



EXECUTIVE COMMITTEE

Twenty-eighth Regular Meeting
22-24 July 2008

**Status of the Recommendations of the
2007 Meeting of the Special Advisory Commission on Management Issues**

San Jose Costa Rica

REPORT OF THE 2007 MEETING OF THE SPECIAL ADVISORY COMMISSION ON MANAGEMENT ISSUES

Proposal of the Director General	Comments and Recommendations of the Advisory Commission	Status
<p>1. Financial situation of the Institute: progress in and results of the application of measures to collect quotas in arrears</p> <p>The Director of Finance referred to the resolutions adopted since 2003 by the Executive Committee and the Inter-American Board of Agriculture (IABA) encouraging Member States to pay quotas owed to the Institute. She went on to explain the status of quota collections from Member States as of March 2007, indicating those that were up to date, in regular status (owed less than two quotas), in arrears status (owed more than two quotas) and those in special status (with a payment plan agreed upon with the General Directorate). She also referred to the use of the resources allocated under the special budgets approved by the IABA.</p>	<p>Recommendation</p> <p>The members of the Special Advisory Commission on Management Issues (SACMI) expressed their satisfaction with the results achieved in the collection of quotas in arrears</p> <p>The SACMI recommended to the General Directorate that it continue its efforts to encourage Member States to pay quotas in arrears within the framework of the policies and procedures established by the Executive Committee and the IABA for that purpose.</p>	<p>Recommendation implemented</p> <p>In 2007, the General Directorate, pursuant to recommendations from the IABA, EC and the SACMI and with solid support from the Member States, was able to collect US\$6.446.655 in quotas above the amount stipulated in the budget approved by the IABA for that year.</p> <p>As a result, the Institute's financial situation improved, making it possible to execute the full 2007 Program and facilitating execution of the 2008 budget.</p>

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	<p>For the Member States and the Administration to continue efforts to collect both the quotas programmed for 2007 and the amount still owed by several Member States for previous years</p> <p>The Delegate from Argentina suggested forming a working group to study and propose a compensation mechanism (anti-cyclical fund). That suggestion was supported by the Delegates from Brazil and Chile. The United States and Canada did not support the formation of a Working Group.</p>	<p>The measures intended to encourage the Member States to pay their quotas on time are still in effect.</p>
<p>2.2. Proposed 2008-2009 Program Budget</p> <p>The Director of Administration and Finance presented the proposed 2008-2009 Program Budget, which included the allocation of Regular Resources.</p>		

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<p>The Director General asked the members of the SACMI for recommendations on ways to ensure that the proposed 2008-2009 Program Budget, and funding of that Budget, be endorsed by the Executive Committee and presented to the Fourteenth Regular Meeting of the IABA for its approval.</p> <p>Next, the Director of Administration and Finance explained the allocation of resources to: (i) direct technical cooperation services by priority areas of action; (ii) management costs; (iii) general costs and provisions; and (iv) renewal of infrastructure and equipment.</p>	<p>In response to that request, the members of the SACMI, bearing in mind existing restrictions with regard to increases in Member State quotas recommended the following to the Director General:</p> <p>1. That the General Directorate make available to Member States, as soon as possible, a working document explaining the process followed by the Organization of American States for determining its transitional quota scale in force and the anticipated process for setting a final scale for 2009; the General Directorate should also explain the regulatory aspects that govern establishment of the quota scale in the specific case of IICA and the relationship to the OAS quota scale.</p>	<p>Recommendation implemented</p> <p>Delegates to the Twenty-seventh Regular Meeting of the Executive Committee, held on May 15-17, 2007, had access to that information.</p> <p>The Legal Advisor of the OAS and IICA, Dr. William Berenson, shared with the members of the Committee important information on the process involved in and the regulations for determining the quota scale in the OAS. He explained that the rule was binding upon IICA, which meant that IICA was obliged to use the new OAS percentage distribution of quotas to set its quotas.</p>

