



1978 REPORT

IICA



***Humanistic
Rural Development
— A Projection***

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INTRODUCTION

This publication contains the Message from the Director General of IICA and the speeches given at the Twenty-third Meeting of the Technical Advisory Council and the Seventeenth Annual Meeting of the Board of Directors, held in Asunción, Paraguay, from May 22 to 24, 1978. High-ranking delegates of the Ministries or Secretariats of Agriculture of the Member States, Special Representatives from the American governments and official observers, attended these meetings.

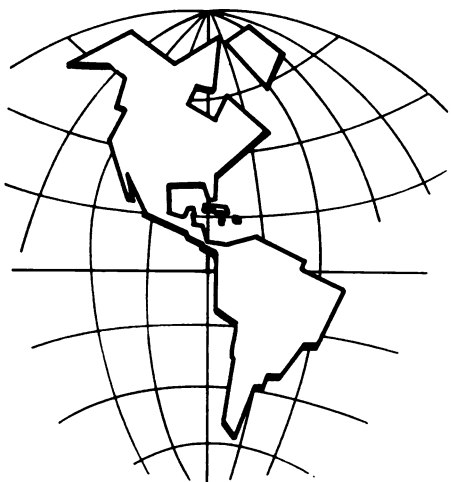
The following speeches are reproduced in this document:

- *Message from the Director General of IICA, Dr. José Emilio G. Araujo.*

- *Official speech of welcome by Mr. Hernando Bertoni, Minister of Agriculture and Animal Husbandry of Paraguay, at the Inaugural Ceremony.*
- *Address by Mr. Edouard Berrouet, Representative of Haiti, at the Inaugural Ceremony.*
- *Speech by the Director General of IICA, Dr. José Emilio G. Araujo, at the Inaugural Ceremony.*

- *Presentation by Mr. Armando Samper, Director Emeritus of IICA, on A Comparative Analysis of Two New Institutional Mechanisms for Agricultural Development at a National Level.*

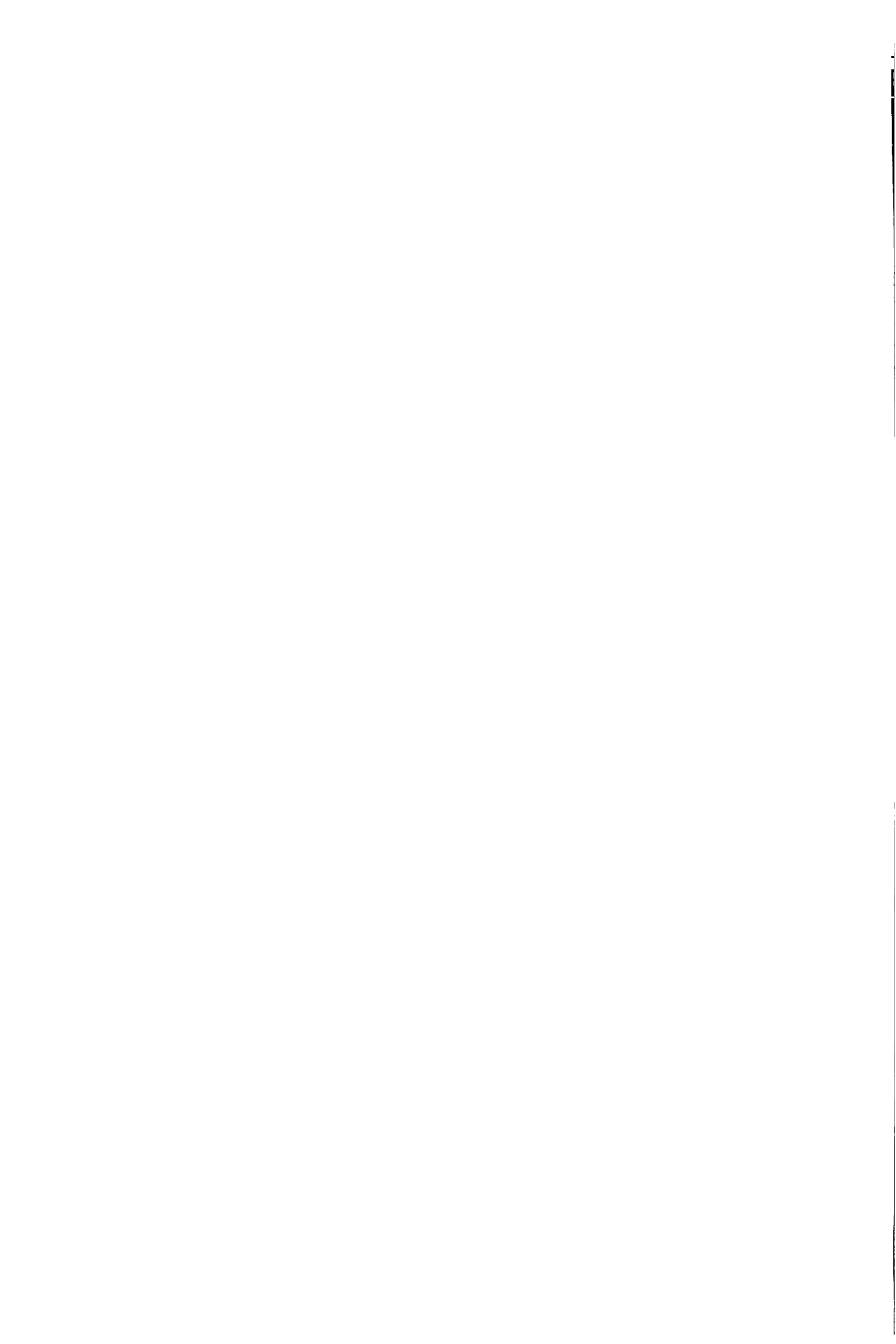
- *Speech by Mr. Manuel Rodríguez, Regional Coordination Director of the Southern Zone of IICA, at the Closing Session.*



**Message from the Director General
to the Board of Directors**



Working Session of the Seventeenth Annual Meeting of the Board of Directors of IICA, held in May 1978, in Asunción, Paraguay.



**MESSAGE FROM THE DIRECTOR GENERAL OF IICA,
DR. JOSE EMILIO G. ARAUJO, AT THE SEVENTEENTH
ANNUAL MEETING OF THE BOARD OF DIRECTORS**

Asunción, Paraguay, May 1978



Presentation of the Message from the Director General of IICA, at the Seventeenth Annual Meeting of the Board of Directors.

I. INTRODUCTION

When I addressed you at the meeting held last year in the Dominican Republic, I stressed my conviction that we were on the threshold of a new stage of action for our institution. We are even more firmly convinced of this today, now that we have our Medium-term Indicative Plan in force. Before referring to IICA's activities, however, I should first like to share with you some of my concerns about the agricultural situation.

It is not my way, Gentlemen, to be pessimistic in my message to you, representatives of our member countries, with respect to the situation of the rural sector of our countries. I have always tried to provide a realistic picture and to refer, insofar as is possible in a brief presentation of this nature, to the actions which the Inter-American Institute of Agricultural Sciences, as a specialized agency for the rural sector, undertakes to back our governments' efforts in this sector.

The problems we must face in fostering sectoral development have neither diminished nor been simplified in any way. If the decade of the sixties did not meet our expectations, it is evident that we cannot expect more during this decade; we may not even accomplish as much. What is more, new problems, of an even more complex nature, will probably keep arising.

There is considerable world pessimism concerning the widening gap between the wealthy and poor countries, between the wealthy and the poor segments of the population. Verification of statistical data is difficult, and confidence levels are not clearly established. Nonetheless, it is irrefutable that a very high percentage of the world's population will have survived the decade of the seventies with absolutely no improvement in their situation, which in fact, may have even worsened.

Great regional differences exist with respect to income distribution in all countries, but even in the relatively more developed nations the rural population, the "campesino" masses, receives the lowest income. If we limit our observations to the rural areas, we find that a large number of our countries would be classified among the poorest in the world.

Recently, I was reading an article by Dr. S. H. Wittwer, Director of the Agricultural Experimental Station of the University of Michigan, United States, who indicates that wheat, sorghum, soybean and potato yields have not increased since 1970, in either developed or developing countries.

He stresses the fact that world yields of basic food crops have decreased, and that observed production increases are the result of cultivating greater expanses of land. He questions why this should be happening, when the volume of available technology is greater than has ever existed in the history of humanity, and why should we be running into these problems, when information systems have improved so significantly, and we have wide access to up-to-date information in a matter of seconds? We must consider the incredible increases in input costs and the growing restrictions on their use, as well as the lack of intermediate levels of technology to make the most of abundant natural resources, as among the direct causes of these problems.

At the same time, Dr. Wittwer observes that contamination, erosion, and other factors continue to reduce the best lands available for cultivation.

If this is so in countries with highly developed agriculture, what hope is there for those countries which still depend largely on subsistence agriculture? Does this mean that we have reached the limit beyond which we cannot progress? Fortunately, optimism is still in order, thanks to our confidence in man, his will and his intelligence. However, it is increasingly evident to us all that the moment has arrived when we must make optimum use of this will and comprehension, so as to find new solutions to old problems, while beginning to deal with new ones.

We don't want to discuss this matter any further since we have referred to it in the past and will again, in detail, in the future. We wish to take advantage, however, of this opportunity to refer specifically to two topics of special interest to us.

In the first place, I consider it of the utmost importance that we, at IICA, make a very strong effort to support the countries in designing and implementing policies, programs and projects aimed at increasing domestic demand which, we strongly feel, constitutes a fundamental impetus for development.

This doesn't mean that we should abandon our efforts to increase output by improving different aspects of the production system, but that we should, instead, increase our endeavours in other dimensions of our work.

Moreover, it is essential that what we do in order to increase production and productivity in the sector, should adhere more closely to the context of actual resources and possibilities of all our member countries, with a technically solid and innovative approach within the possibilities at hand. It is in this sense, then, that I have mentioned on several occasions that we should return to the use of organic fertilizers; because of the high price of chemical fertilizers. Moreover, I am persuaded that we are not utilizing the tremendous resources of the Tropics to advantage, such as using products like cassava for animal feed, leaving grain for human consumption.

New experiences and the concept of integrated rural development

As this decade draws to a close, a new challenge arises for which we must summon all our strength, ability and intelligence. We have, however, assimilated new experiences throughout this decade, which will be useful in meeting its challenge.

Development concepts and strategies which depended on one or few factors such as technologies or increased investments and which relied on spill-over effects, whereby total product increases must eventually be reflected in the lower income sectors, have proved inadequate. The solution to complex development problems requires an integral concept and approach and systematic strategies.

This is why today we speak of "integral development" and "integrated development", expressions which clearly acknowledge the need for a new, global approach. However, this does not necessarily mean that we have a new understanding of the development process, of its influencing factors, or the multiple causal relations which link them.

I feel that any significant and successful effort along this line has yet to be made.

