region.

The results are highly encouraging in that the participation of countries in the Americas in nine meetings of the SPS Committee has increased by nearly 100% (October 2002 to date). All of the countries of the Andean and Southern regions established national formal or informal coordination mechanisms and 80% of the countries of the Central and Caribbean regions did the same. Discussion was promoted between experts from the countries and their representatives in the WTO via fluid channels of communication. Notifications from the countries increased and bilateral discussions were developed on trade topics within the framework of the meetings.

In addition to this Initiative, IICA has supported regional WTO workshops (Panama, Uruguay, Nicaragua, Jamaica, Trinidad and Tobago, and Dominican Republic). A specialized SPS workshop was held jointly with IICA at the WTO. Twenty-two countries, 18 of which are IICA member countries, participated in this workshop.

4.3 Promotion of leadership in food safety

Sweeping changes in world food trade and new trends in the tastes and preferences of consumers have made it necessary to train new leaders who are capable of promoting the formulation and implementation of food safety policies.

In view of this, IICA joined forces with Ceres Forum, PAHO, Pioneer/Dupond, USDA, CFIA and the University of Maryland, UM/FDA to implement the Executive Leadership Food Safety Program (ELFS). The vision is to promote leadership as a key component in formulating and implementing food safety policies. The program focused on fulfilling three basic objectives: a) strengthening leadership capabilities, b) upgrading technical expertise, and c) forming support networks (communities).

Thirty professionals from 18 countries benefited from this Initiative in the specific areas of leadership and technical expertise. For this, four modules were developed over two years. The Initiative generated 18 projects classified in six categories: a) Agrifood Chain, b) Surveillance for food-borne diseases, c) Fresh fruits and vegetables; d) Tourism and trade, e) Education; and f) Provisions, standards and laws.

4.4 Information and technical support for developing foreign trade

In order to improve their positioning on markets, the countries need basic information on threats and opportunities in relation to trade, including agricultural health and food safety risks. IICA facilitates that information and provides support for experts from LAC countries to participate more actively in the WTO and in organizations responsible for establishing international standards to regulate trade. In that way, they can know about decisions that could affect them adversely or positively and act accordingly.

In light of the recommendation from the IABA to IICA in 1997 that it establish an information network for AHFS services in the Americas, the “Agro-Salud”



information system has continued in operation through the IICA web site. This system contains a series of information instruments, such as weekly bulletins and a digital library. The Institute also publishes several specialized bulletins on SPS and Codex Alimentarius, such as “Acceso”, Acceso Plus” and “CARAPHIN News.”

4.5 Cooperation for the appropriate application of international standards

With regard to agricultural health and food safety, the WTO has given special importance to the work being accomplished by international standardization organizations, such as Codex Alimentarius, the World Organization for Animal Health (OIE) and the International Plant Protection Convention (IPPC).

Support for Codex Alimentarius: In coordination with other international organizations, IICA has helped identify and establish an effective and sustainable national structure that is capable of investigating, analyzing and responding to proposed international standards of CODEX. It has also contributed to instilling greater awareness in governmental policymakers of the importance and repercussions of the proposed Codex standards at the national and regional levels. What is more, the Institute has documented a successful case that shows

the benefits of applying and using CODEX standards in developing countries (the case of asparagus in Peru).

Support for the OIE agenda: The Regional Office of the OIE for the Americas, based in Argentina, started operating in January of 2004. Its purpose is to promote the regional agenda of the OIE for the Americas and increase the countries’ participation in establishing the standards, codes and guidelines of the OIE.

IICA has joined efforts with several international cooperation organizations which, under OIE coordination, have proposed the Initiative for the Progressive Control of Transboundary Animal Disease (GF-TAD). This initiative is intended to implement, at the regional and hemispheric levels, strategies and guidelines for fighting, controlling and eradicating animal diseases and zoonoses, which affect human and animal health as well as livestock production in the region.

Support for the IPPC: The WTO recognizes this body as having responsibility for establishing plant health standards. The FAO serves as its Secretariat. The Institute has promoted increased participation by the countries in the regional consultation process relating to IPPC standards. Accordingly, IICA has organized four regional workshops for the IPPC for the

revision of phytosanitary standards (two in Costa Rica, one in Colombia and another in Chile). In addition, IICA supported two regional workshops (Argentina and Trinidad and Tobago) on the sanitary portal of the FAO, which is designed to promote transparency and the proper application of SPS in the countries.

5. Promotion of prosperity in rural communities

Poverty and extreme poverty are major problems that still persist in the rural areas of LAC. In the past two decades, no significant headway has been made in reducing poverty. According to data from ECLAC, in 2002, the last year for which detailed urban-rural information is available, it is estimated that there were almost two million more rural poor in LAC than in 1980. The situation with regard to rural indigence was even more critical since the indigent population had increased by almost six million people. In 2002, it was estimated that 62% of the rural population lived in a state of poverty and 38% lived in a state of extreme poverty. These figures are considerably higher than in the urban areas where in that same year 38% of the population was poor and 13% lived in extreme poverty.

One of the characteristics of rural poverty in Latin America is its concentration in clearly defined geographic areas where development processes have been asymmetric. Examples of rural territories with a high concentration of poverty may be found in all countries of the region. The south of Mexico, the high plateau of Guatemala, the Caribbean coasts of Nicaragua and Honduras, the border regions of Central America, the Gran Chaco area, the Andes region and the High Plateaux of Peru and Bolivia, the northwest of Argentina and the northeast of Brazil are some examples of rural territories where there are major concentrations of poverty. Many of these territories are distinguishable for the high proportion of Indian populations or groups of African descent, a poor and degraded natural resource base, a low level of institutional development, limited public and private investment, limited basic infrastructure and development processes that are out of sync with the rest of the national territory. These regions are historically asymmetrical, disconnected from dynamic development processes and have structural problems yet to be solved.

In order to craft effective policies to combat rural poverty, there must first be a better understanding of its causes, especially of those causes that stem from the geographic



location. Here, IICA's contribution consists of defining an approach to rural development that recognizes the importance of the territory as an object of public policy so that certain factors are taken into account when designing rural development strategies: the nonagricultural rural economy and local markets; the integration of urban and rural spaces, cooperation and shared responsibility among local actors, public institutions and the private sector; complementarity with regard to top-down (supply) and bottom up approaches (demand) to coordinate interventions; and the coordination of macro, sectoral and local policies. Environmental management and the development of environmental services markets, agro-industry, rural tourism in its various manifestations (eco-tourism, agro-tourism, cultural tourism) and services in general are conceived as highly important potential engines for the development of rural territories, together with the development of agriculture, and as a complement to it.

IICA technical cooperation in rural development has accordingly focused on five areas: i) design of rural development policies, strategies, programs and projects with a territorial approach; ii) strengthening of capabilities and the modernization of national institutions with responsibility in rural development; iii) inclusive management of

rural development programs and projects with the participation of relevant social actors; iv) knowledge management in rural development, and v) sustainable management of natural resources in rural territories.

5.1 Development management in rural territories

Policy and the institutional framework for rural development. There has been a significant demand for technical cooperation and training related to strategy, institutional mechanisms and rural development policies. IICA provided support for the discussion and formulation of national rural development policies in Jamaica, Ecuador, Guatemala, Panama and Uruguay, and in Costa Rica and Honduras, it assisted with giving new direction to national rural development programs. On the other hand, in Mexico, Guatemala, Panama, Colombia, Ecuador, Brazil and Paraguay, IICA supported the development of new institutional arrangements for rural development. Noteworthy is support given to Mexico in applying the Rural Development Law enacted in 2002; to Colombia in creating and developing the Colombian Rural Development

Institute; to Guatemala and Ecuador in forming inter-agency mechanisms for which the participation of national institutions and inter-national cooperation agencies was promoted; to Brazil in building up the Territorial Development Secretariat; and to Paraguay in creating the Rural Development Institute. In addition, IICA started working on initiatives for developing pilot rural development projects in countries of the Andean and Central regions the purpose of which was to establish national references for promoting inter-sectoral interventions that might serve as a basis in formulating ad hoc policy.

Rural development management with relevant stakeholders. With regard to building expertise and social stakeholders, IICA provided technical support to reinforce territorial development strategies with an emphasis on culture and social actors in Brazil, Peru, Suriname and Guyana. Seminars were held to publicize the gender equity and social stakeholders approach in territorial development in Brazil, Colombia, Ecuador,

Nicaragua and Costa Rica. In the Dominican Republic and Ecuador, national chapters of the Business Development Program for Rural Women (PADEMUR) were established. IICA actively supported the law on rural women in Colombia. A semi-virtual hemisphere-wide fora program was established. It combines workshops and video conferences, the aim being to exchange experiences and coordinate policies, strategies and investments related to rural development based on gender equity. Brazil, Peru, Ecuador, Colombia, Panama, Nicaragua, Costa Rica, Guatemala and Mexico participated. In the area of rural youth, the Latin American Rural Youth Organization Network (RELAJUR) and the Caribbean Agricultural Forum for Youth were strengthened. Cooperative relations were also established with the National Rural Youth Network of Canada.

Knowledge management in rural development. With regard to knowledge management, IICA worked on consolidating the strategic area of work known as BRAMCO, building



on its rural development experience in Brazil, Mexico and Colombia, and establishing a platform to spread it to other countries in the hemisphere and to consolidate inter-thematic integration and revitalize the Institute's corporate image. The main components of BRAMCO include: a) a knowledge management system with regional nodes in Brazil, Mexico, Colombia and Costa Rica; b) a program aimed at developing human resource capabilities; c) the Institute's system of experts, and d) the horizontal technical cooperation program. In this context, IICA actively supported the creation and launch of the Permanent Rural Development Forum in Brazil, the Rural Territories Observatory of Colombia, the Master's Program in Rura Territory Management and the Rural Development Management Indicators' System as basic experiences in the corporate knowledge management system at the hemispheric level.

A major component of knowledge management has been the systematization of successful experiences in rural development where lessons learnt are identified so that they may be used in feeding technical cooperation

processes and developing new working methodologies. For instance, a methodology was prepared for building up the expertise of rural business women and access to credit. This methodology was institutionalized by public entities in Nicaragua, Costa Rica and Ecuador. Brazil's experience in social territorial management and poverty alleviation was also systematized to share that experience with other countries, and support was provided for processes to systematize development experiences in the Central and Andean regions.