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	<p>2. That the Director General submit to the Twenty-seventh Regular Meeting of the Executive Committee a proposed 2008-2009 Program Budget financed by quotas at the current level (US\$27,167,000), and an amount of miscellaneous income of US\$3.6 million per year in 2008 and 2009, and US\$500,000 per year from the Miscellaneous Income Fund.</p> <p>3. That the Director General provide the members of the Executive Committee, as soon as possible, with the following additional information related to the budget:</p> <ul style="list-style-type: none"> • The goals, expected results and IICA's role for each activity under the strategic areas prioritized. • An additional column on tables 18 and 19 showing the budget amount for 2007 for each indicated project or program. • Itemization of the budget by object of expenditure for each project or program on tables 18 and 19. • An explanation of the impact of the rationale for the proposed changes for each project or program in tables 18 and 19 proposed in the 2008 budget that reflects an increase or decrease of 5% or more with respect to the amount budgeted in 2007) 	<p>Recommendation implemented</p> <p>The proposed 2008-2009 Program Budget presented by the Director General to the Twenty-seventh Regular Meeting of the Executive Committee stayed strictly within those limits.</p> <p>All the recommendations were followed and incorporated into the version of the 2008-2009 Program Budget presented to the consideration of the IABA at its Fourteenth Regular Meeting, with the favorable recommendation of the Twenty-seventh Regular Meeting of the Executive Committee set forth in Resolution No.471.</p> <p>The IABA, in Resolution No. 433, of July 27, 2007, approved the 2008-2009 IICA Program Budget, which is currently being executed.</p>

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	<p>4. That the Director General, no later than 45 days prior to the date of the Executive Committee meeting, send the proposed Program Budget to all IICA Member States for their observations, and instruct the country representatives to meet with the corresponding national authorities to explain to them the proposed 2008-2009 Program Budget, and to communicate to the Director General any concerns and observations those authorities may have.</p> <p>5. That the Director General, with support from the General Directorate, form a Working Group comprising members of the SACMI who show an interest in participating and Delegates from Member States, to identify and propose new sources of funding for IICA for the consideration of the Executive Committee.</p> <p>6. That the Director General urge those countries whose quotas are reduced as a result of the adoption of the transitional OAS quota scale in force to agree voluntarily to maintain their quota contributions to the 2008-2009 Program Budget at the same level as the scale in effect for 2006 and 2007.</p>	<p>Recommendation implemented. With support from Headquarters, the IICA Representatives in the countries provided the information requested by the Delegates of the Member States of the IABA on the 2008-2009 Program Budget.</p> <p>The proposed 2008-2009 Program Budget was made available to the Member States on March 30, 2007, via the Executive Committee's on-line system.</p> <p>Recommendation pending The Directorate of External Finance and Investment Projects in cooperation with the Directorate of Strategic Partnership has prepared a draft proposal for discussion with Member States.</p> <p>Recommendation not implemented The Member States whose IICA quota was reduced for the 2008-2009 biennium as a result of the adoption of the new quota scale based on that of the OAS General Secretariat <u>did not</u> pledge to continue paying the amounts in effect for 2006 and 2007 levels.</p>

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<p>2.3. 2008-2009 actions under the Hemispheric Program on Agro-energy and Bio-fuels</p> <p>The Assistant Deputy Director General made a presentation on progress with the Hemispheric Program on Agro-energy and Bio-fuels.</p> <p>He noted that Resolution 446 of the Executive Committee provided for (i) the establishment of a working group comprising delegates of Member States to present recommendations for implementing the Program; (ii) the presentation of a proposal for funding the program for the period 2008-2010; and (iii) a request to Member States to make voluntary contributions of financial resources and qualified personnel to support implementation of the program.</p> <p>The objectives of the proposal are: (i) to facilitate horizontal cooperation; (ii) to create a platform for the dissemination of knowledge; and (iii) to create a forum for discussion.</p>	<p>Recommendation</p> <p>The SACMI recommended that the Director General present the proposed 2008-2009 actions under the Hemispheric Program on Agro-energy and Bio-fuels to the Executive Committee for consideration and approval at its Twenty-seventh Regular Meeting.</p>	<p>Recommendation implemented</p> <p>The Executive Committee, in Resolution No. 461:</p> <ol style="list-style-type: none"> 1. Approved the Hemispheric Program on Agro-energy and Bio-fuels 2008-2010. The General Directorate has been implementing the Program under the provisions of IICA/CE/Doc.501 “Hemispheric Program on Agro-energy and Bio-fuels.” 2. The resources needed to fund the Program in 2008 and 2009 have been included in the 2008-2009 Program Budget approved by the IABA in Resolution No. 433. 3. Voluntary contributions from the Member States to strengthen and fund horizontal cooperation in the fields of agro-energy and bio-fuels have yet to be received.