We have had occasion to include many elements into our models, and have combined them in many ways, but we have seldom considered mankind, or have taken him into account simply as a passive beneficiary of the process. This is not the approach called for: man must be considered the master of his own destiny. Without this ingredient, any "integral" system, regardless of its complexity, is destined to fail.

The only way in which man can be master of his own development, is to provide the opportunity for him to participate fully in the process. This is why in IICA, Gentlemen, we think of the process as one of "integrated rural development", above all a participative process, which should also be dynamic, self-sustaining, and pragmatic in nature.

The process is participative, insofar as the beneficiaries of the process make the decisions, implement and orient the process; it must be a highly dynamic process, with prompt results, hopefully on a massive scale; it must be progressively self-sustaining as a result of the farmers' own efforts; it should be pragmatic in nature, in the sense that the process should not be tied to preconceived models, and should be sufficiently flexible to develop along the lines of actual possibilities and opportunities.

Defining the characteristics of the process is merely a first step. We feel that the general conceptualization and the characterization of specific elements of the process, must be studied and implemented. In the former case, we would like to organize a small but select technical group which can contribute to the development and diffusion of these ideas. In the latter, we plan to increasingly orient our development projects so as to constitute a cornerstone on which these ideas can confront realities, and the resulting hypotheses tested, accepted or rejected.

We know we are not alone nor entirely responsible for this endeavour, nor can we undertake this type of work all on our own. Others are working with similar or different ideas, to elucidate the problems and find appropriate solutions. We wish to collaborate with them, and are interested in exchanging ideas and experiences so as to be better able to confront the "challenge of the past quarter century".

We are confident that the Board of Directors will join us in these endeavours at the Annual Meeting. We are also confident that adequate resources will be made available, since our countries are the direct beneficiaries of any advances in the conceptualization of the rural development process which can be translated into more effective and humanitarian results for our endeavours.

IICA capability for project formulation and management

Our experience to date indicates the need to upgrade the project formulation and management systems in the rural sector.

Hence IICA's increasing emphasis on the identification, formulation and management of projects, and on the training of national personnel in these aspects. To this end, IICA has had the assistance of both regional and world-wide development financing institutions, such as the Inter-American Development Bank and World Bank.

The need for up-dating IICA's technical-professional personnel is also evident, so as to meet the challenge of maintaining a highly qualified and capable staff. Hence our concern is to train and upgrade our own staff, using the instruments and alternatives most appropriate to each case.

I have taken advantage of our internal programming meetings, to stress our interest in participating more and more in the generation and implementation of national projects subject to outside funding.

I have also emphasized our interest in helping member countries to determine the more important investment alternatives, for external resources, and to provide backing on formulating projects and selecting the appropriate agencies, for requesting and if necessary negotiating, pertinent financing.

Adjustments in institutional structures and internal procedures to this end

The number of projects and the amount of funding from sources outside of IICA's regular budget, to be administrated by IICA, has increased, with a consequent growth in the professional staff of the operative units of the institution. This growth will be even more evident during the 1978-1979 fiscal period, and subsequent years.

This implies a need to improve our own capability to efficiently and effectively supervise the work of our operative units, and to provide necessary technical support for our projects, including those underway with additional backing from external resources.

An example by way of illustration of this need, is the fact that at this time, there is only one coordinator responsible for the whole region or hemisphere, for each of our seven Lines of Action. Several of these Lines will be increasing the number of projects and experts (for example, the number of specialists in one of the Lines will probably triple during the next fiscal year), with the increased flow of outside funding. This means that the basic personnel working on the coordination and promotion of projects and their negotiation, and on technical supervision, institutional support and ordinary follow-up aspects, must be reinforced as well. We have considered doing this with external resources, insofar as possible, or by transferring amounts from our regular budget when the pertinent action is of a "reasonable pre-investment" nature.

It is increasingly important that we have the necessary capability to develop these new projects, and to conduct the research which will permit us to take full advantage of acquired experiences in order to adjust them to the particular needs and characteristics of each country, and to use them in adjusting our own technical approach as well.

It is therefore essential that we have a critical technical mass with which to adjust our doctrine and operationalize concepts which, as in the case of integrated rural development, require technical interaction between several areas of specialization and knowledge.

This also means that we must develop small but highly skilled technical teams at Headquarters, whose work can evolve rapidly in response to the external resources available and the demand from national projects.

These teams or "Institutional Task Forces" would be called upon within each Line of Action where a large input of outside funding is expected, to provide substantial theoretical and practical support for the technicians in the field. This technical rather than bureaucratic approach would not change the current IICA budget balance, even if centralized at Headquarters to assure the effectiveness of these task forces, at hemispheric levels. In fact, we hope to reduce the present proportion of specialists located at Headquarters, as a result of the increasing availability of external resources.

Rural youth and the sectoral development process

We are stressing this topic this year at the Board Meeting, since we are celebrating the Inter-American Rural Youth Year, and because IICA's development concept is essentially humanistic in nature. Thus, IICA can do no less than contribute new ideas and acquire new knowledge that will upgrade our own work and that of the national institutions with respect to those problems which directly affect the rural or "campesino" youth of the Americas.

Gentlemen, the rural youth of our countries are margined on two counts: they share the marginal conditions of their parents, and are being increasingly margined by the lack of access to opportunities and to the economic and social processes of their countries.

In practice, the rural youth of America would now seem to be subject to similar or worse problems than those of their predecessors, unless important changes occur. This is the main reason for IICA's interest and efforts toward developing a new approach in which the work with rural youth may be shared by all the member countries.

Over two years ago, we established the Inter-American Rural Youth Secretariat, which has had positive results. However, we must still seek new perspectives and instruments for the programs, within four important

areas: research into rural youth problems; up-to-date information and documentation, to systematically make available the exchange between countries of information gathered from acquired experience; training of human resources; and the provision of support for the identification and formulation of projects directed towards obtaining technical and financial resources to foster rural youth programs.

In this manner, we are able to link the importance of the rural youth with the concepts of integrated rural development and project formulation.

Support from the recommendations at the VII Inter-American Conference on Agriculture

In the "Tegucigalpa Declaration on the Production, Distribution, and Consumption of Food" the American nations recommended mobilizing resources for the design and financing of projects directed towards generating income and productive employment in the rural sector of the American countries.

To this end, they recommended the formulation of policies for modifying the distribution of national income, for assuring the proper utilization of resources; and, in general, directed towards creating rural employment and upgrading remuneration levels for small and medium-sized farmers and wage laborers.

Based on these recommendations, the VII Conference approved the organization of a Working Group, to analyze the feasibility of establishing a specific line of financing for projects of this nature, oriented toward the marginal segments of the rural population.

The Inter-American Institute of Agricultural Sciences was asked to take on the Secretariat of this Working Group on an interim basis until such time as officers and working procedures are duly designated. We have already started making pertinent, preliminary contacts with the countries and the international and bilateral financing agencies.

We feel that this recommendation should be implemented for the benefit of the rural sector of our countries. We therefore request your collaboration, Gentlemen, that these ideas may bear fruit, and be put into practice as soon as possible.

We must remember that we can expect ever-diminishing world help in solving the problems of this hemisphere. IFAD does not consider Latin America and the Caribbean as a first priority, and world relief agencies leave us somewhat to one side, since our indices are above the levels of misery used to determine the amount of help to be provided.

We are not alone by any means, but should be well aware of the fact that we must increasingly depend on our own resources, capabilities, and intelligence for solving our problems.

The hour of despair has not arrived, and must not, but decisions must be taken if some of the problems are to be solved —problems which are constraining the development of a continent, which is the veritable hope for our future world, thanks particularly to its agricultural potential.

II. PROGRESS REPORTS

Information for rural development

Among the more important factors which constrain actions oriented toward increasing agricultural production and productivity in the member countries is the inconsistent nature of necessary, basic information, its questionable validity, and its incomplete coverage. These problems hinder the formulation of good plans, programs, and projects, reducing their probability of success by weakening their foundations. Accurate information is an essential input for appropriate decision-making at different levels and in different disciplines, with respect to actions undertaken to advance the economic and social development process.

Our experience in the hemispheric context, at the country level, has indicated that the problem is of such scope that it must be dealt with in a systematic, global manner. As its technical cooperation strategy, IICA uses the approach of national, sub-regional and hemispheric information systems, inter-connected on a world-wide basis such that each country benefits, through its own programs.

Hence, the concept of Line of Action I transcends national borders, and by a means of a hemispheric approach to the problem, seeks reciprocal technical cooperation possibilities in the countries.

At the behest of the representatives of our member countries, as expressed in the pertinent Resolution, we undertook and evaluation of Line of Action I, with the valuable assistance of Dr. John Woolston and Ing. Norberto Reichart. Their careful analysis encompassed all these programs in considerable detail and concluded with 34 recommendations, which constitute a work plan covering several years.

We are willing to back this Line of Action in an emphatic manner, as is evident by ongoing actions such as those resulting from the agreement we have signed with IDRC of Canada to substantially strengthen the Inter-American Agricultural Sciences Information System, AGRINTER, in which our member countries participate. AGRINTER is entering its second phase, establishing a network of AGRINTER services. At the VII Inter-American Conference on Agriculture, the countries expressed their interest in IICA's intensifying its backing to AGRINTER, which is now being done. The international professional staff members of CIDIA will spend a significant part of their time providing direct services to the countries, as part of the program to strengthen the national agricultural information systems, one of our priority objectives. We are also in the process of decentralizing the Information Program of the Central

American Isthmus (PIADIC) so as to provide more direct services during its second stage of work, once the agreement with ROCAP has been extended to back-stop this phase. Briefly then, we are concentrating our efforts in the countries of Latin America and the Caribbean, providing technical cooperation mainly on:

1. Planning and operations of national information systems, with the aim of assuring their institutionalization;
2. Training national personnel in different areas of agricultural documentation and information;
3. The formulation of projects with the countries, to obtain external resources. We will also be reinforcing the core personnel of this Line, in accordance with the provisions of the Medium-term Indicative Plan approved by the Board of Directors.

Complementary to the work in documentation and information, we are in the process of substantially expanding our computer equipment so as to meet the demand created by the diversification of the AGRINTER services and the PIADIC projects. Preliminary studies indicate that the cost of new equipment with adequate capacity for our foreseeable needs for the next several years (including accounting, inventories, registry, control of projects, etc.), will be compensated for within a short time period, due to the savings resulting from not having to rent equipment.

In Public Information, we are in the process of reinforcing the area of document translation in English, French and Portuguese, in response to the increasing demands of our member countries. We have also strengthened the area of mass media communications, with the appointment of two press officers, one in Costa Rica and one in Argentina. In addition, the Division of Information Diffusion has been created within the Public Information Office, with the aim of providing our publics with more and better information about IICA's actions.

