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2010 – 2020 STRATEGIC PLAN

San Jose, Costa Rica

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IICA

2010 – 2020

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FOREWORD

I am convinced of the enormous potential of agriculture to contribute to the development of the countries of the hemisphere and to the well-being of their inhabitants. Likewise, I firmly believe in the willingness of IICA's member countries to work together to find solutions to common problems and tackle the challenges the sector will face in the 21st century.

At each meeting of the Inter-American Board of Agriculture (IABA), the spirit of collaboration that led to the creation of, and still motivates, our Institute is reaffirmed. At its most recent meeting, held in October 2009 in Jamaica, the IABA approved a Strategic Framework for IICA's actions. It also instructed the new Director General to present a proposed Strategic Plan for 2010-2020 based on that Framework.

In the Strategic Framework approved by the IABA, the Ministers of Agriculture clearly state how they see the future of the Institute: "The IICA of the next decade must provide more support to its Member States and adapt its structure and operations to achieve that objective. This will require having general guidelines on how the Institute must meet hemispheric and country-level demands, and on possible approaches and potential areas for cooperation."

In order to help the agricultural sector achieve its objectives, IICA must enhance its technical capacity and reach the objectives set forth by the Ministers: "strengthening institutional, professional and leadership capabilities; economic analyses and analyses of policies and their impacts on agriculture; knowledge management; use of Information and communication technologies to make agriculture more competitive; preparation and implementation of projects; horizontal cooperation; and partnerships and coordination with other organizations and mechanisms."

My administration, in compliance with this mandate from the IABA, prepared a proposed Strategic Plan for 2010-2020 that was analyzed and discussed at length with the Member States to obtain their comments and suggestions, in order to ensure that it would reflect accurately not only their priorities, but also their shared vision of and hopes regarding what agriculture in the hemisphere should be and the role IICA should play in that vision. The Plan, as approved by the Executive Committee at its Thirtieth Regular Meeting, is contained in the present publication.

The Plan takes into consideration the context in which agriculture in the Americas will operate over the next ten years, which can be summed up in a single term: instability. Therefore, the strategies to be implemented must create the conditions required to ensure that agriculture has the solid structural foundation needed to tackle successfully the challenges that inevitably will come up in the decade.

We have sufficient reason to be optimistic, given the potential of the sector. As a result, the Plan emphasizes the prospects and opportunities for agriculture, as well as the challenges that must be overcome for the sector to become more sustainable and competitive and, at the same time, contribute to the development of rural territories, to food security and to the preservation of the quality of the environment and natural resources. In keeping with what it proposes, the Plan also offers guidelines for enhancing the capacity of the Institute so that it can more effectively fulfill the expectations of the member countries.

We must accept the fact that there is no magic formula for achieving the above, but we can be certain that if we give the sector the importance it deserves and develop public policies that will position the sector in its rightful place, if we succeed in attracting sufficient levels of investment, if we are respectful of the environment and use natural resource wisely, if we manage scientific and technological knowledge effectively, if we increase our productivity, if we include all categories of farmers in the strategies for developing the sector and ensure they share in the benefits of such development, and if we make international technical cooperation an effective and timely public good, without a doubt we will be close to achieving all we have proposed for our agriculture.

I want to thank the IICA and external specialists who contributed to the development of the Plan, the government officials of the member countries who, with their timely and valuable comments, helped to fine tune the document, and the members of our Executive Committee, who approved it. I sincerely hope that this Plan will serve as a compass for IICA's actions and as a point of reference for the countries of the Americas as they pursue the goal of agricultural development and rural well-being.

Sincerely,

Dr. Victor Villalobos Arambula
Director General

1. INTRODUCTION

In 2008 and 2009, the global economy operated in a context characterized by crisis and highly dynamic changes and a decline in private and public investment in the agricultural sector, which have had a significant impact on the performance of the agricultural sectors of IICA' Member States, raised levels of poverty and hunger, made markets volatile and exacerbated problems related to food security.

Recognizing the importance of this situation, the Heads of State and Government of the countries of the hemisphere, gathered at the Summit of the Americas held in Port of Spain in 2009, stated "Providing our people with adequate and timely access to safe and nutritious food is among the most immediate challenges confronting our Hemisphere and the world. They recognized the negative impact of food crises on the peoples of the hemisphere, and committed themselves to taking urgent and coordinated action, working in partnership with international organizations such as IICA and relevant regional organizations, as appropriate, to develop and implement comprehensive policies and programs in order to confront the challenges of food security.