The technical publications program has been equally important in terms of building expertise in rural development management. Under that program, 28 synopses and 16 technical work books were published from 2002-2005 and more than 15 books were also published, in cooperation with institutional partners.

The main means of disseminating information on rural development has been through the web page of the Directorate of Rural Development (www.iica.int/desrural), where information on policies is shared, the publications of that Directorate are

made available to the public and other material and a list of events are circulated through the digital library.

5.2 Main cooperation activities in the area of rural development in the regions

Andean Region: Under the existing agreement with the General Secretariat of the Andean Community (CAN) headway has been made in integrating working methodologies in border areas where an integration process is under way, based on a territorial approach developed by IICA, in an effort to promote rural development programs in border regions.

Joint missions have been conducted to the Peru-Ecuador and Bolivia-Peru border regions and proposals have been presented for the consideration of the High-Level Commission for Border Development of the Andean Community. To date, there are two projects to develop those border regions prepared jointly by IICA and the Secretariat of the CAN under the Regional Andean Plan for Rural Border Development and the Comprehensive Program for Andean Development.

In Colombia, support has been provided to the Program for Comprehensive Care for Women and for the execution of alternative development projects and activities to promote rural micro-enterprises. In Ecuador, cooperation was provided to the Program for Support to Rural Women for which IDB financing was made available. IICA also lent assistance to the work of the trusteeship of the Local Development Fund (FONLocal) under the Saraguro-Yacuambi Project. In Peru, support was provided in preparing rural tourism and rural development projects with a territorial approach in the Huaraz Valley and the Sacred Valley of the Incas in Cuzco. In Venezuela, support was provided to the CIARA foundation for projects to develop poor communities.

Caribbean Region: In Barbados, a center was established to address the issue of developing linkages between agriculture and tourism. In Dominica, IICA assisted with preparing a project to involve disadvantaged youth in the development process. In Haiti, through the Kredifanm Project, the formation of rural women's groups was promoted. In Jamaica, IICA has been assisting the Bauxite Institute with the development of projects aimed at establishing small goat farms and producing species on lands that have been exhausted



by mining. Support is also being provided to the Planning Institute of Jamaica (PIOJ) and to the Rural Agricultural Development Authority (RADA) to incorporate a holistic concept of rural development.

In the Dominican Republic, cooperation was provided to the Program for the Development of Rural Women (PADEMUR), the Office of the First Lady of the Republic, the Women's Secretariat and the NGOs to promote participation by rural women in production and training activities. Support was also provided in preparing project profiles to combat rural poverty.

In St. Kitts and Nevis, support is being provided to groups of producers and organizations for preparation of an irrigation project. Cooperation has also been extended to the Ministry of Community Affairs for the establishment of a community computer laboratory. In Saint Lucia, cooperation was provided to upgrading the skills of rural women belonging to the Caribbean Rural Women's Network in food and vegetable processing. In Suriname, small-scale producers were trained in the use of improved agricultural practices based on principles of agro-forestry, the competitive production of commercial crops and the preparation and use of compost fertilizer.

Central Region: The following activities are noteworthy: (i) the development of innovative experiences in poverty reduction and environmental restoration in hillside regions of Honduras and El Salvador; (ii) the institutional strengthening of national sustainable rural development programs in Honduras and Costa Rica; (iii) the systematization of experiences with rural development projects in El Salvador; (iv) the establishment of interest groups and knowledge networks on payment or compensation for environmental services and knowledge management; (v) the promotion of and support for initiatives for development of border regions in Honduras, El Salvador, Guatemala and Nicaragua-Costa Rica. Technical support has also been provided for the adoption of good practices in rural development projects and programs in Central America for the purpose of increasing efficiency and the multiplier effect of these investments.

Southern Region: The Institute promoted activities to reposition the subject of rural development and provided support in the preparation of a plan of action for sustainable rural development based on a territorial approach. With regard to cooperation in the countries, in Argentina, support is being provided to micro-credit programs for small-scale rural enterprises and in the Province of

Mendoza, support is being provided for training rural development promoters. In Brazil, cooperation was provided to the Planning Secretariats of the States for the development of projects to fight rural poverty and to the National Colonization and Agrarian Reform (INCRA) in promoting family agriculture. In Chile, support was provided to the Agricultural Development Institute for the upgrading of the management of rural women's enterprises.

In Uruguay, IICA worked with the Government on its decentralization policy, promoting the upgrading of departmental governments and civil society organizations. It promoted a territorial development strategy aimed at strengthening local governments. The Development Program for the North of the Department of Río Negro was prepared and a training cycle in rural development was conducted.

5.3 Joint actions with strategic partners

To render international cooperation in rural development more effective, IICA took an important step by participating actively in the Inter-Agency Group for Rural Development in Latin America and the Caribbean, comprising the IDB, IBRD,

ECLAC, IICA, FAO, IFAD, GTZ and USAID. These institutions agreed to strengthen institutional coordination and make concerted interventions in order to complement and maximize their capabilities and thereby establish a new platform for providing more effective cooperation to the countries of Latin America and the Caribbean.

The Institute has participated actively in activities of this Group and has established strategic partnerships with the Third World Center for Water Management (TWCWM), the Rural Women's Federation, the Association of Rural Women and Families, and the Union of Centers for Rural Action in Spain. Activities have focused on developing joint technical cooperation projects, exchanging experiences and developing on-the-job training on topics related to water, gender and social stakeholders in rural development. Cooperation processes have also been initiated with the United States Rural Policy Research Institute (RUPRI) in topics related to comparative evaluation of rural development policies; with the Global Environmental Change and Food Systems (GECAFS) in climate change, food security; with the OAS in topics related to water, agriculture and food security; and with Agricultural and Agrifood Canada (AAFC), in agro-environmental policies. IICA has also cooperated extensively with the Global



Development Learning Network (GDLN) through the World Bank's Global Dialogues Program.

The Institute has been assisting with the documentation of experiences as part of the inter-agency activities of the RUTA Project, with the participation of the Mesoamerican Office of the World Conservation Union, the World Bank, the Salvadoran Program for Research on Environment and Development, the National University of Costa Rica, the International Agency INTERCOOPERATION, ANED Consultants of Honduras and the National Agrarian University of Nicaragua. A cooperation agreement was also signed and activities have been coordinated with the YES Youth Employment Network to promote joint activities for the social and economic inclusion of rural youth in the countries of Latin America and the Caribbean.

With regard to joint work with the academia sector, IICA has engaged in cooperative activities with universities in Europe, North and South America. Examples are the Universidad Javeriana in Colombia, the Universidad Austral in Chile, the Universidad de Chapingo in Mexico, the Universidad de Costa Rica, the National University in Heredia, Costa Rica, the Universidad de Cuyo in Argentina and the Universidad de Cordoba in Spain.

6. Sustainable management of natural resources

In an effort to promote the sustainable management of natural resources in rural territories, IICA moved forward with developing a methodology to characterize IICA's experiences in the countries. This would be helpful in supporting processes for policy design or the design of institutional mechanisms to strengthen the territorial management of local governments, micro basins, rural communities and enterprises. In addition, the Institute prepared the technical proposals contained in the document "Management of Natural Resources for the Sustainable Development of Rural Territories in Latin America and the Caribbean" and it was accredited as an inter-governmental agency with the Secretariat of the United Nations Convention to Combat Desertification.

On the subject of water management, in conjunction with the IDB and the World Bank, IICA has been executing a project on indicators of desertification. It has also continued to implement the Program to Combat Desertification in South America, in Brazil, Argentina, Bolivia, Chile, Ecuador and Peru. These countries are being assisted with implementation of national plans of action to combat desertification and drought. Local

communities, NGOs, the private sector, civil society and governmental organizations are participating in this endeavor. In Costa Rica, IICA supported the National Seminar on Irrigation and Drainage of the SENARA with regard to the formulation of the Program for the Management, Conservation and Sustainable Management of Water Resources for their Integrated Use based on the territorial approach to rural development and the principles of the convention on desertification. It also provided cooperation to the Ministry of the Environment of Brazil to promote the rational use of water resources.

With regard to the sustainable management of natural resources, in Costa Rica and Venezuela, IICA has assisted with the formulation of irrigation projects, promoting an integrated approach to the management of water resources thereby going beyond the conventional vision of water management in agriculture. In Peru, IICA supported the introduction of the gender approach in community water management programs. In the Southern Region, IICA has worked with the Office in Brazil to develop the Program to Combat Desertification and Mitigate the Effects of Drought in South America (Brazil, Argentina, Chile, Bolivia, Peru and Ecuador). In addition, IICA launched a

work program on agro-environmental policies, starting with an inventory of these policies in Costa Rica, El Salvador, Nicaragua, Guatemala, Colombia, Peru and Uruguay.

IICA has been working with the Third World Center for Water Management (TWCWM) on the development of joint technical cooperation projects, an exchange of experiences and the development of on-the-job training programs on this important topic.

With regard to activities linking agriculture to the environment, in Colombia, the Institute supported the preparation and execution of projects to project the true value of ecological diversity and animal life, and supported the establishment of the Environmental Chamber in Colombia. In Grenada, IICA, promoted the use of agricultural practices that are safe for the environment, and in Guatemala, it provided technical cooperation to the Program for Forest Protection in Peten and it also cooperated in formulating a proposal to eradicate weevil from the pine tree (*Leucchoctonus frutales*).

In the Dominican Republic, IICA has worked with the Foundation for Integral Development of Pedernales and the Community Development Foundation on



the reforestation of the border region with Haiti. It has also worked with various NGOs involved in milk delivery activities, medical services, training activities for development and reforestation activities.

With regard to policies and plans, the Institute supported the Haitian Foundation for the Environment and assisted with the formulation of the Agro-eco-tourism Development Plan of Nicaragua. With regard to technology for the sustainable management of natural resources, in El Salvador, it supported the Environmental Program of El Salvador in specific regard to the use of soil conservation technologies and practices, agro-forestry and agricultural diversification, and promoted, through the GTZ-IICA-FOMRENA Project, the use of appropriate technologies in the sustainable management of natural resources in Bolivia, Ecuador and Peru.

IICA designed a project aimed at extending throughout Central America the use of good practices with regard to payment and compensation for environmental services. The idea is to form a network of interest groups that contribute to appreciating the value of communities and their rural spaces through the integrated management of natural resources. It has also been promoting the use of “environmental services” as a means of compensating the producer for conserving forests, protecting aquifers,

preserving biodiversity, capturing CO₂. and maintaining recreational areas where one can enjoy the scenery.