Projects in collaboration with development financing agencies

Of note is the number of projects IICA has underway in collaboration with regional and world-wide development financing agencies, such as the Inter-American Development Bank (IDB) and the World Bank. The increased number of projects financed by these sources serves to expand the operative capability of the institution, as well as to indicate the solid backing of IICA's policies and strategies by these institutions and their member countries, and their confidence in the institution.

There are many examples of the above, but in view of the desired brevity of this presentation I will mention only the following by way of illustration:

In Haiti, IICA has been working with the national government on the formulation of a project for the development of a new educational system for rural areas, recently accepted and approved by IDB.

The project has just got underway, and will attempt to develop a new, integral approach in education that will reach children, youth, and adults at various educational levels and situations. The programs are closely linked with the people's work situation, and in design are based on traditional forms of organization of the Haitian rural population.

The modular concept of this project and its novel approach to training and upgrading teaching personnel assure that the educational system will encompass the project areas in both quantitative and qualitative terms, in a manner similar to the more highly developed rural education systems found in Latin America. IICA has signed an agreement with the government of Haiti for implementation of the technical cooperation required for this project.

IICA has been working closely with EMBRAPA in Brazil for over three years. Now that this agricultural research agency has recently extended its goals and has obtained the necessary financing from the World Bank, IICA has signed a new agreement with EMBRAPA to provide the technical cooperation elements within this project.

The IICA/EMBRAPA agreement calls for formulation of a technical cooperation strategy for the 1977-1981 period, to assure harmonious inter-institutional relations between the various specialized agencies which work directly or indirectly in research on selected products. The actions to be undertaken within the institution-building process include the following phases: a cooperative project; inter-disciplinary team-work; technical assistance; training; acquisition of equipment, and the coordination of all actions undertaken.

An agreement has also been signed with IDB whereby IICA will be providing the technical cooperation component of an agricultural research development project for the Southern Cone, which includes Argentina, Bolivia, Brazil, Chile, Paraguay, and Uruguay.

Again in Haiti, the first stage of an ambitious project for the integral development of the Artibonite Valley is underway, with IDB financing. This first stage includes the partial rehabilitation of existing irrigation systems, the development of appropriate production systems for the valley, the formulation of a strategy for the concentrated provision of services and production incentives. The initial area of influence is of 3600 hectares during the first stage, and will eventually expand to include an area of nearly 40,000 hectares, all within the overall integral development plan for the valley. IICA has an agreement with the government of Haiti to provide the technical cooperation component of this project.

In Central America, as mentioned previously, IICA continues to cooperate with the Regional Office for Central American Programs of AID (ROCAP), through the Information Program for the Central American Isthmus (PIADIC).

Projects in collaboration with member country governments

Although this is a somewhat difficult classification for ongoing projects due to the probability of financing from diverse sources, IICA has some interesting projects underway in close collaboration with member country governments, such as:

The main objectives of the agricultural education project here in Paraguay, are to upgrade the planning and administration aspects of agro-technical education; to increase enrollment capacity by establishing new schools and upgrading and expanding existing ones; the training of agricultural technicians to provide production support services; the training of farmers in the operation of family units through application of improved techniques, decision-making in business management aspects and marketing of their products; raising of technical and teaching qualifications of the professorial corps; the development, adjustment, implementation, and evaluation of pertinent study plans and programs; the organization of schools toward the economic integration of teaching and production aspects in a productive teaching plan, utilizing the production field as its main teaching resource.

This project proposal has been submitted for consideration to IDB and is presently under negotiation. It is expected that IICA will provide the technical organization component of the project.

In Nicaragua, the National Agricultural Technical Institute (INTA) was created with the aim of efficiently and effectively integrating higher agricultural education, research, and extension systems into a unified element, in order to upgrade the process by which technological information is generated and transmitted to farmers, particularly small and medium-sized producers. This information would provide the basis for training future sectoral technicians. IICA has directed its actions to helping the government of Nicaragua on the design and preparation of the preliminary study and the submitted loan proposal, which has already been accepted by the Inter-American Development Bank. IICA will probably be implementing the technical cooperation aspects of this project.

Another interesting example of this type of work is being executed in Guyana, where IICA is working in close cooperation with the national government and IDB on the preparation of a food production and marketing project, which attempts to integrate aspects of production and technical assistance with those of credit and state and private marketing systems. IDB is presently studying the proposal.

In Bolivia, IICA has collaborated significantly on the integration of agricultural research and extension, with the consequent creation of the Bolivian Agricultural Technology Institute (IBTA), and on the preparation of an integral agricultural development project.

Structuring and planning for the public agricultural sector

Modifications in the structure of the public agricultural sector are essential, in response to the exigencies of the development challenge, which require increased state efficiency and effectiveness. Only a well-structured public agricultural sector can respond adequately to national development needs, particularly those of the rural sector.

In line with its tradition of cooperating closely with the countries on the various aspects of management and administration of the public agricultural sector, as reflected in Line of Action VII, IICA has begun this year to assist two countries, Haiti and Bolivia, in the difficult task of restructuring the entire public agricultural sector.

A well-structured sectoral planning system provides criteria for the decision-makers on medium and long-term policy alternatives and strategy. It will contribute, moreover, to the national allocation of human and financial resources for development programs.

IICA provides assistance in aspects of personnel training, direct technical cooperation, and research to help national governments to better carry out these activities.

This year, we have initiated a joint endeavor with the Agency for International Development of the United States (USAID) and Iowa and Michigan State Universities, to identify the major agricultural planning problems in the countries of Latin America and the Caribbean. One result of this work is the production of educational material, to help upgrade university curricula in agricultural planning and to increase our own capability for direct technical cooperation.

The report of this joint endeavor will be published towards the end of 1978, upon presentation of the studies on the state of planning in Latin America at a regional seminar on agricultural planning to be held in San José, Costa Rica. The first teaching material documents on agricultural planning will be published at that time.

Simon Bolivar Fund project accomplishments

Although you will be receiving a separate report on Fund activities at this meeting, I should like to mention some aspects of the progress achieved to date on the preparation and implementation of projects financed by the Simon Bolivar Fund.

Up until June 30, 1977, we had 17 ongoing projects; three more were in preparation and are now underway. These projects represent over two million dollars in annual funding, and generate over six million dollars in counterpart contributions in cash or kind from the countries in which they are being carried out. Over 50 national agencies benefit from these projects, and it is expected that at least 1100 national personnel

will be trained in a number of areas of specialization, to benefit more than 10,000 farming families.

This summary has not been given with the idea of emphasizing only the quantitative aspects of Fund projects. Although we have had to concentrate institutional efforts on aspects of personnel employment, supervision, support, and other technical-administrative areas, I should like to stress a highly qualitative aspect of these projects, that is, the type of technical cooperation provided. In fact, we are in the process of testing, improving, and broadening an alternative form of action, our so-called "participative technical cooperation".

The essence of this type of technical cooperation is the institutionalization of positive changes within the countries, in their organizations and technical personnel.

As part of this participative technical cooperation concept, we are testing a complementary form of national and international financial cooperation by carrying out feasibility studies, in order to ensure the appropriate allocation of resources in the more complex situations encountered in the agricultural sector. This type of cooperation allows the Fund to serve as a "seedbed" for projects to be financed by national and international agencies.

In addition, Fund projects are generating a growing commitment by national agencies and personnel with respect to the creation of the technologies and institutional organizational models needed to foster an integrated rural development process, in which the "campesino" can participate in the solution of his problems.

The problem of post-harvest losses

All work directed toward increasing the production and productivity of our lands, their more efficient utilization, a greater capacity for making use of presently expensive and scarce inputs, an improved marketing system, etc., inevitably encounters the problem of post-harvest losses. These minimize or even entirely eliminate profit for the farmers, to the point that the work must be written off as wasted effort.

Food losses can occur at any moment, from the very beginning of the production process, up to the delivery of food to the consumer. It has been estimated that about 40 percent of crop loss is due to pests and diseases; these losses are always greater in the relatively less developed countries where the small farmer has limited access to improved technologies, appropriate fertilizer and pesticide inputs, adequate biological controls, etc. When we add weeds, poor farming practices and other such problems, we have a rather discouraging overview of the pre-harvest stages. An additional problem, frequently forgotten or ignored, is that of post-harvest losses.

These losses are mainly the result of mechanical or biological factors attributable to management, packing, storage, spoilage or pests. It has been estimated that management problems account for up to 10 percent of the losses, 20 percent are due to storage problems, and up to 30 percent to damages incurred during transportation.

To this, we must add consumer demand for increasingly higher food quality, and eliminate all those aspects which are not to the consumer's wishes because they fall below his increasingly stringent standards and controls.

In response to this challenge, IICA has established a successful "post-harvest loss research and studies program" based in Mexico. The results of these studies can be of immediate usefulness to other member countries with similar problems.

VII Inter-American Conference on Agriculture

The VII Inter-American Conference on Agriculture, at the Ministerial level, was held, as programmed, from September 5 to 10, 1977, in Tegucigalpa, Honduras.

IICA agreed to organize and hold this inter-American meeting with the backing of the OAS General Secretariat and in collaboration with the government of Honduras, and did so with success, within the budgetary limits established by the Board of Directors.

The cooperation received from the government of Honduras, particularly the Natural Resources Secretariat, was excellent. The National Coordination Committee for the Conference provided all the physical and human elements necessary to assure its success. The OAS General Secretariat also collaborated with the preparation of some of the documents presented at the meeting, and with the simultaneous translation and document processing services, all of which also contributed substantially to the success of the meeting.

In addition to the important presentations made by the Ministers of Agriculture and other high-ranking representatives of the member countries, a set of ten recommendations was made, as well as the "Tegucigalpa Declaration on the production, distribution and consumption of food".

The recommendations made at the VII Inter-American Conference dealt on such topics as the mobilization of resources for the design and financing of projects; the need for increased knowledge about natural resources; technical and technical-financial cooperation; adjustments in the institutional system as pertains to the rural sector; technical and scientific cooperation among the countries of Latin America and the Caribbean; strengthening the sub-regional price and marketing information systems and other marketing services; institutionalization of the Inter-American

Conferences on Agriculture; national utilization of water resources in Latin America; support for the eradication of coffee rust in Nicaragua and for its prevention in other countries; and the prevention and control of aftosis in Colombia and Central and North America.

IICA published the document containing these recommendations, the proceedings of the plenary sessions and work groups, and the working papers prepared for the meeting. This document was released in English and Spanish as part of the IICA Official Document Series, and has been widely distributed in the member countries.

The Conference results could not be more promising. I feel that we accomplished the objective of complying with our mandates insofar as we have made every effort possible to promote rural and agricultural sectoral development in our countries, by providing detailed information on their present situations and the means available for us to foster this development process. International technical cooperation is prepared to back these efforts substantially.