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	<p>The Delegate from Argentina proposed that: a) in the implementation of the program, IICA should rely on existing technical expertise in the countries that have experience in agro-energy and bio-fuels. Professionals could be assigned to IICA or be involved as associate personnel;</p> <p>b) He went on to say that the relationship with other organizations was not clear in the proposal.</p> <p>The Delegate from Canada said he agreed with the proposal that IICA act as a platform for analysis and discussion and accordingly proposed that the word “dialogue” be used instead of “program” for this work area. He recognized that the Institute did not have staff with experience in this field and that it was not easy to find experts. He considered the role of IICA as being very useful in putting national authorities with decision-making power in contact with experts.</p>	<p>Recommendation being implemented An essential aspect of the strategy of the Program is to mobilize technical expertise in the countries with the greatest experience in these fields, and for IICA to facilitate and promote relevant horizontal cooperation.</p> <p>Recommendation implemented The Assistant Deputy Director General referred to progress in strengthening relations with FAO, ECLAC, the IDB and the Inter-American Ethanol Commission, with a view to promoting cooperation actions in the Member States involving the those entities.</p> <p>Recommendation being implemented The recommendations have been incorporated into IICA’s strategy in the areas of agro-energy and bio-fuels.</p>

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	<p>He therefore recommended that IICA support the Ministers of Agriculture to sensitize them to the importance of this topic and to encourage them to engage in dialogue accordingly with the Ministers of Energy, instead of seeking to forge ties with the Ministers of Energy.</p> <p>He also viewed as being very important the dialogue among Ministers of Agriculture, and involving the experts, on the implications and impact of agro-energy and bio-fuels policies on both the sector and the population, as well as the opportunities they afforded.</p> <p>The Delegate from the United States of America: a) supported the idea of disseminating information on the topics through international conferences; b) noted that the report on the assessment of technical expertise at IICA would provide valuable information for making decisions in the future regarding IICA's actions in these fields; c) reported that the United States would appoint a representative to the Bio-fuels Group.</p>	<p>Recommendations being implemented</p> <p>IICA participated actively in the following international conferences, where it has distributed important information on this subject:</p> <ul style="list-style-type: none"> • Together with the Latin American Energy Organization (OLADE), it organized the Latin American and Caribbean Seminar on Biofuels, held in El Salvador, and attended by representatives of 30 countries. • It organized a Seminar on Agribusiness and Biofuels in Montevideo, Uruguay, in support of

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		<p>the International Federation of Agricultural Producers (FIPA), in December 2007.</p> <ul style="list-style-type: none"> • It participated in the Second International Biofuels Conference ENERBIO 2007, and at a seminar to find energy solutions for isolated rural communities held in Brasilia, Brazil, in October 2007. • It participated in the seminar Agriculture for Food or for Biofuels organized by the College of Agricultural Engineers of Costa Rica, in November 2007. • It organized the Third Latin American and Caribbean Seminar, in the Dominican Republic, attended by 230 representatives of 20 countries, in May 2008. • Participated in the 54th meeting of the Central American Crops and Livestock Improvement Cooperative Program, focused on the topic of agroenergy production as a new role for agriculture, held in Costa Rica in April 2008. <p>Also, it published the following documents:</p> <ul style="list-style-type: none"> • “Potencial de la agricultura y los territorios rurales para producir

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		<p>bioenergía” (2007).</p> <ul style="list-style-type: none"> • “Agroenergy and Biofuels Atlas of the Americas. I. Ethanol” (2007) • “Frequently asked biofuel questions and answers” (2007). <p>Lastly, the document “IICA’s response to rising food costs” was presented at the OAS General Assembly held in Medellin, Colombia, on June 1-3, 2008, which is a very balanced presentation of the topic of biofuels and food production in the Americas.</p>
<p>2.4. Assessment of IICA’s Technical Expertise</p> <p>The Director of Technical Leadership and Knowledge Management gave a presentation on progress made in assessing technical expertise at IICA, pursuant to Resolution 447, adopted by the Executive Committee at its Twenty-sixth Regular Meeting.</p>	<p>Recommendation</p> <p>That the Director General provides technical and logistical support to ensure that the meeting of the Steering Committee takes place as soon as possible. At that meeting, the evaluators will give details of the status of the evaluation process and the Committee will provide additional guidelines for completing the evaluation process.</p>	<p>Recommendation implemented.</p> <ul style="list-style-type: none"> • The Steering Committee held a conference call on February 23, 2007, and met in Miami, USA, on March 29, 2007. • The Steering Committee met in Miami, USA, on March 10 and drew up the document it presented to the consideration of the Special Meeting of the SACMI. • The General Directorate has provided the technical and logistic supported required for the work of the Steering Committee.