They called on the Ministers of Agriculture of the hemisphere to carry out activities aimed at addressing issues affecting access to and availability of food in order to combat chronic malnutrition, and to promote the adoption of appropriate nutritional policies for their populations. In addition, they asked the Ministers to support the promotion of investment in agriculture, as well as the strengthening of institutional capacities in the Member States, with a view to increasing and intensifying production activities, particularly in the countries with the highest levels of hunger.

They also stated that "a multidimensional and multisectoral approach to agriculture and rural life is a key factor for sustainable development and food security," supporting efforts to reposition agricultural and rural issues and priorities in national strategies, and committing themselves to strengthening hemispheric, regional and national approaches and strategic actions, as applicable, with the support of IICA. The Ministers of Agriculture have echoed this conviction and made decisions regarding joint action in the future.

As a further step in this process, the present document was prepared at the request of Inter-American Board of Agriculture (IABA), which, at its Fifteenth Regular Meeting (October 2009), asked the Director General of IICA to prepare a Strategic Plan for 2010-

2020. In making this request, the Board stated that said Plan should take into consideration the recommendations included in Strategic Framework approved by the IABA at that same meeting, and serve as a guide for the Institute's 2010-2014 Medium-term Plan. The Strategic Framework offers the following guidelines:

“As the inter-American institution charged with providing cooperation in agriculture, IICA's principal objective is to support the Member States in their efforts aimed at strengthening their agricultural sectors and the natural resource base on which they depend, and making them more competitive, productive and sustainable, and those aimed at ensuring that rural development is inclusive and in harmony with the environment; the ultimate goal being to ensure the provision of food to a growing population, provide employment, increase incomes and contribute to the reduction of poverty and to the development of the countries of the Americas.

To do this, the Institute will concentrate on the generation and provision of hemispheric public goods, focusing on those development issues best addressed on a hemispheric or regional scale; promote the diversification of production, agricultural exports and the identification of new market opportunities; promote increased productivity and competitiveness; promote a more sustainable agriculture and natural resource management and the prosperity of rural communities; provide the countries with technical support in its areas of competence, in response to strategic and specific demands in the priority areas defined by the Member States which constitute new challenges for agriculture; and seek opportunities to work with other development agencies, especially multilateral banks, to create synergies, avoid the duplication of efforts and reduce inefficiency in the use of resources.

In order to fulfill its role vis-à-vis the new challenges and realities, IICA must become a hemispheric leader, be innovative and serve as a catalyst and facilitator in strategic areas. IICA must keep up to date and be prepared to face the challenges emerging from the dynamic context of the international economy and the globalized society.”

The present document responds to previous guidelines of the IABA and to the Hemispheric Ministerial Agreements. Seven years ago, the AGRO 2003-2015 Plan was approved in Panama, which established an agenda for advancing toward a “Shared Vision” of agriculture and rural life in the Americas. Also adopted was the AGRO-Matrix, which “synthesizes a concept of agriculture and rural life that facilitates a comprehensive understanding of both,” while at the same time establishing rural prosperity and food security as strategic objectives, and sustainable development as the overarching objective. These two documents have been updated in subsequent Ministerial Meetings, the last having been held in Jamaica in 2009. Therefore, they only

represent the spirit of cooperation that motivates the member countries of the Institute, but also set the course the Institute is to follow.

In response to the request from the Board, the present document constitutes the proposed 2010-2020 Strategic Plan of IICA. Presented first is the context in which the activities of the agricultural sector and the rural milieu are expected to take place for the next ten years, taking into account structural considerations and the challenges and opportunities for agriculture in the hemisphere. This context has important implication for national institutions and for IICA.

It is important to bear in mind that the 2010-2020 Strategic Plan serves as a reference for the Medium-term Plans. However, since great uncertainty is envisaged concerning numerous aspects that will affect the decisions of the countries and of the Institute, it should also be borne in mind that the Strategic Plan must give the Institute the leeway necessary to adjust to the changing context.

Within IICA's planning system, the Strategic Plan and the Medium-term Plans complement one another. The first, as its name suggests, is a strategic instrument designed to orient the Institute's work vis-à-vis its vision and mission and guidelines for effective cooperation actions, acknowledging responsibilities at the hemispheric, regional, and national levels.

The following figure shows that the SP is a ten-year plan. The SP presents the current situation of agriculture in the hemisphere (current trends) and the challenges (proposed trends) that must be overcome to advance towards the objective of making agriculture competitive and sustainable. It also contains a guiding framework for the modernization of IICA, which establishes the strategic objectives that must be achieved, based on which the institutional actions will be defined that IICA must undertake in the medium term, from 2010 to 2014.