IICA has been asked to hold these conferences every four years, the date and place to coincide with the corresponding Annual Meetings of the Board of Directors. Moreover, it was urged that the recommendations resulting from the Inter-American Conferences on Agriculture be taken into due consideration by the countries, through the coordinated efforts of the Ministries of Agriculture and IICA in the formulation of its indicative plans.

In this manner then, the American nations acknowledge IICA as the inter-American agency for agriculture, with the goals of stimulating, promoting, and backing Member State efforts to attain agricultural development and rural well-being.

Collaboration with international agencies and extra-continental countries

A number of ongoing actions in close collaboration with the World Bank, Inter-American Development Bank, U.S. Agency for International Development, and the General Secretariat of the Organization of American States have already been described above.

However, I should like to mention that we also continue to receive backing and cooperation from other international agencies, research centers, and universities. Thus, I cite our close working relationships with FAO, an example of which is the collaboration being provided for the next world conference on agrarian reform.

A number of important operating agreements have been signed or extended over the past years, with research centers such as the International Tropical Agriculture Center (CIAT) in Colombia; the International Potato Center (CIP) in Peru; and the International Institute of Tropical

Agriculture (IITA) in Ibadan, Nigeria. Moreover, we have broadened our working relations, by means of signed agreements, with the International Development Research Centre (IDRC) of Canada with respect to AGRINTER, the information and documentation system for Latin America.

We have been working closely with the Latin American Office of IDRC in Bogota, Colombia (CIID) on a number of projects, including one on documentation of rural youth, for which we are receiving financial assistance from this agency.

IICA and Iowa State University have held several of their "continuing seminars" on aspects pertaining to the transfer of technology for small farmers in Central America.

IICA is also entering an interesting stage of collaboration with Michigan State, Puerto Rico, and Cornell Universities after the signing of pertinent agreements, which will have tremendously beneficial effects on our member countries, by making the most of the technical capability established at these outstanding research and training centers.

With respect to our relations with extra-continental countries, I am pleased to inform you, Gentlemen, that we have signed two very important international technical cooperation agreements with the governments of Israel and Spain.

The agreement with Spain confirms this country's backing for physical, biological, and socio-economic research; agricultural documentation and information; extension and farmer training; training and specialization of technicians; agrarian reform and development; regional rural development; agricultural marketing; and agroindustry or processing aspects. Within this broad range of technical cooperation possibilities we are submitting several projects for possible financing and cooperation assistance; an important one concerns rural youth.

In the case of Israel, the main areas of possible cooperation which fall within the line of experience of that country's International Cooperation Division, and which are in accordance with the interests and needs of our member countries, are: agricultural production, particularly garden and fruit crops; agricultural extension and the transfer of technology; associative forms of production; administration of agricultural enterprises; regional rural development; utilization, management, and conservation of water and soils; agricultural marketing; and agroindustry or processing.

We also continue to foster cooperative links with the governments of Germany, Holland, France (which has assigned a member of her Agricultural Mission for Central America to our Headquarters), and Great Britain. We also established contact with the Japanese government, and soon will be able to count on its support for specific projects. Negotiations are also underway with the governments of Portugal and Egypt.

Collaboration on specific projects with certain philanthropic foundations has also continued. As such, we maintain close collaborative ties with the Kellogg Foundation, with whom we have maintained our textbook and educational materials project, and have commenced a new project dealing with rural youth.

With the OAS, along with the collaborative efforts described above, we are working closely on aspects of adult education ("Alberto Masferrer" in Central America) and rural youth, through coordination of the events included in the Inter-American Rural Youth Year celebration.

PROMECAFE Agreement: Mexico, Central America and Panama

IICA has collaborated with countries of the Central American Isthmus and Mexico, creating the PROMECAFE cooperative program, which involves the exchange of experiences between the countries of the Central American Isthmus and Mexico on such aspects as the most viable means of counteracting the rust problem, by means of productivity increases based on higher levels of technification in coffee production.

It is evident that the small and medium farmer segment of the productive sector would suffer most from the effects of an eventual, generalized spread of the rust and other equally devastating pests and diseases. Therein lies the importance of coffee research and extension programs.

We have also approached the International Coffee Organization for approval of a Coffee Technification Program of continental scope.

IICA at Headquarters

A year and a half ago, we moved into our new Headquarters building in San Isidro de Coronado, San José, Costa Rica. I feel that much has been accomplished since our move into the building on October 7, 1976.

One of the major results has been the increased opportunity for team work and the concentration of high-level personnel; helping us to meet the growing demand for interdisciplinary technical capability, as part of renewed endeavors to expand our technical cooperation frontiers through the design, formulation, organization, and implementation of specific projects with outside funding.

Another major achievement has been the systematization and rationalized utilization of our resources, as well as the improvement of administrative practices and facilities.

We have also been able to provide solid working bases for new programs, utilizing our entire available technical-administrative infrastructure, which has resulted in substantial advances in programming aspects.

I am also pleased at the acceptance of the IICA Headquarters building as an international conference and meeting center. Our facilities cannot yet completely meet all the requirements for these events, but are already in use by both national and international organizations.

Meetings held to date in our conference center have been sponsored by the United Nations, the OAS, IDB, GID/ALC, the government of Costa Rica, and several Latin American Scientific Associations, such as the Association of Agricultural Librarians and Documentalists (AIBDA) which recently held its fifth hemispheric-level meeting of nearly 200 delegates from the Americas, Europe and Asia, with highly successful results.

We are still lacking much by way of physical facilities for our "Conference Center." We need resources to equip the conference rooms with adequate simultaneous interpretation, recording, sound and projection systems, etc.

You, Gentlemen, Representatives of our Member States, have helped us in this, for which we are grateful. We have already received important contributions from Brazil and Ecuador. Other contributions, from Canada, Colombia, the United States, Panama and other countries are still in various stages of implementation. We are confident that all of you will contribute to and take pride in our House of American Agriculture.

However, it is our hope that these physical facilities which you have contributed to so significantly, will be interlinked with and encompass the technical content of our programs, projects, and activities housed within this institutional center, our General IICA Headquarters, to be a center which promotes and diffuses the best of possible techniques and methods for attaining rural development in our countries.

III. CONCLUSIONS

I recently read a document on the new technological development concepts being fostered by UNCTAD. The article mentioned our need to work intensively on the "generation-transfer" scheme, complemented by the frequently ignored concept of "adoption" of new technologies; and the practical application of "intermediate technologies", as authentic solutions for countries with lower technological development levels.

I confess that I have always felt concern over this concept of "adoption" in the agricultural sector. Our extensionists, sociologists, communicators and other experts have stressed the need to create conditions for adoption, as the "sine qua non" requirement condition for a successful technology transfer process.

I have always felt that another element is missing, which perhaps we could label the "permanence of adoption". Without this factor, the "adopted" element could disappear within a year, when other factors put

in question the appropriateness of the methods adopted, or when technological cooperation ceases to be provided.

A crucial element for the permanence and adoption of adequate technologies in the rural sector is the participation and active interest on the part of women. We believe that women are the only permanent factor on the land in some countries, and comprise the dominant group in the agricultural marketing process.

I believe that there is a rapidly increasing awareness that women play a key role in the development of the agricultural process and the rural communities, and that planners must examine their activities in this role more closely. The contribution of women to the agricultural production process has too long been overlooked.

We are aware of the increasing urgency to develop a systematic approach which will effectively integrate women and the rural family into the development process. We feel that the fundamental productive role of the "campesino" family, and particularly of the women, is frequently ignored in the traditional programs carried out to date in the majority of our countries.

The acknowledgement of this role has two important implications for IICA's future work: on the one hand, we must carefully review our programs to assure their compatibility with the concept of strengthening the key productive function of the rural family and women; on the other, we must think in terms of developing a specific program that can integrate this fundamental approach with the other approaches and actions being advanced throughout Latin America and other parts of the developing world.

Gentlemen, I would like to stress the need for IICA to strengthen and update its actual operative and organizational structure, in order to meet the expectations we have fostered throughout the continent.

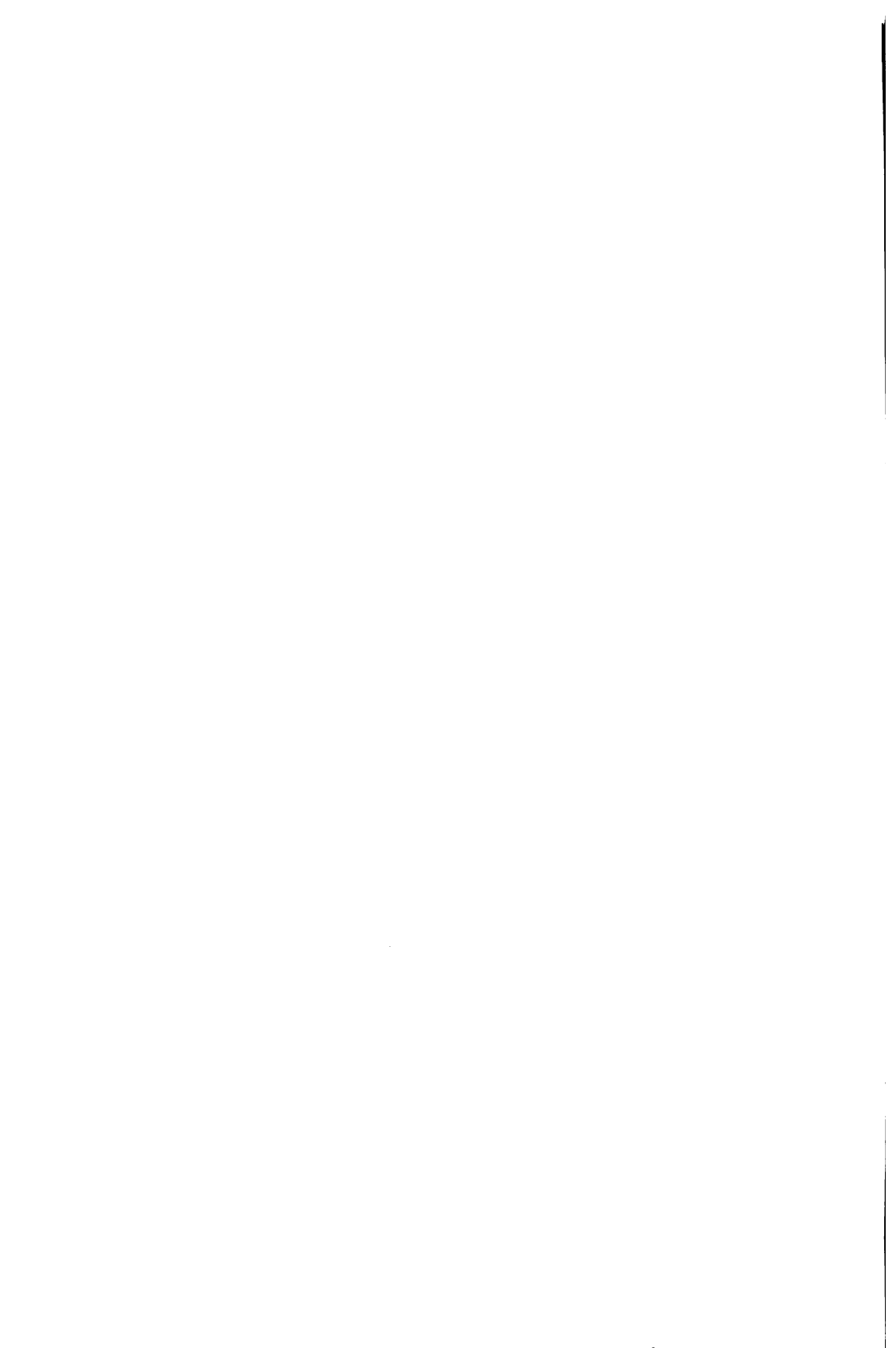
One of our structural adjustments is the creation of the task forces, which will provide us with the critical technical mass needed to enable us to meet growing and increasingly complex IICA project management needs; to upgrade our operative capacity, we must expand our computer and automated information services and improve our information outreach to member countries, through more efficient diffusion mechanisms. Our concern over rural youth, the women, and the "campesino" family also demands certain operative and structural adjustments at IICA. Our capability is also being augmented by the closer working interrelationship with the development financing agencies and extra-continental countries.