7. Developing human capital

IICA recognizes that one of the key factors for transforming agriculture and improving the standard of living in rural areas is increasing the standard of education and upgrading human resources by equipping them with new knowledge, attitudes and skills in strategic topics to promote competitive and sustainable agricultural and rural development. For this, the Institute has focused its efforts on those fields that are topical and with regard to which there is high demand in the Member States.

7.1 Promoting dialogue on agricultural and rural education and training in the Americas

IICA has promoted the development of a system of regional fora to stimulate dialogue, modernize and improve the quality and relevance of advanced education in agriculture, create mechanisms for inter-university cooperation and support national and institutional programs for improving the quality of education.

From 2002-2005, IICA, in conjunction with the regional mechanisms for dialogue and the integration of advanced agricultural education in the Americas, promoted activities in the following regions:

Central Region: IICA promoted and supported the organization of the Fourth and Fifth Central American Fora for Dialogue and the Integration of Agricultural and Rural Education, with the participation of teachers and deans from schools of agronomy in the region. In **Guatemala**, IICA supported the Workshop for Strategic Planning of the National Agricultural Education Forum (FONEPA) in which 20 institutions participated.

Andean Region: IICA supported the fourth and fifth meetings of the Executive Committee of the Andean Regional Forum for Dialogue and the Integration of Agricultural and Rural Education in Quito, Ecuador, and Cochabamba, Bolivia respectively. At the first meeting, there were 175 delegates participating, and at the second there were 109 delegates participating.

Caribbean Region: IICA supported the organization and the actual holding of the Third Forum on Dialogue and the Integration of Agricultural Education, with the participation of more than 40

professors, researchers and administrators from nine universities in the Caribbean. It also supported two annual assemblies of the Caribbean Council of Higher Education in Agriculture (CACHE) in Trinidad and Tobago and the Dominican Republic.

Southern Region: IICA has been serving as Secretariat of the Expanded MERCOSUR Forum of Schools of Agronomy. In **Chile**, the Institute served as Technical Secretariat of the National Council of Schools of Agronomy. In **Uruguay**, it provided technical assistance for the establishment of the Permanent Forum on Agricultural Education.

7.2 Modernizing and improving the quality of agricultural education

In an effort to improve the effectiveness of the human resource training programs in agriculture and rural development, the Institute provides technical support to universities and institutions of higher learning to promote the modernization of their educational plans and programs through courses and direct cooperation for refresher training and curricular change, as well as programs to support improvement in the quality of agricultural education. These activities form the basis for IICA cooperation to the academic sector.



Central Region: In **Costa Rica** 1,400 participants from 35 middle-level technical schools (agricultural schools) and from the University of Costa Rica, who are pursuing a career in agronomy, received training in an effort to improve the quality of education in agriculture. In **Guatemala**, instructors from five university centers and from the University of San Carlos in Guatemala received training in conducting the program to improve the quality of rural education. In **Panama**, three workshops were held for implementation of the National Program to Develop the Quality of Agricultural Education. In **El Salvador**, three workshops were held to prepare the National Plan for Entrepreneurial Training and Development for the Agricultural Sector.

Andean Region: In **Bolivia**, 32 university professors were trained in curricular development. In **Ecuador**, 209 university professors were trained in strategic planning at schools of agricultural sciences. Support was provided to the Master's Program in Sustainable Tropical Agriculture at the University of Guayaquil. Three courses, in which 94 university professors participated, were held and a course on strategic planning for schools of agricultural sciences was also held. It was attended by 32 deans and professors. In **Peru**, courses were held on methodologies and strategies for improving the quality and relevance of higher agricultural education.

Thirty deans from schools of agronomy were also trained in evaluation, accreditation, curricular design and the promotion and management of training services.

Caribbean Region: IICA worked with CACHE on topics related to curricular improvement and the development of specialized centers of excellence. Support was provided to the *Instituto Superior Agropecuario* (Advanced Agricultural Institute) and to another nine universities in the **Dominican Republic** in the area of strategic planning for improvement of the quality of higher education in agriculture.

Southern Region: In **Chile**, IICA directed processes for curricular modernization in higher university education at three schools of agronomy –two in veterinary medicine, one in agricultural civil engineering and one in forestry engineering. IICA also supported the graduate program in water resources. In **Paraguay**, IICA supported the National University of Asunción in conducting an evaluation of the university syllabus in agronomy and veterinary medicine.

7.3 Training for technological change and business management

With regard to training, activities have focused on supporting the execution of components of the national and regional

cooperation agendas of the Institute and efforts have focused on topics of priority and current interest for the national institutions. Much of the training offered by IICA today is accomplished through distance media and it has thereby been possible to lower costs considerably and expand coverage significantly.

Training activities provided by IICA cover a broad spectrum. Because of the numerous events and the variety of topics involved, it is rather difficult to encapsulate them in this report in such a way that they adequately reflect their true significance.

The main topics dealt with in training through the 34 IICA Offices in Member States are the following: management of agro-enterprises, management for agro-export, new technologies and good practices for agricultural production and agro-industry, control of pests and animal and plant diseases, food safety, strategic planning, environmental impact assessment, territorial approach to rural development, and identification, preparation and evaluation of agricultural and rural development projects, *inter alia*.¹

¹ The annual reports of IICA and the 34 reports on fulfillment of the national agendas describe these activities in detail.

7.4 Distance education

IICA has committed itself to distance training and has proven to be eminently successful in this area. It has moved forward with building expertise in this area as it has sought to improve the quality of courses and develop in the countries distance training structures that can be used as strategic tools for technological change, the modernization of production and trade, and the development of entrepreneurial and managerial skills.

- ***GDLN Network of the World Bank.***
IICA expanded its capabilities in distance education by becoming the administrator for the rural component of the World Bank's Global Development Learning Network. The network is a worldwide association of distance learning centers (CDLN centers) made up of international organizations, public- and private-sector organizations, NGOs and educational and training institutions worldwide. This network is destined to become the mechanism *par excellence* for liaison and distance



training for agricultural and rural development as well as the means for coordinating partnerships among distance training institutions in the Americas.

- **Other activities in distance education.** IICA supported the development of distance education projects with the American Higher Distance Agriculture Education Consortium, which brings together 64 land grant institutions and United States universities and the Canada Institute for Connectivity. The aim was to strengthen the Central American Higher Agricultural Education Association (ACEAS).
- **Development of educational materials.** The Institute has been working on developing multimedia teaching materials with state-of-the-art technologies for education and training through an agreement signed with the American Higher Education Consortium referred to above.

In association with the Forum of Schools of Agronomy of the Expanded MERCOSUR, IICA prepared a course on agricultural policies and international trade. It

produced a multimedia course on forestry with CATIE and the Oxford University Forestry Institute.

■ **Distance training courses**

Andean Region: IICA supported the Executive Committee of the Andean Regional Forum for Dialogue and the Integration of Agricultural and Rural Education with the preparation of a work plan to promote distance education.

Caribbean Region: Distance courses were given on good agricultural practices, food safety, citrus canker control and control of the giant African snail, agricultural extension and rural administration methods, agricultural reconversion and agriculture for export which benefited 300 professionals and technicians from countries in that region.

Central Region: In **Honduras**, three workshops were held, using multimedia materials, to train teachers in how to improve the quality of education in agriculture

At present, IICA offers all educational centers that so request, and that have instructors and facilities for distance

training, multi-media courses in forestry, agricultural policies and international trade, e-commerce, food safety, hazard analysis and critical control points (HACCP), organic agriculture, farm management, quality of agricultural education and the competitiveness of agrifood chains, etc.

■ *Global dialogues*

Through the network, a number of Ibero-American dialogues were developed. They involved more than 500 participants and dealt with information and communications, development banking, political framework for boosting small- and medium-scale rural enterprises, challenges and opportunities for agriculture and agro-industry, reassessing the role of agriculture and rural development, agribusiness and agricultural production chains, management of forestry incentives, education of the rural population, small- and medium-scale agricultural enterprises, trade opportunities for young people and small businesses in America and gender equity in policies for promoting small- and medium-scale enterprises. In **Brazil**, IICA

supported global dialogues on emerging topics in agriculture.

8. Promotion of inter-sectoral ties

In a complex globalized world where nations are anxious to achieve growing levels of prosperity and reduce poverty in the countryside, it is no longer possible to continue to view agriculture from the traditional perspective as a primary sector that is subordinate to other more advanced ones. The new agriculture must be seen in the light of its complex linkages with other sectors in order to define more effective policies that make it a driving force for the economies of rural regions and a source of growth and prosperity. When agriculture is understood as including processes associated with production, marketing and the processing of products, from the producer's plot of land to the consumer's table, it then becomes possible to appreciate the importance of the linkages of primary agriculture or of cattle farming and other activities involved in these processes.

8.1 The agro-production-trade chains approach

IICA's leadership in devising mechanisms to facilitate linkage among actors in agrifood



chains and in assisting Member States accordingly has become a major factor in strengthening the competitiveness of the rural milieu. The chains approach is a valid means for coordinating the agents that intervene in the agro-production and trade system so that they can participate with the Government in designing policies, overcome limitations on production and act in unison to secure and maintain a foothold on markets. The chain is the appropriate area for introducing innovations with a view to guaranteeing the competitiveness of the activities involved in those chains. This is what makes this approach a powerful tool in translating into results the individual and isolated efforts of the various components.

The components of a chain in a given territory act as an engine for innovation and growth. Their backward linkages with production and the marketing of inputs, machinery and equipment, and their forward linkages with activities related to the processing of products and byproducts trigger an effect that promotes the growth of the economy, as well as job creation and investment. This dynamic leads to new production and service activities for the production and processing required to meet the population's needs. Nonagricultural employment is thereby generated and becomes a factor in strengthening the economy and promoting prosperity.

8.2 Agriculture and tourism

There is consensus about the importance of nonagricultural activities in any efforts aimed at rural development. There is also recognition of the importance of developing linkages between agriculture and service activities, such as tourism, in those regions that have natural tourist, cultural or historic attractions, since the result could be more jobs in the nonagricultural sector through the delivery of tourist services, such as food, accommodation, transportation, recreation and culture; the production and sale of crafts and the development of other activities related to tourism. In fact, hotels and cruise ships which are increasingly using high-quality and higher-cost organic products and food represent a dynamic market that could be exploited to promote local, high-quality agricultural and agro-industrial production.