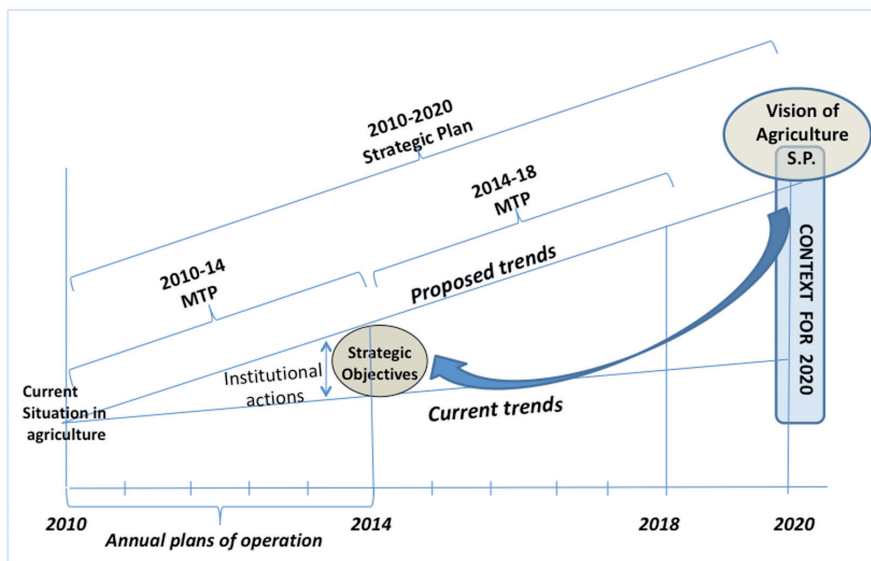


Figure 1. IICA: Relationship between SP and MTP

Chapter 2 of this Strategic Plan presents the global context, the recent trends in agriculture, the outlook for the sector in possible scenarios that will affect the sector, the opportunities and limitations that will have to be taken into account, and the adjustments that will have to be made in the institutional framework in these scenarios. This latter aspect is of particular significance because it is in this area where there is the greatest demand for support from IICA.

Following this are guidelines for the Institute's actions and for the technical areas on which the Institute should focus its efforts.

The final section of the document refers to the technical and administrative-financial capabilities the Institute must acquire, as well as to the use of tools that will enable it to provide technical cooperation more effectively.

2. CONTEXT

The countries of the hemisphere, individually and working together, must find a way to make agriculture more competitive and sustainable and capable of overcoming obstacles and taking advantage of opportunities that have emerged in the global agricultural products market, improving the well-being of the rural population, conserving natural resources and contributing to the promotion of efforts to achieve food security.

It is necessary to accept the fact that there is no magic formula for achieving the above. What is certain though is that, if the sector is given the importance it deserves; if public policies that will position the sector in its rightful place are developed; if sufficient levels of investment are achieved; if the environment is respected and natural resource are used wisely; if scientific and technological knowledge is managed effectively; if productivity is increased; if all categories of farmers are included in the strategies for developing the sector and share in the benefits of such development; and if international technical cooperation becomes an effective and timely public good, without a doubt the Member States will be close to achieving all we propose for agriculture in our hemisphere.

To accomplish this, it is necessary to have a general understanding of the context in which the activities of the agricultural sector will take place during the period covered by the Strategic Plan. An analysis of that context is presented below:

2.1 A more interactive and volatile global scenario and expanding markets

Several years ago, interaction between society and the global economy began to increase, a process facilitated by communications and technology, and everything would seem to suggest that such interaction will become increasingly intense. Increasingly, the transfer and acquisition of knowledge is a determining factor in this interaction. Inasmuch as knowledge is the basis of progress, it is evident that there is a need to find better ways for people, enterprises and governments to acquire it.

The economic crisis of 2008 and 2009 has shown that for the near future international markets in general, and agricultural markets in particular, will be characterized by instability. This means that the countries and, in particular, the institutions in the agricultural sector will need to have information and analytical capabilities to guide the development of agriculture in a scenario of instability and to anticipate the measures they

must take. There are, however, certain prevailing structural conditions and trends that can be anticipated, to wit:

Even in a scenario of volatility, the demand for agricultural products will increase as a result of the growth of the world population of the increased use of such products for non-food purposes (agroenergy, industrial oils, medicines, textiles, etc.)