With your collaboration, we will be able to redistribute and augment available resources, so that we can assure the effectiveness and regularity of our participative technical cooperation, oriented toward a solid and permanent integrated rural development process.

In compliance with IICA's objectives and our commitment to the governments of our member countries, Institute actions must be in line with national decisions and planning. To accomplish this, we must have highly qualified staff members with technical prestige, social sensitivity, and an awareness of the role which they are called upon to fulfill. We will foster innovative actions open to the exchange of ideas with national technicians and institutions, and adapted to the situation prevalent in each American nation.



**Speeches given
at the Inaugural Ceremony
of the Seventeenth Annual Meeting
of the Board of Directors**



**SPEECH BY MR. HERNANDO BERTONI,
MINISTER OF AGRICULTURE AND ANIMAL
HUSBANDRY OF PARAGUAY**



Mr. Hernando Bertoni, Minister of Agriculture and Animal Husbandry of Paraguay, officially inaugurates the Seventeenth Annual Meeting of the Board of Directors of IICA, in Asunción, Paraguay.

Ladies and Gentlemen:

In representation of our national government, I have the high honor and great pleasure of extending our warmest welcome to the illustrious Delegates from the Brotherhood of American nations, to the Twenty-third Meeting of the Technical Advisory Council and the Seventeenth Annual Meeting of the Board of Directors of the Inter-American Institute of Agricultural Sciences (IICA), the specialized agency of the Organization of American States for the agricultural sector.

We are aware that the object of this meeting is to analyze the progress being made and the problems encountered, as related to the rural sector of our Continent, in order to recommend pertinent directives, strategies and actions for overcoming those obstacles limiting the progressive and sustained development of agriculture in Latin America.

We could not be more pleased and honored to welcome you to this land of the Guaraní, presently undergoing a dynamic growth process in all

sectors of its economy, especially in the agricultural and forestry sectors, which contribute significantly to the effective improvement of the quality of life of our rural population.

This prevalence of progress and well-being in the Republic is undoubtedly due to the state of peace established by the government of His Excellency the President of the Republic, Gen. Alfredo Stroessner, based on policies to provide real guarantees for the rights of nationals and foreigners alike.

Nonetheless, this accelerated development has also generated problems which affect the sector, causing us to seek alternatives for successfully confronting the challenge of growth. For this reason, we are convinced that cooperation between institutions and countries, to study theories and the experience acquired as related to common problems, will be of valuable import for establishing policies adjusted to the realities of our peoples.

IICA has been working on this very task with singular interest, energy and dedication, in cooperation with the Ministry of Agriculture and Animal Husbandry and other national sectoral institutions. The direct and permanent presence of IICA in Paraguay has made definite, positive contributions to the ongoing rural development process in this country, in manifestation of the humanistic and hemispheric orientation set forth in IICA's General Plan, as proposed by the present Director General, Dr. José Emilio G. Araujo.

During its 15-year presence in Paraguay, IICA has participated in a number of the important national endeavors which have served as the basis for programs already having a tremendous economic and social impact on vast regions of the country. Some of these project are: training for national technicians; the Colonia Juan Manuel Frutos program, whose experiences have provided the basis for Rural Development of the Eastern Axis project, with World Bank financing; cooperation on preliminary studies for the Rural Development project in the Itapúa Department, also financed by the World Bank; cooperation on the formulation of the Diagnostic Study and Plan for Agricultural Diversification in the Paraguari Department; and, lastly, the preliminary studies, investment proposal and implementation of actions for the first national experience with cooperative production enterprises, using conscripts from the Armed Forces of the Nation, and financed in cooperation with the Simón Bolívar Fund of IICA.

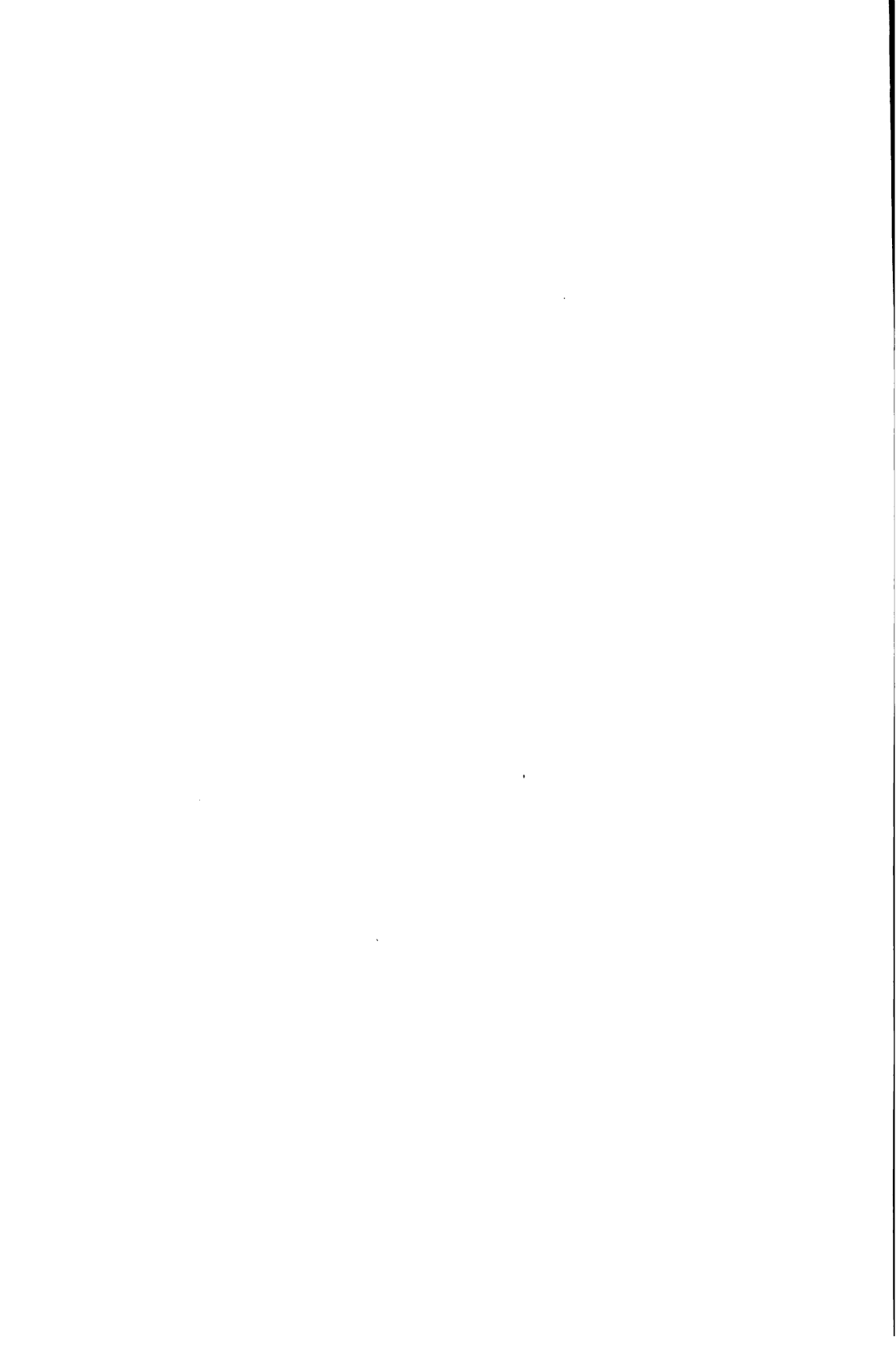
In addition, IICA has provided timely cooperation with highly qualified human resources, in the areas of agricultural education, research and the transfer of technology; colonization and producer organizations; project planning and preparation; and agricultural policy analysis, all important instruments for fostering rural development.

We wish to stress the fact that the accelerated growth being experienced in the agricultural and forestry sectors of the country is due

fundamentally to the strategy being applied, as part of the dynamization of the rural development process, as stated in the National Constitution, and as derived from the declaration of principles and program of the National Republican Association ("Colorado" Party); it is based on the objectives and goals of the Five-year Plan for Economic and Social Development; and it is a product of the charisma, decisiveness, and creative political genius of His Excellency, the President of the Republic, Gen. Alfredo Stroessner.

I thus declare this international caucus officially inaugurated, and wish you a pleasant stay in our country, the land of the Guaraní.

Thank you.



**ADDRESS BY MR. EDOUARD BERROUET,
DELEGATE OF HAITI**



Mr. Edouard Berrouet, Minister of Agriculture, Renewable Resources and Rural Development of Haiti, Representative of that country to the IICA Board of Directors Meeting, greets the Minister of Agriculture and Animal Husbandry of Paraguay, Mr. Hernando Bertoni, shortly after the inaugural ceremony.

Ladies and Gentlemen:

In the absence of the Chairman of the Sixteenth Annual Meeting of the Board of Directors of the Inter-American Institute of Agricultural Sciences—OAS, held last year in Santo Domingo, Dominican Republic, I am honored to address myself to you in representation of the Member State Delegates, at this inaugural session of the Seventeenth Annual Meeting of the same Board of Directors.

Across the years, we have followed with satisfaction the establishment and evolution of IICA as the specialized agency of the OAS for the agricultural sector. Implementation of the Medium-term Indicative Plan, which was approved at last year's meeting as the operative basis for IICA actions until 1981-1982, has had a stabilizing and energizing effect in the countries.

It is our firm hope that the results produced at this Annual Meeting will constitute a constructive forward step along the path taken by IICA to strengthen its programs and render services to its member countries, in an increasingly efficient and effective manner.