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<p>The external evaluation was underway and was being carried out under the terms of reference established in the corresponding Resolution. It was being conducted by the consulting firm “Servicios Internacionales para el Desarrollo Empresarial S.A.” (SIDE), headed by Dr. Carlos Pomareda. The team consisted of four professionals from different regions in which the Institute operated.</p>	<p>The Delegate from Argentina reported that he had participated in the conference call, held on February 23, as a member of the Steering Committee. With regard to the process followed, he expressed concern about the following: (i) observance of the deadlines set in Resolution No. 447 of the Executive Committee for the assessment; (ii) the substance of the information sent by the General Directorate which had been limited to an overview of the professional staff (iii) the possibility for the countries to propose evaluators.</p>	<p>Recommendations implemented</p> <p>a) The assessment was conducted between January 12 and March 12, 2007.</p> <p>b) The results of the assessment were presented to the Executive Committee at its Twenty-seventh Regular Meeting, held on May 15-17, 2007.</p> <p>c) The Director General underscored the importance of the assessment for IICA’s performance, and thanked the Steering Group for its support of the process. He also offered the Steering Committee all necessary technical and logistic support.</p>
<p>2.5 The IICA Leadership Forum: a program for new Ministers and Senior Executives of the agricultural and rural development sector of the Americas</p> <p>The Director General presented the initiative entitled “Forum for Leaders of Agriculture”. The purpose of this forum is to bring IICA into closer contact with new Ministers of Agriculture and other leaders in that sector.</p>	<p>The members of the SACMI congratulated the Director General on promoting this important initiative and urged him to expand and strengthen the program, which they considered very useful for newly appointed officials who were responsible for agriculture and rural development in the Member States.</p>	<p>Recommendation implemented</p> <ul style="list-style-type: none"> • The General Directorate has continued to implement the initiative. Progress reports were presented to the Executive Committee at its meeting on May 15-17, 2007, and to the IABA at its meeting on June 26-27, 2007.

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	<p>The Delegate from Canada recorded his support for the initiative and appreciated the General Directorate’s efforts to promote it. He felt that this initiative contributed to fulfilling the Institute’s mandate at several levels and indicated his delegation’s willingness to help improve the program’s modules and structure.</p> <p>The Minister of Saint Lucia noted that he had been called upon to participate in the first experience, and recommended the continuation of the program.</p> <p>The Delegate from the United States said she was pleased that the Institute was proposing and developing this initiative and said it was important to discuss the challenges and opportunities facing agriculture with the leaders in the countries.</p> <p>The Delegate from Belize recommended including in the initiative leaders from other sectors so that the actual input would not be limited to purely financial and budgetary criteria. Rather, it would also reflect recognition of the importance of the sector, which was of interest to countries like Belize which basically had an agricultural economy.</p>	<ul style="list-style-type: none"> • Two seminars were held at Headquarters on the occasion of the visits of the Ministers of Agriculture of Grenada and Jamaica. . • The Forum for Young Leaders was held at Headquarters on March 24-29, 2008, and attended by 81 young leaders from IICA’s 34 Member States. • Resources to strengthen this initiative have been included in the proposed 2008-2009 Special Program Budget the Director General will submit to the consideration of the Executive Committee at its meeting in July 2008.

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	<p>The Delegate from Mexico joined her colleagues in commending the Administration on the initiative, which her delegation supported, and offered to contribute to the implementation and development of the program.</p>	
<p>2.6. Progress with the organization of the Fourteenth Regular Meeting of the IABA and the Fourth Ministerial Meeting in the context of the Summit of the Americas process</p>	<p>The Delegate from the United States underscored the importance of the Ministerial Meeting and of the topics slated for discussion at same.</p> <p>The Delegate from Argentina expressed appreciation for the guidance the Secretariat had been providing to the Ministerial Delegates, and endorsed the suggestion made by the Director of the Office of Follow-up of the Summit of the Americas to differentiate on the agenda those items related to the Ministerial Meeting and those in the purview of the Inter-American Board of Agriculture.</p>	<p>Recommendation implemented The Fourth Ministerial Meeting on Agriculture and Rural Life was held in Antigua, Guatemala, on July 26-27.</p> <p>Recommendation implemented Those items related to the Fourth Ministerial Meeting on Agriculture and Rural Life and those related to the Fourteenth Regular Meeting of the IABA were addressed separately and one after the other, creating no problems.</p> <p>The results of both events were satisfactory in the opinion of the 32 Member States, special guests and other participants, and IICA authorities.</p>

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