Among the cooperation actions that IICA has engaged in to reinforce linkages between agriculture and tourism are the following: a) support to Nicaragua in preparing the Agro-Eco-Tourist Plan; b) assistance in applying the agrifood chains approach and developing ties with tourism, promoted by IICA's Agro-tourism Center in Barbados; c) support to ADIZAL in El Salvador in establishing an ecotourism route; d) cooperation with Saint Lucia in identifying agro-tourism opportunities;

and e) support to Trinidad and Tobago in conducting studies on the marketing of fresh products with the hotel industry and exploiting new opportunities on this market.

8.3 Agriculture and health

Stronger ties with PAHO have enabled the Institute to promote joint activities with that organization in matters that are the responsibility of both the authorities that govern agricultural development and those that govern the health sector, as is the case with zoonosis or the effect of the consumption of contaminated foods or foods gone bad on health.

Organic agriculture is perhaps the field where health and agriculture most go hand in hand. Organic agriculture has developed significantly thanks to IICA cooperation which has sought to: (i) promote the use of technologies for organic production; (ii) promote the training of professionals, technicians and producers; (iii) provide support for the design of national programs and organic agriculture projects, and (iv) promote institutional strengthening.

In the area of the spread of technologies for organic production, the Institute supported Dominica with the production of passion

flower, plantain and pineapple. In Barbados, it assisted with organic production in the Scotland District, under the Caribbean Regional Environmental Programme, financed by the EU. It also initiated cooperative activities in ethnic medicine, using the TRAMIL methodology. In Nicaragua, it promoted meat and organic cacao production. In Bolivia, Ecuador and Peru, through the FOMRENA Project, IICA supported the production and marketing of organic products. In the Mabarona region in Guyana, cooperation was provided to producers to help them obtain certification for their organic produce. In Suriname, support was provided to the Organic Agricultural Foundation for development of the National Organic Agriculture Plan.

With regard to programs and projects, IICA cooperated with the Government of Argentina in preparing an organic agriculture project for presentation to the IDB for funding. In Belize, cooperation was provided to the National Organic Products Commission and IICA cooperated with the execution of an eco-agriculture project sponsored by the UNDP's Grants Program and in the development of farm models sensitive to biological corridors and neighboring natural reserves. In Costa Rica, support has been provided to various organic agriculture initiatives in the



framework of the “National Strategy for Organic Production”. Cooperation to Nicaragua focused on designing a national strategy for organic production.

8.4 Agriculture and energy

The exhaustion of sources of fossil fuel production and the steady increase in demand, mainly in China, India and the developed countries, has brought about a steady increase in the prices of oil-based fuels. On the other hand, the ecological impact of carbon emissions, the main factor in global warming, has been such that the countries, especially governments and the private sector in the Americas, have focused on searching for clean and safe fuels that do not affect health or the environment.

The main biofuels are ethanol, derived from the processing of sugarcane and maize, biodiesel, derived from various oleaginous plants, and biogas, produced from biomass and the use of harvest residues to produce electric energy. Successful experiences in producing ethanol, biodiesel and biogas in Brazil and the United States show that agro-energy is destined to play an important role in replacing fossil fuels, in reducing environmental pollution and in modernizing agriculture. A vigorous and innovative

agribusiness sector is emerging along with these biofuels.

Agro-energy represents a valid option for modernizing agriculture in that it represents a secure market for producers, offers a wide margin for biotechnological innovation, promotes new investment in the field and generates well remunerated rural employment.

Given the importance of the topic, in response to the mandates of the Executive Committee and the IABA, IICA has promoted the preparation of a hemispheric program in agro-energy and biofuels, a new area in which IICA plays a strategic role, promoting horizontal cooperation and acting as intermediary.

9. Consolidation and strengthening of strategic partnerships

The problems that plague agricultural and rural development in LAC are so broad in scope and of such complexity that the countries can hardly face them with the mere support of one development agency or international institution. The international organizations and agencies must therefore share their expertise and experience so as to provide more effective support and come up with solutions that have a true impact on the community of agriculture and rural life in the Americas.

The 2002-2006 Medium-Term Plan of IICA recognizes that in order to provide more effective cooperation to Member States and promote innovation and permanent creative thinking, alliances with strategic partners need to be strengthened. Accordingly, during my administration, IICA has developed and consolidated important inter-institutional partnerships with other organizations of the Inter-American System, the United Nations and its agencies, international financial organizations, cooperation agencies in developed countries and public and private national entities. We have also been participating actively in inter-institutional networks that have imposed new work modalities that encourage more effective use of capabilities and of the synergy generated by joint effort, while at the same time making more efficient use of resources.

This strategy has made it possible to broaden cooperation in strategic fields that are a high priority for Member States at times when financial difficulties make it possible to stretch IICA resources further. The synergies created have resulted in more relevant activities and have made it possible to improve efficiency and expand the coverage of services provided.

In order to strengthen existing relations and foster new relations that promote rural prosperity, food security and the sustainable development of agriculture, in July of 2002, the Directorate of Strategic Partnerships which was given responsibility for promoting and establishing cooperation agreements and relations with institutions that have mandates and competencies that might complement those of IICA, with which IICA had an interest in consolidating stable cooperative ties and engaging in joint work in aid of Member States.

A special component of that Directorate is the IICA Office in Madrid, Spain, whose main function is to build bridges of cooperation between Europe and the Americas. Through that Office, efforts have been made to develop cooperation agreements with various Spanish organizations and new relations with the European Union and institutions in France and England have been promoted.

The main **partnerships with technical cooperation organizations** that are fully functioning and that have produced important results are:

9.1 With international organizations

OAS: IICA has been working closely with the Technical Secretariat of the



Summit of the Americas process to implement and provide follow up to the mandates related to agriculture and rural life issued by the heads of state and government, in collaboration with the other Summit partners (OAS, IDB, ECLAC, PAHO, CABEL, CAF and CDB). IICA is also involved in the work of the Summit Implementation Review Group (SIRG), composed of the presidential delegates of the OAS Member States, which is responsible for preparing the Summit meetings and reviewing the progress made in achieving the objectives of the Summit action plans. The Directorate of Strategic Partnerships, based in Washington D.C., helped develop an agenda for cooperation with the OAS Executive Secretariat for Integral Development and several of its operating units.

FAO: Under the new cooperation agreement signed by the two organizations in April 2002, IICA has been working as a member of the Informal Group of Agricultural Negotiators (GINA), which facilitates cooperation and dialogue and provides information for the international trade negotiations. FAO's World Agricultural Information Centre (WAICENT) and IICA's Agricultural Information and Documentation System

for the Americas (SIDALC) have carried out work together in the area of agro-economic information management.

At the country level, IICA and FAO supported the creation of the Network on Gender in Rural Development in Bolivia and helped draft a congressional bill on food security and nutrition in Ecuador. They provided cooperation in the areas of animal health, zoonoses, food safety and plant health requirements for trade in Honduras, and for training in international standards for plant health measures in Trinidad and Tobago.

IFAD: IICA is executing the Program in Support of Rural Micro-enterprises in Latin America and the Caribbean (PROMER), aimed at alleviating rural poverty in LAC countries by means of grants and loans. The program has resulted in the implementation of over 40 projects in support of small rural businesses. The objective of PROMER is to make rural micro-enterprises more competitive by equipping them with management tools and production techniques. The program provides funds for small enterprises and for the training of producers in new production methods and business and commercial management. IICA managed PROMER

and played a key role in the formulation and implementation of the program, the second phase of which concluded in June 2005.

IICA and IFAD carried out other joint cooperation actions, such as the Regional Camelidae Development Program in the Andean Region and the Program for Institutional and Regulatory Support for Rural Poverty Reduction in the MERCOSUR countries. The joint actions extend to Ecuador, where IICA and IFAD are involved in the Agribusiness Development Project for the Saraguro-Yacuambi area, and Uruguay, where the two institutions signed a cooperation agreement to support the dialogue and discussion on the impact of macroeconomic and sectoral policies on the implementation of rural development projects. In the Caribbean Region, IICA, IFAD, the Royal Government of the Netherlands and the USDA are participating in the implementation of a project to control the fruit fly.

ECLAC: Several workshops were held to coordinate the drafting of the joint document on the situation of, and outlook for, agriculture and rural life in

the Americas. An agreement was signed for the implementation of joint initiatives in the field of agricultural development and rural well-being. It provides a framework for specific actions by the parties. IICA is also working with ECLAC and the ILO to develop a system of indicators to monitor implementation of the AGRO 2003-2015 Plan.

PAHO: The joint activities have focused on a shared concern that is a high priority for the countries of the Americas: food safety. The two organizations have cooperated in various aspects of this new, multi-faceted issue in Argentina, The Bahamas, Bolivia, Costa Rica, Honduras, Mexico, Suriname and Trinidad and Tobago. For example, they collaborated in the design of national food safety programs, the review of legislation on the subject, and the creation of national food safety committees and the structuring of their work plans. IICA and PAHO also worked together on issues such as sanitary emergencies and zoonoses, and supported rural communities.

To improve public health and promote actions aimed at enhancing animal and



plant health programs in the Member States, as part of the “working together” strategy, PAHO made a significant contribution to the organization and implementation of the Ministerial Meeting on Agriculture and Rural Life. PAHO and IICA are members of the group of organizations working with the 34 Member States to enhance the capabilities for dealing with the threat of avian influenza in the region.

9.2 With financial institutions

The Institute has a long-standing working relationship **with the IDB**. IICA helps the Member States design agricultural and rural development projects that are to be presented to the Bank for financing. It also provides technical cooperation for the execution of IDB-financed programs and projects. One of the most important actions in recent years was the support provided for the creation and operation of agricultural commodity exchanges in Central and South America, with financing from the Multilateral Investment Fund (MIF). The two institutions are also promoting technology generation and transfer under the aegis of the IICA/IDB consortium that operates the Regional Agricultural Technology Fund (FONTAGRO). The Fund finances regional projects and promotes the

use of agricultural research findings as a public resource in the region.

The IDB and IICA are also working together to promote agricultural production, trade, food safety and agricultural health, and to reduce poverty, in public projects in Argentina, Bolivia, Brazil, Colombia, Ecuador, El Salvador, Haiti, Mexico, Paraguay, Peru, Suriname, Uruguay and Venezuela. Both organizations are members of the Interagency Group for Rural Development, which promotes dialogue, training and technical support activities and is developing an interagency agenda for the Americas.