I also take this opportunity to express our appreciation for the kind attentions and generous facilities provided by the Government of Paraguay, through this country's prestigious Minister of Agriculture and Animal Husbandry, Mr. Hernando Bertoni, thereby creating a pleasant and stimulating atmosphere for our deliberations.

Many thanks.

**SPEECH BY DR. JOSE EMILIO G. ARAUJO,
THE DIRECTOR GENERAL OF THE INTER-AMERICAN
INSTITUTE OF AGRICULTURAL SCIENCES**

Ladies and Gentlemen:

This year we are holding the Seventeenth Annual Meeting of our Board of Directors in the city of Asunción, Paraguay, with the valuable support and collaboration of the people and government of this our sister nation. A continuing analysis of her spiritual, material and programmatic historical development provides us with a source of permanent inspiration, as does her emphatic and early decision to create a politically and economically independent and sovereign community, securely based on her bountiful nature, her hard-working and self-sacrificing people, and the imagination and visionary potential of her intellectual leaders.

The history of this nation, now offering us her generous hospitality, repeatedly illustrates that Paraguayans have known how to plan and re-plan a country with a difference. They have known how to assimilate the great lessons of history from other nations, while creating permanent lessons for the future, with the force of their imagination. It is thus that one of the most interesting forms of associative social organization for production deliberately developed by man to dominate his environment, originated in what was known at one time as the Province of Paraguay. There is no doubt whatsoever that the distribution trilogy for community production, made up of the TABA MBAE (Belonging to the community), TUPA MBAE (belonging to God), and the AMA MBAE (belonging to man), constituted a real, indigenous, qualitative stand against the exploitative techniques implanted by the administration of the conquest. I find it highly significant that we hold this annual event which is so important to the life of our institution, immersed in the unique context of this land.

Gentlemen, the recently-held VII Inter-American Conference on Agriculture has called our attention to certain demands basic to the development challenge of the past quarter century. The needs to solidify a new emphasis for our work, directing it toward increasing and consolidating domestic demand in our countries, as a major thrust of the development process, was clearly indicated in dramatic terms. This conception assumes implicitly that our basic stock of resources, including technology, is sufficient in principle to substantially increase sectoral production and ensure that the population have available, in overall terms, the quantity and quality of food needed.

The realization of this potential, however, is far from optimal. The greater portion of the resources which the countries and international

agencies have allocated for these ends has been, until now, directed toward the expansion of resources and technology. Little has been done, much less in a systematic manner, to act effectively upon the demand for agricultural products, especially the demand for food.

Even now, much of our effort goes toward the modification or recombination of productive factors, principally for increasing product supply, with very little going toward the development of a solid domestic demand for those products.

Although we are aware —mainly through the experiences and history of developed nations— of a wide range of mobilization mechanisms for investment and resource utilization to attain increases in product supply, we are far behind in the creation of models or forms for investment and mobilization of public and private resources to assure increases in domestic demand.

Latin America's relative participation in world-wide international agency programs and investments is a direct consequence of this approach. In recent decades, the development potential of a country or a region, as well as its fundamental restrictions, have been directly linked —in both policy and programs— to available resources and sustained production increases. In this context, the priority given our countries in the framework of world relief has decreased steadily, as it has been proved that the region is in a favorable position with respect to available resources, and is capable of augmenting —and maintaining— increased production from the land. The ineligibility of the majority of Latin American nations for participation in the International Fund for Agricultural Development (IFAD), is the most recent illustration of this phenomenon.

Regardless of the above, and in view of the declarations made at the VII Inter-American Conference on Agriculture, almost every Latin American country has depressed regions whose development potential is severely limited by the quantity and quality of available resources and, above all, by the living and working conditions of large sectors of the population who depend on these conditions for their subsistence.

The global response of Latin American countries to development problems has been generally oriented toward the concentration of efforts and resources in regions of high productivity potential. Once the State has established a reasonable production infrastructure for these regions, in most cases, their administration is left in the hands of relatively dynamic segments of the private sector. These segments then redistribute production priorities for exportation ends. In order to compete on international markets, it becomes necessary to utilize equally competitive cost structures. This leads to the utilization of technological structures similar to those of the most highly developed competitors who simultaneously foster these strategies and supply required inputs.

Most of the resources mobilized for agricultural development have been concentrated in limited areas, covering relatively small sectors of the

population, consolidating certain growth patterns and models based on a steady increase in product supply, especially for exportation. Unfortunately, the income obtained by many of the countries as a result of these agricultural exports has had only a marginal impact on the overall development of the sector, due to two main factors. Traditionally, exports from this sector have served to finance the expansion of other economic sectors. Moreover, whatever investment does reflect back on the agricultural sector tends to concentrate mainly on the regeneration of the model, without affecting –or very slightly if at all– the depressed regions of rural areas.

Not all of the highest potential productivity subsector operates within this framework, however. A large proportion of the lands incorporated, including those with access to a reasonably developed productive infrastructure, represent investments more of a long or short-term speculative nature than entrepreneurial investments with impact on the growth of the productive sector.

Extensive resources have been needed to maintain this model in the region. A high percentage of these funds, particularly those used to develop infrastructure and credit, are from external multilateral or bilateral sources of financing. A study should be made of the extent to which the countries are willing to increase their foreign debts in order to maintain their levels of product expansion by means of this type of investment. Perhaps the time has come to, instead, globally restructure the strategy for utilization of investment resources, particularly external resources, in line with the general scheme established by the VII Inter-American Conference on Agriculture.

In the former case, sectoral development perspectives should be studied with caution. The volume of foreign debt is already large, and its rate of growth –and financial conditions– may well deteriorate during the next decade. The international price situation –and markets in general– is uncertain for a number of the main export items of the region. Moreover, even under the best international market and financing conditions, there is no guarantee that an optimization of the model will have a significant impact on the standards of living of large sectors of the rural population, or on the relative development of the depressed areas in each country.

The alternative of globally replanning the utilization of investment resources involves a series of domestic policy implications for the countries. This requires the creation of conditions to mobilize, principally, domestic investment resources and credit so as to maintain a reasonably dynamic product growth rate. This should be monitored carefully, in terms of evolving perspectives of the international price situation. These mechanisms to augment local investments in agriculture would necessarily modify the present distribution of investments by sectors, and would require the expansion and diversification of the sources of funds for those sectors assigned priority within the global context of each country's economy.

Moreover, a large proportion of the external and public sector resources currently backing the expansion of the modern agricultural subsector, should be reoriented toward strengthening the productive infrastructure and the consolidation of enterprises in presently depressed regions. An increase in demand can be produced, providing solid bases for product growth and diversification, proportionate to the investments directed toward these depressed regions, in line with the conditions and characteristics referred to below.

We are aware of the fact that there is frequently a high population concentration, a marked subdivision of lands, and a reduced physical base potential in these depressed regions. We know that in many cases it would be practically impossible to provide *in situ* productive employment for all the economically active population of these regions; the inevitable surplus must be integrated into economic activities in other agricultural regions or sub-sectors, or other sectors of the national economy. Only those countries with available agricultural frontiers, and those which take the necessary political steps to modify land tenure structures by means of agrarian reform, will be able to effect a spatial productive distribution of rural population surpluses concentrated in depressed and minifundio areas. Where this is not possible, new opportunities must be created outside of these regions, and probably even outside of the sector.

To assure an impact on the growth in domestic demand by means of a reorientation of sectoral investments, it will be necessary to increase the volume of demand, ensuring that it meet some specific requirements, such as:

1. Investments should be directed toward the establishment of solid, profitable agricultural enterprises. IICA is fostering self-management "campesino" community enterprises as a desirable model. The main function of investing in this type of model would be to provide basic capital resources and infrastructure necessary to assure profitable enterprises and to train their members in technical, productive and management aspects.
2. The development and application of technological strategies and production systems for these enterprises, with restrictions mainly on cost aspects, the amount of labor-intensive work, production costs, and income from productivity increases.
3. The development of a strategy for business organization, solidly based on existing functional models for the organization of work or production, that have proved successful in "campesino" self-management enterprises.
4. The introduction of substantial modifications in labor market patterns, so as to assure the effective incorporation of young men and women into productive activities. As part of its programs and projects, IICA has been fostering the entrepre-

neurial organization of these groups, through mechanisms to assure favorable cost opportunities for this working segment, while respecting pertinent values and cultural guidelines.

5. The establishment of area-level planning and management mechanisms that reduce costs and increase the efficiency and effectiveness of service flow and productive incentives.
6. The design and application of measures concerning organization and tenure, production and marketing in order to assure stability of redistributive measures and a progressive increase in savings, reinvestment, and income.

Experience acquired in the countries of Latin America and other regions, indicates that compliance with requisites such as those cited above, would permit initiation of a process of sustained increases in domestic demand, which would serve as a catalyst for changes in the agrarian and other sectors of the national economy.

We are convinced that the adoption of such a course, based on the documents and recommendations of the VII Inter-American Conference on Agriculture, would substantially modify the rural and agricultural development perspectives of our Member States, and would significantly improve the participation of our countries in the resources and programs of world-wide international organizations. In the first place, we would move closer to our ideal of providing a future with dignity for the people, in all corners of our countries. Secondly, we would be in a position to mobilize considerable funding, under conditions favorable to our development, and to provide the world community with a model which can be used to overcome underdevelopment and stagnation, under fully equitable conditions, with the participation of all our people, in a common endeavor.

Gentlemen, in my message to the last Annual Meeting of the Board of Directors held last May in Santo Domingo, we submitted an Indicative Plan for due consideration by the countries; a plan to serve as a guide for IICA's actions over the next five years.

Today, we are pleased to report on the progress achieved in the programmatic consolidation of this Plan, which, we feel, represents an important step in the growth of our organization. It is with singular pride that I report on the substantial support received from regional and inter-regional financing communities, for projects formulated in conjunction with the Member States, within this new perspective. As always, we plan to back the countries in this perspective, with renewed energies.

I reiterate my pleasure at being able to present this outline of the current stage in IICA's history, in this noble and generous country, Paraguay. I am particularly grateful to the Government of this our sister

mation, as personified by their great leader and President, His Excellency Gen. Alfredo Stroessner, for the cordial and enthusiastic welcome accorded us, for their hospitality, and for their renewed and valuable backing of all our endeavors.

Many thanks.



**A Comparative Analysis of two
new Institutional Mechanisms
for Agricultural Development
at a National Level**



A COMPARATIVE ANALYSIS OF TWO NEW INSTITUTIONAL MECHANISMS FOR AGRICULTURAL DEVELOPMENT AT A NATIONAL LEVEL*

Armando Samper**

At former meetings of the Technical Advisory Council and the Board of Directors of the Inter-American Institute of Agricultural Sciences, I discussed three new international institutional mechanisms created in recent years to assure the increased effectiveness of national institutions and to accelerate agricultural development processes in developing countries: the International Agricultural Research Centers; the Tropical Agricultural Research and Training Center (CATIE); and the International Council for Agro-forestry Research (ICRAF).