A project is being executed **with the World Bank** aimed at incorporating the results of climate studies into the formulation of national rural development strategies. South American countries will benefit from this effort. IICA and the World Bank are part of the RUTA regional project that finances agricultural and rural development projects for six countries in Central America. In Panama, IICA was the executing agency of the Rural Poverty and Natural Resources Project and, in Nicaragua, of the Program to Implement the Rural Development Strategy. IICA's relationship with the World Bank has been strengthened with the Institute's participation as an executing agency of the Global Development Learning Network (GDLN), which offers distance

courses, workshops and global dialogues on key issues for agriculture in the Americas. Recently, IICA also began working with the World Bank's Multilateral Investment Guarantee Agency (MIGA) for the implementation of new projects.

9.3 With regional agencies

CATIE: One of the most important activities is the execution of PROMECAFE, in which the French government's International Center for Cooperation in Agricultural Research for Development (CIRAD) is also involved. Other key cooperation activities include the development of plantain and banana cultivars resistant to black sigatoka; support for projects to modernize cacao production in Belize and Bolivia; and support for the Environmental Program of El Salvador (PAES), in the area of soil and water resource management. In the field of agricultural information and documentation, IICA and CATIE together administer the Orton Commemorative Library, the most important agricultural documentation center in LAC.

CARDI: With support from IICA, CARDI is executing projects for the Caribbean countries aimed at technological innovation in the production of hot peppers, forage

species, acerolas and small ruminants, as well as the production and marketing of organic products.

9.4 With government agencies in developed countries

The United States Agency for International Development (USAID): The Institute has cooperated with the Agency in a wide range of activities. The following are some examples:

In Colombia, IICA and USAID are implementing the Center of Excellence for Plant Health, Risk Analysis and Geographic Information Systems; in Guatemala, they are supporting the Plan of Action for the Modernization and Development of Agriculture Using Irrigation and Drainage Systems (PLAMAR). The SAG in Honduras is receiving support from the two agencies aimed at strengthening the coordination and execution of the agricultural policy system. IICA and USAID are also providing cooperation in the area of agribusiness; executing the ACCESO Project, based in Lima, which aims to develop cacao cultivation in several Andean countries; and collaborating with the Government of Peru in the development of coffee production.



IICA and USAID were founding agencies, and remain active members, of the Regional Cooperative Program for the Technological Development and Modernization of Coffee Cultivation in Central America, Mexico, Panama and the Dominican Republic (PROMECAFE). In El Salvador, working with CAMAGRO, the two organizations implemented the SEGEM program, designed to increase the income of small producers by developing management and marketing capabilities.

In Nicaragua, with direct technical cooperation from IICA and financial and technical assistance from USAID and the PROVIA Foundation, a proposed agricultural and forestry development strategy was prepared. In a joint effort involving IICA, USAID, RDI, DANIDA, Latin American Financial Services Inc. (LAFISE) and Japan's JICA, an effort is under way to modernize the country's main dairies. In Jamaica, the combined efforts of IICA, USAID and the local authorities contributed to the success of a project designed to improve the business skills of rural women through business training and the use of computers.

GTZ: Rural communities in LAC received technical assistance via several joint activities, especially with respect to the sustainable use of natural resources and the development

of small rural agribusinesses, areas in which both organizations have made key conceptual contributions and provided effective cooperation.

One important example of this collaboration is the technical cooperation agreement that IICA and GTZ signed in El Salvador to promote and strengthen rural agroindustry, create jobs, raise incomes and reduce poverty in the countryside. The two organizations, working with the European Union and other institutions, also promoted the production of indigo in El Salvador. In Ecuador, IICA and GTZ are supporting the Fund for the Development of Appropriate Technologies for the Conservation and Sustainable Management of Natural Resource (FONRENA) and the Project to Implement the Ecuadorian Rural Information System (ECUARURAL).

In the Dominican Republic, the two organizations are working with state and private organizations under the Milk Bank Program, which assists the poorest rural sectors along the border with Haiti. In Uruguay, IICA and GTZ are providing administrative cooperation to the Ministry of Livestock and Agriculture (MGAYP) for the management of projects under the country's National Livestock Development Program (PRONADEGA). In Belize, IICA and GTZ are helping the national authorities to draft a bill

that would regulate organic agriculture; and, working with CATIE and the CARD Project, the two agencies are training cocoa producers in the Toledo region.

CIRAD: IICA and CIRAD's joint efforts include support for adaptive research and PROMECAFE training activities, working with the European Union, the USA/DROCAP, the Common Fund for Commodities and IDB/FONTAGRO. The partnership with CIRAD also made it possible to develop new varieties of arabica coffee resistant to coffee rust and with more resistant beans, and methods for the biological control of the coffee berry borer.

IICA Office in Spain: The Office has worked hard to conclude agreements between IICA and the Spanish Agency for International Cooperation. Specifically, it has worked with the Science and Technology Center for Development (CYTED), with the *Consejería de Agricultura* (Office of Advisory Services on Agriculture) of the *Generalitat de Catalunya*, and with the Ibero-American Youth Organization. The Office has played an active role, representing the Institute at seminars and international technical events in Spain and Europe, and has endeavored to build up ties with multilateral cooperation organizations by attending meetings of the FAO, IFAD and UNESCO.

It has also focused on projecting IICA's image as an international development organization, one that is recognized and highly respected as a reliable partner and that is capable of making a significant contribution to the development of agriculture and the rural milieu in the Americas. It has also facilitated access to technical information and experiences in Spain, mainly in the areas of trade and rural development (LEADERY and PRODER projects), has disseminated information on opportunities for fellowships and an exchange of professionals among public and private organizations in Spain, both for the IICA countries and IICA Headquarters. Finally, the Office has focused on promoting joint projects in priority areas for the Institute, which are under negotiation, in areas such as rural tourism, agro-industry for small-scale enterprise, training, technologies, information systems, agricultural insurance and agro-exports.

W. K. Kellogg Foundation: Almost since IICA's creation, this foundation has supported a wide range of its programs and projects for the Latin American and Caribbean countries. Recently, it made an important financial contribution to "Protokol," a project for the technological development of agriculture in Haiti. The Kredifanm Program, which is being executed with the Agri-Future Foundation



and the UN, aims to promote the generation of income for Haitian women.

IICA, the Kellogg Foundation and the private sector are working together in the field of information management through the Agricultural Information and Documentation System for the Americas (SIDALC). This system provides services to the scientific community, agricultural entrepreneurs, national and international development institutions and students in the Americas. It includes 25 national information networks and its AGRID2000 mega-database contains over 1.4 million records.

9.5 IICA's participation in interagency networks

Interagency Group for Rural Development: Another important joint effort was the creation of the Interagency Group for Rural Development in Latin America and the Caribbean. The other members of the group are FAO, ECLAC, IFAD, GTZ, the IDB, the World Bank and USAID. The group promotes a rural development agenda and the improvement of the interagency coordination of actions in this area, endeavors to link technical and financial cooperation, develops investment instruments, disseminates successful experiences and promotes strategies

and programs for training, technical assistance and investment.

Networks involving institutions and international centers linked to the CGIAR:

Working with the International Center for Tropical Agriculture (CIAT), IICA supported the improvement of beans and fruit trees. It also worked with CIRAD-FLHOR-FRUTHEX on the same crops. The Institute and the International Potato Center (CIP) are working with the Potato Cooperation Network (PRACIPA) and promoting the cultivation of sweet potato. With the International Maize and Wheat Improvement Center (CIMMYT), IICA is implementing projects aimed at improving the protein quality of wheat and the crop's resistance to pests and diseases. With IPGRI, the Institute continues to promote the conservation and use of plant genetic resources, through networks that link the activities of the national programs and research institutes (REDARFIT, REMERFI, TROPIGEN, CAPGERNet) and PROCISUR's Plant Genetic Resources Sub-program. With ISNAR, IICA is executing the second stage of the project Methodologies for Identifying Priorities for Research on Agroindustry, which also involves PROCISUR and PROCITROPICOS and the Institutional Innovation Network.

9.6 Partnerships with universities and higher education centers

In the area of distance training, the Institute administers the rural component of the World Bank's Global Development Learning Network (GDLN). IICA and CATIE are carrying out joint activities in the field of forestry. The Institute is also developing educational material with Canada's McGill and Nova Scotia universities, Guatemala's Universidad de San Carlos, Chile's Universidad Catolica and the American Distance Education Consortium. Working with FAO and UNESCO, the Institute is also developing a program aimed at strengthening rural education.

9.7 Actions with other agencies

IICA has also initiated contacts and partnerships with a variety of other public and private entities. These include CROPLIFE Americas, USDA's AGNIC/NAL and Cooperative State Research Education and Extension Service (CSREES), the Land Grant Colleges in the United States, UNEP, the U.S. Grains Council, Starbucks, the Japanese International Cooperation Agency (JICA), the World Food Foundation and the World Agricultural Foundation. Finally, the Institute is working with the Rural Policy Research Institute (RUPRI), which conducts research in the agricultural and rural fields, so that its findings can be used as input for the political process of drafting legislation for rural areas in the United States.



Part D



*The Transformation
of IICA During the
2002-2006 Administration*

Part D

The Transformation of IICA during the 2002-2006 Administration

1. The transformation of IICA

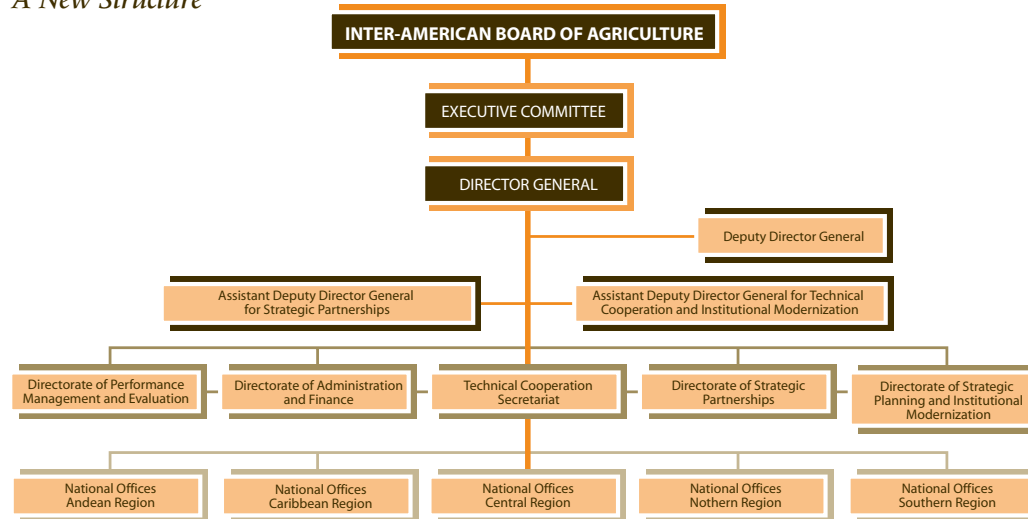
1.1. The integrated management model as the basis for a flatter, more efficient institutional structure

The structure that the General Directorate is using to transform the Institute is the integrated management model proposed by the Special Advisory Commission on Management Issues (SACMI). Shown on

page 11 of this report, this model provided the basis for the new structure. Designed to strengthen the structure's various components, it has also been a key element in the redesign of institutional processes.

To better coordinate the Institute's activities, integrate its actions and make its operations more efficient, on taking up my position as Director General I proposed and established a new organizational structure for the General Directorate, which is shown below.

A New Structure



The most important aspects of this new organizational structure are:

- A more horizontal institutional arrangement
- Only five management units that report directly to the Director General
- A results-driven approach for managing the Institute
- The simplification of functions
- The consolidation of existing units
- The identification of priority roles for the Institute's Headquarters and its Offices in the countries
- The decentralization of actions at the country level

The functions that have been strengthened at the Institute's Headquarters are: the definition of the strategic guidelines, the provision of technical leadership, technical coordination, resource management and the evaluation of the performance of the units and the IICA Offices in the Member States.

The following new units were created:

The Technical Cooperation Secretariat, whose role is to provide technical leadership and coordinate and implement technical actions, both at Headquarters and in the

member countries. The Secretariat is comprised of the following technical areas:

- Policies, Trade and Integration
- Agribusiness Development
- Sustainable Rural Development
- Agricultural Health and Food Safety
- Technology and Innovation
- Training and Education
- Information and Communication

The Directors of the Technical Areas spearhead the efforts of the technical teams at the regional level and of the thematic teams at the hemispheric level.

Based on the regional technical cooperation agendas, the regional specialists carry out priority actions and projects for their respective regions and support implementation of the tasks included in the national cooperation agendas that pertain to their field of expertise.

The Directors of Operations for the Andean, Caribbean, Central and Southern regions also form part of the Secretariat. Their role is to: (i) develop a

regional agenda that meets the needs of the Member States in their area; (ii) monitor the work of the IICA Offices in their region and supervise the work of the Representatives; (iii) inform the Director General of critical issues that could affect IICA's work and provide any pertinent advice; (iv) provide follow-up to operational and administrative matters in the countries regarding which assistance from the units at Headquarters is needed; (v) strengthen the ties with regional institutions and promote joint actions; and, (vi) coordinate and spearhead the efforts of the IICA teams in their region to implement the respective regional cooperation agenda.

The Directorate of Strategic Partnerships was set up to forge and coordinate alliances with strategic international partners, with a view to strengthening the Institute's financial and technical underpinnings. Based in Washington D.C., the Directorate facilitates cooperation with the OAS, the World Bank, the IDB, PAHO and other international and financial institutions with headquarters in Washington, Ottawa, Brussels, Rome and other cities around the world. It also coordinates the

work of the IICA Office in Spain, whose new role will make it the Institute's interface with Europe. This Office maintains links with the regional specialists for the preparation of projects, making it easier for the Institute to identify and present projects to countries in Europe, cooperation agencies outside the region and the international financial community.

The brief of the Directorate for Strategic Planning and Institutional Modernization is to try to predict the future of the agricultural sector, prepare the Institute's Medium Term Plans and evaluate strategic trends worldwide and their impact on agriculture in the Americas. It also conducts studies on the state of, and outlook for, agriculture and rural life in the Americas, and provides input for the ministerial forums and meetings of the Inter-American Board of Agriculture (IABA).

The Informatics and Information Services Unit, which integrates the capabilities and resources of several Units at Headquarters, has been in charge of developing the technological platform needed to run the INFOAGRO system.



In addition to the creation of the new units mentioned, the following decisions were taken to simplify the internal organizational structure and thus make the actions of the General Directorate, the Institute's executive arm, more efficient and effective.

Elimination of the Regional Centers

- The regional Centers were created in 1995 to coordinate regional actions and decentralize operations down to the regional level. However, in practice the centers became bottlenecks and superfluous as far as efficient decision-making was concerned. They were also very expensive to maintain. The decision was taken to eliminate them in order to rationalize the use of financial resources, simplify communication and decision-making channels, and strengthen decentralization at the country level. The decision produced net savings of roughly US\$1.2 million; the funds were invested in technical cooperation activities.

Creation of the Preinvestment and Emergency Fund

- The savings achieved by eliminating the Regional Centers have allowed

the Institute to strengthen the national offices and establish a preinvestment fund that is used to respond to requests from the Member States for actions that have not been programmed previously. These are usually activities that could lead to new technical cooperation projects or longer, more complex cooperation actions.

Establishment of a system of management committees at Headquarters

- The Director General's Cabinet and the Management Committee were established, the latter to study the matters submitted to it and advise the Director General.
- The other committees created were:
 - The Technical Cooperation Committee, which includes the Programming Subcommittee
 - The Committee to Coordinate Work with Strategic Partners
 - The Administration and Finance Committee
 - The Committee on Information and Communication Technologies

The management committees play an important role in the analysis and discussion of important institutional matters and in solving problems that affect the operating units. These committees facilitate decision-making and are a useful mechanism for discussing and fine-tuning institutional policy, and for helping the units at Headquarters and the IICA Offices in the countries to gain a better understanding of each other's work.

1.2. Transparency and accountability

When I took up my post as Director General of the Institute, I pledged to implement a new process for establishing the priorities for the institution's activities through dialogue with the national authorities, to ensure that IICA's programs were consistent with the priorities of the Member States. I also promised that the reports on the execution of those programs and the use of the resources entrusted to the Institute would become the cornerstone of the organization's new accountability policy. Following the adoption of transparency and accountability

as a key policy in the management of the General Directorate, a reporting system was developed whereby the Institute informs the Member States of its cooperation actions at the national, regional and hemispheric levels.

At the national level, each IICA Office organizes an annual seminar in which it informs the national authorities and key institutions in the agricultural sector of the technical cooperation actions implemented over the course of the year and the results achieved with respect to the country's cooperation agenda. At the regional level, the Directors of Regional Operations report to the Council of Ministers,² or equivalent mechanism, in their respective region about the work carried out by IICA and the results achieved in implementing the respective regional agenda.

At the meetings of both the Executive Committee and the IABA, the Director General presents reports on the Institute activities and results. Furthermore, in the institution's capacity as a member of the Inter-American System, each year the Director General presents a report on the

² Central American Agricultural Council (CAC), Southern Agricultural Council (CAS), Meeting of Ministers of the Caribbean and Meeting of Ministers of the Andean Region



cooperation provided to its Member States to the Permanent Council of the OAS.

Within the framework of the Summits of the Americas process, through the Group for the Implementation and Coordination of the Agreements on Agriculture and Rural Life of the Summits Process (GRICA) the Institute reports on the progress achieved in implementing the mandates contained in the Declaration of Quebec, the Declaration of Nuevo Leon, approved at the Special Summit of the Americas held in Monterrey, Mexico, and the Declaration of the Fourth Summit of the Americas, held in Mar del Plata, Argentina.

In order to report on the actions implemented in each country and plan and coordinate future actions, all the Directors, Representatives and Regional Specialists meet once a year at IICA Headquarters. This week-long meeting is regarded as the Institute's most important strategic planning activity. The objectives of this event are: (i) to report on the actions implemented, (ii) to plan future actions in a coordinated and consistent manner, and (iii) to further integrate and strengthen the institution's team of specialists.

Between 2002 and 2005, the management prepared and presented to the Member States the following reports:

- The Director General's report to the governments and international organizations on the work and achievements of the first 100 days of his administration
- The annual reports for 2002, 2003 and 2004, submitted by the Director General to the Executive Committee and the IABA, in compliance with the Hemispheric Agenda. The report for 2005 has already been published and will be studied by the Twenty-sixth Regular Meeting of the Executive Committee
- The annual reports that the Representatives in the 34 Member States have presented at public meetings to the respective national authorities and organizations involved in agriculture and rural life
- The reports on the implementation of the regional agendas submitted by the Director General and the Directors of Regional Operations at the regional meetings of ministers of agriculture
- Ad hoc reports that the Director General has presented at various events, during official visits to the Member States
- Special reports, such as the Report on Agriculture and Rural Life in the Summits of the Americas process, etc.

The efforts to disseminate information about important Institute work and achievements among the community of agriculture and rural life in the Americas were stepped up by means of the e-bulletin COMUNIICA, IICA News, the Director General's Newsletter and press releases issued to the media.

Without a doubt, the other key component of the accountability process has been the development of a solid evaluation and auditing mechanism. This comprises the Directorate of Performance Management and Evaluation, the Office of the Internal Auditor, the External Auditors and the Audit Review Committee (ARC). Together, these bodies have ensured that the Institute's resources are managed prudently and pursuant to the rules currently in effect. A total of 21 performance evaluation reports have been prepared for IICA Offices in the countries, plus reports on three audits of Offices and units at Headquarters.³ Thanks to this mechanism, major progress has been made in establishing and promoting an institutional culture based on performance management, accountability and the achievement of results.

In sum, the following innovative procedures have been established for the accountability process: (i) a new system of individual performance evaluation based on individual annual work programs; (ii) a new methodology for evaluating the Institute's Offices in the Member States; (iii) a system of reports whereby the Institute informs its Member States of the actions carried out, the results achieved and the use to which resources are put; and, (iv) an annual seminar in each country to discuss the Institute's respective accountability report with the principal clients and partners of the agricultural sector and the senior officials responsible for agricultural and rural development.

1.3. Support for the Institute's governing bodies

An Executive Secretariat was set up to modernize the mechanisms and introduce innovative procedures for the preparation and implementation of institutional meetings and improve the support for the

³ IICA Offices in Miami and Madrid and the Strategic Area of Agribusiness Development



work of the Institute's governing bodies (Executive Committee and IABA). The Secretariat supports the Director General in his capacity as *ex officio* Secretary of the IABA and the EC.