At this time, I would like to make a brief, comparative analysis of a new type of institutional mechanism which is being tried out with some success in Colombia, in an effort to further research work in the field of agriculture. I hope to be able to provide those interested in this institutional model, with a careful analysis of the advantages and disadvantages of the model, and of its possibilities and limitations, depending on the individual characteristics of each country.

IICA Agreements with the International Agricultural Research Centers

It was a great satisfaction for me to learn that the Director General of IICA, Dr. José Emilio G. Araujo, has signed cooperative agreements with the International Tropical Agricultural Center (CIAT) in Colombia, the International Potato Research Center (CIP) in Peru, and the International Tropical Agricultural Center (IITA) in Nigeria, to facilitate their operations in Latin America. I am also pleased to note that another of these agreements will be signed here in Asunción, with the International Corn and Wheat Improvement Center (CIMMYT), of Mexico. The important research work undertaken by these international centers on basic food crops serves as a complement to IICA's work throughout Latin

* Paper prepared for the Twenty-third Meeting of the Technical Advisory Council and the Seventeenth Annual Meeting of the Board of Directors of the Inter-American Institute of Agricultural Sciences, in Asunción, Paraguay, May 22 to 25, 1978. A Summary of the paper was presented verbally at the meeting. The two previous presentations were published by IICA in the Humanistic Rural Development Projection series, 1976 (pp. 59-65) and 1977 (45-56).

** Director Emeritus, Inter-American Institute of Agricultural Sciences, currently President of the Board of Directors and Director General of the Sugar Cane Research Center of Colombia (CENICAÑA).

America, while IICA provides them with the necessary support to facilitate their work with the national institutions in the region, the key components of the system.

Progress at CATIE

As the Director of CATIE, Dr. Santiago Fonseca, will be informing the Board of Directors, CATIE has been making considerable progress in getting the Center's new approach underway, at the behest of its Directive Council. It is rapidly becoming an effective support center for the agricultural development programs of the countries of Central America, under the dynamic, able leadership of Dr. Fonseca.

ICRAF gets underway

ICRAF is already working out of temporary quarters at the Royal Tropical Research Institute at Amsterdam. The Board of Directors named its first Director General, Dr. Kenneth King, presently Deputy Director General for Forestry at FAO. Dr. King, from Guyana, will take up his position this coming July.

As a first step in support of agro-forestry research endeavors in the interested countries, the Council has undertaken an analysis of the research underway and current practices already in existence. Latin America is included in this analysis, although unfortunately, it is not represented on the Council's Board of Directors, which does have representatives from the other continents.

The Decentralized Institutes of the Agricultural Sector

A number of years ago, several decentralized or autonomous institutions started to appear throughout Latin America, with specific functions in given agricultural development aspects such as credit, marketing, research and other similar areas, or in relation to certain agricultural, animal husbandry or forestry products. The administrative structure of these institutions was fairly autonomous in nature, assuring in this manner, greater flexibility and operative effectiveness than the agencies directly dependent on the Ministries of Agriculture, although related—to a greater or lesser degree—to the respective Ministry of Agriculture.

In Colombia, the public agricultural sectoral agencies were regrouped into three types of Ministry of Agriculture dependencies, as a result of the 1968 administrative reform. The first, or public establishments, are responsible for aspects pertaining to research, natural renewable resources, marketing, agrarian reform and colonization. The second type, or the industrial and commercial enterprises, are financed mostly by State funds and, as indicated by their name, carry out commercial-type activities such as food storage, agricultural credit, the provision of inputs, and other similar endeavors. The third type is the society funded with

both public as well as private capital, such as the agricultural financing and cattle banking corporations, that develop promotional and financing activities in this field.*

The Non-profit Civil Associations or Corporations

Mainly because of political and fiscal controls and institutional jealousies, these institutions have unfortunately been losing their autonomy and have ended up with similar operative constraints as the Ministries of Agriculture. Another type of institution has been developing recently in response to this situation: the non-profit civil corporations, similar in structure to the Foundations, legally recognized by the governments through the Ministry of Justice, but which are not a part of the institutional structure of the official or public sector, as are the decentralized institutes.

In Colombia, at present, there are two specialized institutions of this type, in the field of agriculture, joining public sectoral and private enterprise forces, mainly with the aim of fostering development through research endeavors. These two institutions are the National Forest Research and Promotion Corporation (CONIF), set up in 1974; and the Sugar Cane Research Center of Colombia (CENICAÑA), established in 1977. It has been my privilege to be associated with both agencies, since their inception.**

Before this time, two other organizations were set up, which combined the public sectoral and private enterprise forces in Colombia, but with different juridical bases than CONIF and CENICAÑA. The first is the National Coffee Growers' Federation of Colombia, established in 1927, a powerful organization which handles everything related to the production and marketing of coffee, as well as the diversification and development of coffee-producing zones.

Since 1958, the Federation has been under the able direction of Dr. Arturo Gómez Jaramillo who, along with his predecessor Dr. Manuel Mejía, have been decisive factors of ample capability and perseverance, in the dynamic development of the Federation over the past 40 years. The second is the Cotton Promotion Institute (IFA), founded in 1948 by the national government (Ministry of Agriculture), the cotton growers and the

* Samper Gnecco, Armando. *El cuatrero de la transformación rural 1966-1970. (The four years of rural transformation: 1966-1979). Memoirs of the Minister of Agriculture from July 1969 to July 1970.* Bogotá, Ministry of Agriculture, Colombia. 126 p.

** For further information, see: Samper Gnecco, Armando. *Qué es CONIF? (What is CONIF),* Bogotá, 1977. 10 pp. 3rd. ed. Information Series No. 3. *CONIF, un nuevo modelo institucional para el desarrollo forestal. (CONIF, a new institutional model for forestry development).* Bogotá, CONIF, 1975. 4 pp. Information Series No. 9. *Informe de Progreso sobre Actividades cumplidas por el Centro de Investigación de la Caña de Azúcar de Colombia, CENICAÑA. (Progress Report on Activities at the Sugar Cane Research Center of Colombia, CENICAÑA).* Marzo-junio 1978. 11 pp.

textile industries. Under the very capable, dynamic direction of Mr. Jorge Ortiz Mendez, its director for over ten years, IFA was responsible for important research and promotional work in cotton production, enabling the country to move from importer to exporter in the space of only a few years.

Both CONIF and CENICAÑA are non-profit civil corporations. They are not a part of the public agricultural sector, nor do they depend directly on the Ministry of Agriculture. They operate within a government policy framework and official or public agencies may participate as members, although they have the flexibility and effectiveness of private organizations.

The Boards of Directors of these Corporations

In both cases, the Boards of Directors are comprised of government and private representatives.

CONIF's Board of Directors is composed, equally, of three government and three private enterprise representatives, the latter being elected on an annual basis at the General Assembly. Only concessionaires and permit holders, officially recognized and authorized by the national government to exploit the national forests, may be eligible as candidates for private enterprise representative. These may be the forest industrial and lumbering entrepreneurs who make use of considerable volumes of lumber, or the occasional permit-holder who extracts lesser volumes. Thus, the private individual or the forestry corporations as private organizations, interested in reforestation, may not participate in CONIF nor form a part of their Board of Directors; these include such corporations as the National Coffee Growers' Federation (Program for the Diversification and Development of Coffee Zones), the Bank of the Republic (Forest Financing Fund and Fund to Promote Exports), and the Colombian Reforestation Association.

The private sector is more amply represented on the Board of Directors of CENICAÑA, where all organizations interested in sugar cane are duly represented. Of a total of 11 members, 7 represent the private sector: three appointed by the Association of Sugar Cane Growers (ASOCAÑA) (the organization responsible for promoting the creation of CENICAÑA); which represents the sugar mills and growers –sugar cane for both refined sugar and brown loaf sugar– (“panela”) affiliated to ASOCAÑA; one in representation of the non-affiliated, independent growers (at present, the Executive Director of the National Association of Sugar Cane Suppliers – PROCAÑA); one in representation of the Colombian Society of Sugar Cane Technicians (TECNICAÑA); one in representation of the producers of brown loaf sugar; and one in representation of the National Coffee Growers' Association, which has programs underway on sugar cane production in coffee-producing zones. At this time, the Executive Director of the Coffee Zone Diversification and Development Program is representing the Federation.

Official or governmental members of the Board of Directors of CONIF include the Minister of Agriculture or his representative; the General Manager of the National Natural Resources and Environment Institute (INDERENA), and a representative of the Board of Directors of INDERENA. The managers of other public institutions which have to do with the rational exploitation of national forests or which contribute to the development of agro-forestry programs are not a part of CONIF, nor are they members of the Board of Directors. These include the Colombian Agrarian Reform Institute (INCORA), which has colonization programs in humid tropical zones of the country; the Colombian Agricultural Institute (ICA); the national railways, as large-scale purchasers of railway ties; and the Regional Development Corporations, of the National Planning Department and which are directly concerned with the development of natural renewable resources, including tropical forests. In practice, though, the General Managers of both INCORA and ICA have served as members of the Board of Directors, and have, therefore, contributed to the development of CONIF.

In the case of CENICAÑA, four State agencies are represented on the Board of Directors: the Minister of Agriculture, represented by the Director of the Agricultural Sectoral Planning Office (OPSA); the General Manager of the Colombian Agricultural Institute (ICA); the General Manager of the Agricultural Financing Corporation (COFIAGRO); and the Director General of the Technology Research Institute (IITE) which has conducted research on processing, quality control and storage of brown loaf sugar.

Income

Seventy-five percent of CONIF's income comes from the private sector, based on a tax per cubic meter, payed to the State by concessionaires and permit-holders who exploit the national natural forests for raw material and lumber. When CONIF was set up, the Government authorized concessionaires and some of the permit-holders to make their contributions directly to CONIF, in order to comply, in this manner, with their commitments to replace the resources used. However, a large proportion of the permit-holders pay their reforestation tax directly to INDERENA, which has been using these funds to further a reforestation program based on the establishment of forests for rural communities. The remaining 25 percent is supplied by INDERENA, which has recently been having trouble making its contributions.

For 1977, the Board of Directors of CONIF approved a total budget of \$ 14,610,787. However, it was only possible to collect \$ 6,600,000 – equivalent to US\$ 165,000– due to the difficult financial situation experienced by the lumber industries and the problems INDERENA had to make its contribution. Unfortunately, this sum is totally inadequate –from any point of view– to replace the forest resources utilized by the lumber industries, to carry out the research programs, by types of forests, already underway, or to finance the

Socio-economic Development Program started up by INDERENA in the forest zones in use, for which the Corporation had destined 25 percent of its resources.

CENICAÑA has a more solid financial basis with funding contributed entirely by the private sector. The sugar mills operating in the country voluntarily contribute four percent of their monthly production to the National Refined and Brown Loaf Sugar Foundation. Ten percent of this fund is allocated to CENICAÑA to finance the research, training, information and documentation programs of the Center. It has been estimated that CENICAÑA income for 1978 will be approximately 40 million Colombian pesos, or approximately US\$ 1,000,000. This amount may increase in the measure in which the Center contributes with practical solutions to sugar cane production problems.

Operative Flexibility

As CONIF and CENICAÑA are private corporations rather than public or State agencies, they should have the operative flexibility and effectiveness of private sectoral organizations. In practice, however, CONIF has recently been having operative problems due to discrepancies in criteria with INDERENA and because of the national General Comptroller's intervention in INDERENA, which has had a unilateral, negative effect on the juridical nature of the Corporation. Although the Corporation has its own Fiscal Reviewer appointed by the General Assembly, these difficulties have seriously limited the operative effectiveness of the Corporation.

CENICAÑA does not have this problem yet, since the State does not contribute with funds, and the Fiscal Reviewer monitors the operative management aspects without intervention from officials appointed by an agency of control which is subject to political influences.

Concentration of public and private sectoral efforts

The importance of this new institutional model being tested in Colombia is the fact that it permits the private and public sectors to join forces in an harmonious manner, within a government policy framework. In the case of CENICAÑA, there is the additional advantage of the fact that it forms a part of an institutional coordination mechanism dating back to the National Sugar Commission.

The Commission is composed of three representatives of the Government and three from the private sector, with the Minister of Agriculture holding the deciding vote should agreement not be reached by the others. The Commission makes decisions on the development of the sugar and brown loaf sugar industry, on a short, medium and long-term basis. The National Refined and Brown Loaf Sugar Association finances market regulating aspects, the studies for the development of new production zones, and research undertaken by CENICAÑA to generate new technologies and to contribute to their diffusion and adoption.

CONIF has lacked a similar institutional coordination mechanism as a part of the forestry development policy for humid tropical regions. Discussions between the Colombian Lumbermen's Association, INDERENA and other state agencies are not enough to determine an institutional forestry development framework, on a short, medium or long-term basis. In order for CONIF to attain its objectives adequately, it will have to create an institutional mechanism similar to that for sugar cane, the Corporation should be restructured so as to permit other public and private organization interested in forestry development to participate, and there must be a considerable increase in available funding.

Institution Building

I wish to go on record to express my great satisfaction at the renewed interest of the Inter-American Institute of Agricultural Sciences in institution building, which has always been one of IICA's basic strategies. The organizations are of key importance for the effective implementation of agricultural development programs. The creation at IICA Headquarters in Costa Rica, of a new Institution Building Bureau is a positive step taken by Director General Araujo to systematize and utilize the tremendous fund of knowledge and experience acquired by IICA in its years of working in the field of institutional development, in the Institute's operative programs.

Recent IICA activities which can contribute to broadening Institute bases and criteria in the field of institutional development are, for example, the Cooperative Agricultural Technology Research Project (PROTAAL) working out of the IICA Office in Colombia with an excellent team of three highly qualified agricultural economists under the direction of Dr. Martín Piñeiro; and the Institution Building Cooperation Project to aid the agricultural planning and policy analysis institutional systems of the countries, under the able, dynamic leadership of Dr. José Silos.

As part of the PROTAAL project, a comparative study of the human resources in national research systems will get underway in July, with Rockefeller Foundation funding. The study will make an in-depth analysis of the current situation in four Latin American countries with very different national research systems. One of the objectives of the study is to determine the causes of the internal and external migration of specialized research personnel, and the way in which these researchers can be retained or attracted back. A small Advisory Committee which I currently chair, will be collaborating with PROTAAL on this year-long study.

My grateful acknowledgement to the Board of Directors and to the Director General for giving me the opportunity to discuss these matters at the Annual Meeting, held this year in the hospitable city of Asunción, capital of Paraguay, one of the countries which has made considerable progress over the past several years, in building up the institutions of its

agricultural sector, in improving productivity and in increasing production. I congratulate His Excellency the President of the Republic, General Alfredo Stroessner, and his very able Minister of Agriculture, Mr. Hernando Bertoni, for the progress achieved in this country in the field of agriculture.



**Speech from the
Closing Session of the Seventeenth
Annual Meeting of the Board
of Directors**



**SPEECH BY MR. MANUEL RODRIGUEZ,
REGIONAL COORDINATION DIRECTOR FOR THE
SOUTHERN ZONE OF IICA**



Mr. Manuel Rodríguez, Regional Coordination Director for the Southern Zone, at the closing Session of the Seventeenth Annual Meeting of the Board of Directors of IICA.

Ladies and Gentlemen:

At day's end, it is important to evaluate the progress made in terms of positive achievements and, in our case, its contribution toward strengthening IICA actions for the development of agriculture and rural life in Latin America.

The Seventeenth Annual Meeting of the Board of Directors and the Twenty-third Technical Advisory Council Meeting took place in the warm and cordial atmosphere, prevalent in this country from the very moment we landed on Paraguayan soil.

The functioning of the Special Committee prior to the Board of Directors Meeting has once again proved the wisdom of this preparatory meeting, as it greatly facilitates the work of the Board of Directors by providing an up-to-date analysis of the matters on the Agenda, as well as pertinent recommendations.

On completing their deliberations, the members of the Board of Directors have left for us a set of resolutions and recommendations which will strengthen our institution, its provision of services to member countries, and the present General Plan orientations, which emphasize a humanistic approach for agricultural sectoral development in Latin America.

The resolution approving the 1978-1979 budget infuses us with considerable confidence, as it reflects support of IICA's programming ability, allocating complementary contributions from member countries, financial agencies such as IDB and the World Bank, and other international institutions, which together come to 53 percent of IICA's total resources for the next fiscal year. This resolution is complemented with several recommendations for improving the presentation of the budget, for more efficient analysis and management.

Approval of the Director General's recommendations as to IICA's commitments resulting from the VII Inter-American Conference on Agriculture, will permit us to work toward meeting the goals outlined in the "Tegucigalpa Declaration", of fostering more employment, higher wages, and the increased participation of small and medium-sized farmers.

With special satisfaction, we stress the Board's approval of the resources allocated to the Simón Bolívar Fund, for continuation of the projects being carried out in 20 American nations, with generous support from Venezuela.

The process for evaluating IICA programs has been a constant source of concern for the Board of Directors. At this meeting a request has been made that the evaluations to be carried out in 1978-1979 take a new orientation, in which a new methodology for systematic project evaluation at the country level be designed and tested, in order that IICA may upgrade the quality of its support to the countries.

Mention should also be made of the Board of Directors' interest and concern with strengthening the role of women in the development process and rural life, as well as in our own institutions; this expressed concern was unanimously approved.

We are greatly pleased to witness the Board's resolution for honoring two distinguished individuals who have contributed, with dedication and professional ability, to developing IICA as an Inter-American agency serving Latin America. Mr. Carlos Madrid was proposed for the much deserved title of Director Emeritus of IICA; Mr. Simon N. Wilson was awarded special recognition for the valuable support he provided, from important positions on the Institute's Board of Directors in Washington, D.C. and in the government of the United States of America.

Homage was also rendered to the Kellogg Foundation on the fiftieth anniversary of its creation. The Kellogg Foundation has extended

continuous and valuable support to IICA programs, especially with respect to textbooks and teaching materials.

With profound sentiment, the Board of Directors rendered posthumous homage to Messrs. Mauro Villavisencio, from Peru, and José Vallega, from Argentina, for their valuable work in Latin America and the Caribbean.

The Twenty-third Meeting of the Technical Advisory Council produced important resolutions and introduced new working modalities which, we hope, will be useful for achieving a more complete understanding of IICA's technical activities.

The Inter-American Agricultural Medal for 1978, awarded by the Technical Advisory Council, went to Argentine educator Dr. Antonio Pires, in recognition of his long and dedicated career, working always toward improving agricultural education, in his own country and Latin America in general. Dr. Pires has received honors from the University of San Marcos, Peru and the University of Chile, where he was designated Honorary Member of their academic faculties. Mr. Pablo Buriticá from Colombia was awarded the Inter-American Agricultural Development Award, for his contributions to the development of animal husbandry; the Inter-American Agricultural Award for Young Professionals went to Mr. Alex E. Bustillo from Colombia and Mr. Fernando F. Becker from Chile.

The Technical Advisory Council's round table discussion on "Rural Youth in the Development Process", led to a clearer understanding of the present and future of our rural youth, which is conducive to a re-examination of existing programs and the urgent need for giving the pertinent problems the priority and practical consideration they deserve, in view of their prevalence and importance throughout Latin America.

We are confident that the presentations made before the Technical Advisory Council, by Mr. Armando Samper, on International Centers and their support of the agricultural sector; by the Director of CATIE, Dr. Santiago Fonseca; and by the Regional Coordination Directors, have contributed to a fuller understanding of the nature and methods of operation of the International Centers and IICA itself.

As the meetings end, we feel certain that IICA is achieving progress in its ability to serve its member countries, within the orientation established in the General Plan, and in the Medium-term Indicative Plan for the 1977-1982 five-year period, approved by the Board of Directors.

All participants in the meetings of the Board of Directors and the Technical Advisory Council, here in Paraguay, have been favorably impressed by this country's visible progress, especially in the rural sector where significant increases have been made in important production aspects, which have strengthened the national economy. We were also made aware of the concern shown by His Excellency the President of the Republic, and by the Minister of Agriculture and Animal Husbandry, in

providing the Paraguayan "campesino" with opportunities for access to the country's abundant lands, and for fostering their full occupation; we could also appreciate the Paraguayan Armed Forces' enthusiastic participation in these tasks.

Reiterating the words of our Director General, a synthesizing statement of our future tasks would be: "We must be aware of the fact that we must depend increasingly upon our own resources, our own abilities and our own intelligence to solve our own problems". This concept has been reconfirmed during the deliberations of the Seventeenth Annual Meeting of the Board of Directors and the Twenty-third Meeting of the Technical Advisory Council.

We wish to thank the national authorities for the physical facilities provided for the meetings, the cordial attentions shown at all times, and the excellent opportunity to view the rural areas, including the impressive Itaipú Dam being built by Paraguay and Brazil to accelerate their modernization and development, a magnificent example of inter-American brotherhood.

Thanks also to the press, radio and television, and all those persons who have contributed to the success of this meetings; special gratitude to our efficient and effective Secretariat, for supplying us so promptly with required documents.

We look forward to our next meeting of the Eighteenth Annual Meeting of the Board of Directors and Twenty-fourth Meeting of the Technical Advisory Council, to be held in Bolivia, thanks to the gracious invitation of that country's government.

On behalf of Dr. José Emilio G. Araujo, Director General of IICA, our thanks to you for valuable contributions. We wish you a pleasant, uneventful trip back to your homes.

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