As a result of the efforts in this area, the Technical Secretariat is stronger, updated, more efficient procedures are in place, support services have improved and the processes for preparing, editing and translating the working documents for the meetings of the Institute's governing bodies have been organized systematically. Furthermore, activities that added little value were eliminated, processes were computerized through the online system and all the resolutions adopted by the Executive Committee and the IABA since their creation are available on IICA's website.

The Official Events Unit has also been strengthened to improve the support services it provides to the meetings of the Executive Committee and the IABA. Efficient electronic communication and information management systems have been set up to improve the organization, logistics and support services for events. A great effort was made to renew the equipment needed for official meetings, as economically as possible given the financial constraints that the Institute faces.

2. Policies for managing the Institute's resources and services

2.1. Modernization of human resources management: the personnel that IICA requires

To carry out its mission, it is crucial that IICA maintain and improve its ability to compete for first-rate professionals, specialists and administrative personnel. To that end, and based on the institutional priorities, efforts were made to develop a human resources management system capable of attracting and retaining skilled personnel, creating an environment for professional growth and personal satisfaction, and remunerating the staff equitably and fairly, bearing in mind the Institute's financial constraints.

A major overhaul of the existing personnel management framework was needed to achieve the above. First, it was necessary to change the foundations of the system that had been used to manage human resources in the past: we updated the classification and remuneration system; we modernized recruitment practices; we prepared a new code of ethics; we developed a program for strengthening the personnel's language skills and an induction program for new employees; we established a new performance evaluation system with

incentives and bonuses linked to performance; and we instituted a new program of awards for excellence to recognize the accomplishments of both individuals and teams.

To develop an ethical system that recognizes the value of the individual and of diversity, and to promote an environment characterized by high moral integrity in which individuals can develop fully, we prepared a new code of ethics that highlights the IICA values that govern the work of its personnel: impartiality, integrity, professionalism, flexibility, discretion, loyalty, financial prudence and a sense of responsibility towards the Institute. The code also establishes standards of conduct for staff members within and outside the Institute with regard to labor relations, personal matters, moral issues, the use and disclosure of information, conflicts of interest and political activities. The Code of Ethics respects the rules of the Institute contained in the Rules of Procedure of the General Directorate, the Staff Rules and the Financial Rules.

To modernize the classification and salary structure, we introduced a remuneration policy for local staff that takes into account internal factors (salary levels for other,

similar posts) and external factors (salary levels for equivalent positions in the national labor market). We also modified the classification process, introducing new criteria and a new methodology for determining the levels of new or existing positions, to establish a clearer relationship between the level of positions and the amount of authority and responsibility involved.

Another important change concerns the process for determining increases in the salary scales for local staff in the Offices in the countries. In establishing the method of calculating increases, we took into account the performance of the respective labor markets and incorporated corrective measures designed to achieve a better balance between institutional salary levels and the markets in question. We made progress in defining the rules and procedures for implementing the new category of Associate Personnel and improved the application of the rules governing employee benefits and obligations. Furthermore, we made changes to the existing rules in order to clarify the definition of years of service, the application of privileges and immunities, and other matters.

To improve recruitment and renew the Institute's human capital, modern



recruitment practices were adopted. The delegation of responsibility was also reviewed to enhance our human resources' capacity to implement changes and conduct improved selection processes. The Institute also promoted the diversification of the sources used to recruit personnel and introduced new staff selection tools. A roster of external candidates for various positions was drawn up; and, based on the new performance evaluation system, a roster of current staff was prepared, to tap their potential.

We reviewed and fine-tuned the professional profiles for key positions, such as Representative, Office Administrator and Regional Specialist. We established a new profile of the ideal candidate for the Institute, defining eight core competencies, including technical capabilities, teamwork, a service ethic and leadership and communication skills.

The induction program for new staff members was improved by creating a self-learning package that uses the latest technology. Furthermore, we introduced special orientation programs to facilitate the transition of employees to positions involving greater responsibility.

A new Individual Performance Evaluation System (IPES) was designed and implemented at the end of 2003. For the annual evaluation

process, individual work plans are used to determine the results that each staff member should achieve and the competencies they should possess, to measure strong points and the areas of performance in which they should aim to improve. The changes in the IPES include new instruments and evaluation components, a new rating scale, a new process for the comparative analysis of evaluations, an appeals process for staff members who are dissatisfied with their evaluations and a system of incentives and bonuses.

The Director General's Awards for Excellence were created to encourage professional excellence within the Institute. This program, which encompasses both the staff at Headquarters and in the Offices in the countries, comprises four categories of awards: General Services Personnel, Teamwork, Technical Excellence and Administrative Excellence. These awards are financed by institutions that support the work of the Institute.

As an international organization, IICA has to ensure that its human capital is capable of providing services in the languages of the Member States. A pilot program is under way to help the staff improve their English language skills. If it produces good results and resources are available, it will be expanded.

The Insurance Program that the Institute administers for its personnel has been improved. The scheme now offers more coverage to meet the cost of annual checkups and bigger benefits for local personnel who are hospitalized. The time taken to process claims is much shorter and staff members can choose to have payments deposited directly in their bank accounts in the United States of America, so they can access the resources more quickly. We are also promoting the creation of new agreements with clinics in the countries, to afford our beneficiaries easier access to inpatient services in the countries where they work. In addition, and in recognition of the years of faithful service that retired officials have given to the Institute, the maximum age of 75 for participating in the health insurance plan was eliminated. Thus, staff members can enjoy the scheme's benefits throughout their lifetime.

Efforts were made to improve employees' occupational health. An emergency plan was prepared for Headquarters that included the creation of teams of staff members to handle emergencies. They received training in first aid, the use of extinguishers and the preparation and execution of evacuation plans. As part of the process of improving occupational safety, evacuation routes were established and the labeling of emergency

exits was improved; recommendations from experts in fire prevention procedures were implemented and emergency exits were set up in areas identified as posing a high risk. A breast cancer prevention campaign was carried out and a tobacco-free work environment has been promoted.

2.2. Prudent management of the Institute's finances

Since 1995, IICA has had to contend with a severe financial crisis, due basically to delays in the payment of the annual quota contributions that make up its core budget. As quota contributions have also been frozen since 1995, the Institute's resources have gradually lost their purchasing power. This is due to a combination of inflation, as a result of which the U.S. currency is worth less, and increases in the real prices of the goods and services that IICA requires to operate normally.

Two clear indicators of this situation are the constant reduction in the institution's capacity to finance technical positions of international professional personnel and IICA's inability to attract and retain highly qualified personnel.

Between 2002 and 2005, the administration managed the difficult financial situation by



means of a combination of policies and concrete actions designed to secure external resources and make more efficient use of the regular funds available. The SACMI was instrumental in the Institute boosting its income, helping it to design and successfully implement new measures for collecting outstanding quota contributions. IICA also stepped up the efforts to secure external resources for projects in the countries that include technical cooperation components, phasing out the Institute's participation in projects that only involve the management of external funds.

The most important measures promoted to increase the Institute's non-quota income were: (i) the strengthening of the capabilities for helping the Member States to formulate and negotiate investment projects in which IICA could play a technical and management role; (ii) the creation of the Office for Strategic Partnerships in Washington D.C., as a means of strengthening the partnerships with other cooperation agencies, especially the IDB and the World Bank; (iii) a policy of strategic partnerships that, in many cases, has permitted IICA to respond to requests for

assistance from its Member States that it could not have provided alone; and, (iv) the development of new instruments for securing resources to complement quota contributions.

To promote the prudent management of financial resources, IICA implemented the following measures: (i) application of a policy of strict financial prudence and control over the use of funds; (ii) reorganization and elimination of units and positions; (iii) freezing of the salaries of international personnel and the number of international positions; (iv) use of funds from other sources, such as the overheads that the institution charges for managing externally funded projects; (v) maintaining of a balance between staff costs (60%) and operating expenses (40%) in IICA's total budget; and, (vi) freezing of the Institute's contributions to other institutions, such as CATIE and CARDI, and to the cooperative programs (PROCI)s.⁴

Other measures implemented to guarantee the prudent management of the Institute's finances included the creation and positive performance of the new unit responsible for

⁴ PROCIANDINO, PROCICARIBE, PROMECAFE, SICTA, PROCITROPICOS and PROCISUR.

preparing the budget, supervising expenditure and designing specific policies and guidelines for the allocation and use of resources and to strengthen the controls in place to prevent overdrafts. It is worth emphasizing that, in order to operate within the financial constraints, some funds have been reallocated, following a careful analysis of the priorities and the impact of a reduction in funds, so that IICA's substantive and priority work in its Member States is affected as little as possible.

Several countries have also provided the Institute with suitable office facilities free of charge. In such cases, the savings achieved are used to strengthen technical cooperation actions.

Looking to the future

The Institute requires a major injection of funds. Although the Member States have made strides in paying their outstanding quotas, a reversal in IICA's financial stagnation remains a long way off. Fresh resources are needed in the form of contributions to the special funds, a difficult but necessary increase in quota payments and the establishment of a minimum quota. Moreover, the most advanced countries, in particular, should contribute personnel to

IICA through innovative mechanisms, such as the category of associate personnel.

In the future, IICA should make efforts to complement quota contributions with resources from other sources, implementing externally funded projects as a means of expanding the coverage of the services involved and providing more effective cooperation. It must also develop the sale of services in fields in which it does not compete with the private sector; position itself as the agency of choice for multilateral and regional financial organizations and funding sources for the execution of programs and projects; increase cooperation with the private sector with a strategy for recouping costs; and, above all, improve the quality of its cooperation. This is the key if the policies and alternatives proposed to strengthen the Institute financially are to be successful.

2.3. Development and modernization of information and communication systems

The implementation and use of information and communication technologies (ICT) has been an important factor in the modernization of IICA. Emphasis has been placed on: (i) promotion of the institution's image; (ii) dissemination among the



Institute's target populations of technical information and details of IICA's activities; (iii) development of information and communication systems for internal management, and (iv) a new institutional platform for information and communication.

i) A new information and communication policy to promote the institution's image

To facilitate communication between the Institute and the community of agriculture and rural life in the Americas, a communication strategy was adopted aimed at effectively disseminating important information about IICA among the key actors in the public sector and civil society.

The administration promoted *the projection of an institutional image* that would enhance IICA's positioning as an organization of technical excellence, improve the relationship with the Member States and strengthen ties with strategic partners and alliances with other cooperation and financial organizations.

The General Directorate disseminated the program framework of the 2002-2006 Medium Term Plan, and the pledges I made to the Member States when I was elected to the post of Director General in Bavaro, in the Dominican Republic, in November 2001.

We have constantly given the ministers of agriculture, other senior officials in the countries and rural organizations information about the progress of the transformation process and the results of our technical cooperation actions. The IICA Representatives in the Member States have performed a particularly important task, focusing on the implementation of IICA's cooperation agenda in their respective countries and disseminating information about the work carried out and the results achieved.

The Public Information and Institutional Image Unit designed and implemented strategies for disseminating information about major official events. To reach the Institute's different audiences, between 2002 and 2005 Headquarters issued 212 press releases to media organizations in the hemisphere, resulting in the publication of 2118 pieces about IICA.

ii) The dissemination of information among the Institute's target audiences

■ *Institutional communication products*

- **IICAConnection.** This fortnightly e-bulletin, published in Spanish and English, was created in January 2003. Fifty-eight issues have been

produced and it is emailed to nearly 4000 subscribers worldwide.

- **Agroenlace.** This radio magazine is targeted at small and medium-scale agricultural entrepreneurs. Broadcast for the first time in June 2005, fifteen programs have been produced so far.
- **ComuniICA on line.** This is a digital technical journal. Four issues were published in 2005.
- **IICANews.** This printed institutional newsletter is published twice per month, in Spanish and English. It is distributed in the Member States and Spain.
- **The Director General's Infoletter.** This is a letter signed by the Director General, designed to share important information about agriculture and rural life in the Americas.
- **Technical communication products.** The Institute's Technical Areas have developed and continue to distribute several regular bulletins and e-journals, such as **Acceso**, on agricultural health and food safety

issues; **Sinopsis**, which deals with sustainable rural development; and **Intercambio**, which publishes articles by the specialists in trade and agribusiness.

- *IICA's Web portal*

In March 2004, the organization designed and implemented a new institutional Web portal. Updated in September 2005, it offers links to the Web pages of all the IICA Offices in the countries and connects all the Institute's technical information systems.

iii) The development of information and communication systems for management purposes

After the Directorates of the Regional Centers were eliminated, the Institute simplified its communication channels. This improved information management significantly and expedited direct communication between the units at Headquarters and the IICA Offices in the countries.

The main mechanism for face-to-face contact and communication between the officials at Headquarters and the Representatives is Representatives Week, the annual strategic



planning meeting. Some 15 regional programming meetings were also held between 2002 and 2005, involving the Directors of Regional Operations, Representatives, Regional Specialists and officials at Headquarters.

Monthly staff meetings are now held to strengthen ties among the Institute's personnel. These activities are used to share information about institutional policy and the management of IICA, present details of ongoing work, express the organization's appreciation to staff members whose performance is outstanding and introduce new staff members to the rest of the personnel.

iv) Infrastructure for information and communication services

Looking to the future, between 2002 and 2004 the Institute promoted the use of information and communication technologies (ICT) and adopted a strategic plan to develop the technological structure in accordance with IICA's strategic objectives and to identify needs.

A customized technological environment was developed that is highly integrated, secure, stable, modern, scalable and accessible in real time.

Agreements with suppliers have made it possible to acquire the best standard technology for all the Institute's Offices for below market prices, producing considerable savings. The Institute signed corporate agreements for cheaper rates with the following companies: (i) IBM, for the use of Lotus Notes as the staff's tool for collaborative work; (ii) McAfee, for the purchase of antivirus tools and spyware; (iii) Dell, for the acquisition of servers, desktop computers, laptops and other equipment; and, (iv) Cisco, for the acquisition of communications equipment, a firewall, virtual private networks (VPN), IP telephony and video telephony.

All the Institute's Offices have modernized and improved their telecommunications systems and Internet connections. A key element of this process was the development of the institutional security and connectivity project of the virtual private network (VPN). As of 1 November 2005, Headquarters and 23 Institute Offices had been connected to the network and the local network environments had been brought up to institutional standards. All IICA's Offices now have an Internet connection, e-mail and other facilities that give them permanent access to institutional ICT services.

Using the VPN, administrators, specialists and other Institute officials, regardless of

where they are (i.e., they do not have to be physically in their offices), can work and access files, documents, information systems and, in general, all types of information in real time.

Thanks to the VPN project, IICA today has a very strong informatics security infrastructure. Firewall systems have been installed that protect the local networks of each Office and include a mechanism that guarantees the security of distance work.

Modernizing telecommunications by introducing new technologies has promoted an ICT-based institutional culture that is yielding great benefits. It facilitates communications and access to, and the sharing of, information; promotes distance work and the establishment of collaborative networks; results in greater use being made of electronic documents and distance communications media, such as IP telephony; and considerably reduces the cost of international phone calls, the use of paper and the distribution of hard copies of documents.



Part E



Final Thoughts

Part E

Final Thoughts

I have to admit that administering IICA has been no easy task. Nor would it have been possible to achieve the results described in this report without strong, continuous support from the 34 Member States. During the four years of my administration, the support of the ministers and deputy ministers of agriculture, in particular, has been instrumental in the efforts to transform and modernize the Institute, while continuing to generate and deliver cooperation services keyed to the priorities of the Member States.

IICA today is an institution that is rapidly repositioning itself on the international stage. We have managed to forge important strategic partnerships that need to be consolidated. Furthermore, we have received expressions of support for our work in many national, regional and hemispheric events and benefited from the decisions adopted by the Institute's governing bodies, especially those aimed at strengthening and adapting our cooperation services to the priorities of the Member States.

We have laid the foundations of a modern IICA that is more effective and dynamic, and respectful of the rules and mandates issued by its governing bodies. The Institute has adopted a code of ethics for its operations and a strict policy of accountability that includes reporting on any mistakes that are made and ensuring that nothing is overlooked. Technical excellence is difficult to achieve for any institution shackled by severe financial constraints; however, we made major progress between 2002 and 2005 and are continuing to move in the right direction. Nonetheless, much remains to be done in this field and it is vital that we consolidate our progress and generate results of the quality and relevance that our Member States require.

In the Hemispheric Declaration and Plan of Action of the Third Summit of the Americas (Quebec), the Heads of State and Government recognized that democracy and economic and social development are interdependent and mutually reinforcing as fundamental conditions to combat poverty and inequality. They also pledged to spare no effort to free their



citizens from the dehumanizing conditions of extreme poverty.

As a partner institution in the Summit of the Americas process, for the past four years IICA has focused its work on the areas covered by the mandates issued at the summits held in Quebec, Monterrey and Mar del Plata.

In short, I can confirm that:

- **IICA today is better positioned**, both in its Member States and among international organizations, and the soundness and importance of its contributions have been recognized on various occasions.
- **The Institute has implemented a new technical cooperation model** consistent with its strategic vision, operating principles and values that makes it easier for the organization to carry out its mission.
- **IICA has a more modern organizational structure**, adapted to its mission and consistent with the technical cooperation agendas agreed upon with the Member States and with its financial situation. Furthermore, it has an advanced management model, modern information systems and

accountability mechanisms that have permitted it to improve its performance substantially.

- **The Institute places great emphasis on accountability.** The Member States have received extensive information about IICA's work and results and the use to which the organization puts its resources, enhancing the organization's credibility among its stakeholders and the community of international organizations.
- **IICA has consolidated important partnerships**, especially with international institutions and government development organizations, for which the Institute is the agency of choice. This is reflected in the Institute's increased capabilities for generating and delivering cooperation services.

Although the complex financial situation that IICA has faced since 1995 has not been resolved, **important progress has been made in strengthening its finances** and finding a solution to the crisis, especially as regards the regular payment of quota contributions and the development of new funding sources for the cooperation provided to the Member States.

■ **IICA has made important contributions to its Member States,** especially by:

- Strengthening the capabilities for formulating more effective strategies and policies to promote agricultural and rural development and strengthen the new regulatory frameworks governing production and trade, in line with the international agreements designed to open up markets.
- Modernizing their systems and structures for domestic trade and agricultural exports and equipping them to improve market access by boosting the supply of products, guaranteeing food safety and meeting quality standards to overcome sanitary and phytosanitary obstacles to trade.
- Developing the national and regional institutional infrastructure for technological innovation.
- Developing policies and capabilities in new fields, such as biotechnology and biosafety, organic agriculture, food safety, support for the development of rural agroindustry, distance learning and electronic information systems.

- Undertaking joint actions for the control and eradication of pests and diseases that pose a threat to production, trade, the entry of products and the economies of the countries.
- Providing guidelines and instruments for more effective policies and programs to promote development in rural communities and territories, and at the same time guaranteeing the sustainable use of natural resources.
- Transforming and strengthening agricultural education to enhance the expertise of human resources in the public and private sectors.
- Modernizing and strengthening the capabilities of public-private institutional systems and their ability to meet the challenge of globalization.
- Providing access to pertinent technical information for public administration and business management.

As a partner institution in the Summit of the Americas process, IICA plays a big role in supporting the efforts of the ministers of agriculture to implement the mandates of



the Presidents and Heads of Government. In the Ministerial Declaration of Bavaro, the 2003-2015 AGRO Plan for the Improvement of Agriculture and Rural Life in the Americas and the Agreement of Guayaquil, the ministers of agriculture charted a course for the nations and the community of international agencies as they endeavor to modernize agriculture and make it more competitive, and achieve rural prosperity.

Combating poverty in the countryside is the underlying objective of every Institute program and proposal. All of the work carried out has supported the governments' efforts to achieve rural prosperity in one way or another. The results have been very satisfactory, ranging from the emergence of new enterprises to the boosting of agri-food chains, the adoption of new technologies, the modernization of markets and the development of new knowledge. These important processes promote the modernization of rural communities and territories and enable rural dwellers to loosen the shackles of poverty and exercise their right to a decent life.

IICA is better prepared to continue helping its Member States as they tackle the complex challenges of making agriculture more competitive, developing foreign trade, combating poverty, improving living conditions in the countryside and strengthening the countries' ability to guarantee food security.

I do not wish to conclude this report without mentioning what I said at the Twenty-fourth Regular Meeting of the Executive Committee. IICA is an instrument of Member States to serve Member States and we do not work as Central Americans, North Americans, Caribbean People or South American people, but as citizens of the Americas, committed to the quest for a more just, more prosperous, more united hemisphere that is more aware of its common destiny. This is why we are firmly committed to building a more integrated Americas that is called upon to be a region of peace and prosperity for all.

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