Another factor that is contributing to the expansion of markets is the trend toward reducing barriers to trade, via multilateral and bilateral agreements. As a result, the harmonization of rules governing production and trade, especially in the areas of environmental management, agricultural health, food safety and product certification and labeling, continues to be important.

It is also a fact that there will be greater segmentation in global markets, given the preferences of consumers, which will lead to greater demand for foods that are more nutritious, more natural and more suited to local tastes. Consumer demands vis-à-vis the nutritional value, quality and safety foods will also increase. This will create opportunities to market differentiated products whose preparation will require major efforts to modernize the agroindustrial sector.

Notwithstanding the above, the imbalances in agricultural markets will continue in the medium term due to growing demand and slower growth in terms of supply. This situation will continue as long as constraints for expanding supply, such as low levels of public and private investment, which has stalled and even declined over the last 25 years, or the low levels of agricultural productivity in less developed countries, remain.

2.2 Rural Poverty

In the near future, the economic conditions and purchasing power of the different segments of the population will take on greater importance in solving the problems associated with the rural sector. Therefore, it is necessary to make substantial progress in combating extreme poverty and increase the production of less expensive food.

Poverty has increased in the region. In Latin America and the Caribbean, in 2008, there were almost 200 million people living in poverty and, even though governments continue making efforts to reduce poverty and cut extreme poverty in half by 2015, it has not been possible and inequality continues to increase. Agriculture must help to generate new jobs and higher incomes both in the sector itself and in those to which it is linked.

It should be noted that, as regards of the needs of the rural population, the dilemma for the countries is to produce more staple foods, especially cereals, knowing that in many cases it is not in those crops where they have competitive advantages and that their production does not generate sufficient jobs or income for poor farmers; or to provide support or technical assistance for these farmers so they can cultivate products with greater value added, which generate more jobs along the chains and provide higher incomes, even if they are products affected by the contraction of markets during times of economic crisis.

2.3 Climatic vulnerability

Even though the implications of climate change are global in nature, they are particularly important vis-à-vis agriculture, since the sector in many ways aggravates the problem, but also may help mitigate its effects.

Furthermore, in the case of the agricultural sector, it is necessary to distinguish between the implications of climate change, which is a long-term process, and climatic variability or instability, which is a short-term phenomenon.

Climatic instability refers to a one-year period in which increasingly less predictable climatic phenomena occur. The impacts of short-term climatic instability destroy harvests or lead to a significant increase in production costs due to the increased incidence of crop pests and animal diseases. Climate change is a process that takes place over a much longer period of time, is occurring worldwide and, according to studies on the subject, is associated with global warming. The expected effects of climate change in agriculture will be highly varied and differentiated by agroecological zone and latitude.

It is necessary to have the technology and the economic means to cope with climatic instability and change, and to help to counteract the effects such phenomenon, which will require the adoption of ad hoc policies on issues related to those phenomena must be adopted.

2.4 Food Security

It is estimated that by 2050 it will be necessary to produce twice as much food as is produced today, for a population that is expected to reach nine billion. However, even in the short term, there are very serious threats to food security, as evidenced by the most recent crisis, which led to higher food prices and threatened the access to food for large segments of the population.

The Americas as a region is a net exporter of food. It is also one of the few regions of the planet where there is still room to expand the agricultural frontier in some countries, which means that it can make a significant contribution to solving the problem.

In addressing the issue of food security, the specific conditions in each country must be taken into consideration. In this regard, the countries are faced with the challenge of defining and implementing policies and institutions that will enable agriculture to contribute to increasing the production of food and improving access to food for the entire population.

Despite the above, there are certain measure that can be taken to help solve problems in the areas of production of and access to food. These include: to increase productivity; to promote the quality and safety of food; to generate more income for countries and people, by ensuring the smooth operation of markets; and to apply sound public policies.

2.5 Structural conditions in agriculture

There are a number of structural conditions in agriculture in the hemisphere that are part of the context and, therefore, must be given serious consideration in analyzing the future of the sector.

In LAC, in particular, the expansion of the agricultural frontier continues with the subsequent destruction of forest cover. At the same time, there is a loss of large areas of cropland as a result of desertification, salinization and poor drainage. Both situations will force the countries to plan the use of land very carefully.

There is a trend toward greater demand for water for alternative uses, mostly human consumption and industrial applications. Added to this is the deterioration of aquifers and the decline in the quality of runoff water due to contamination. Therefore, agricultural activities will have to be carried out with less and less water per farm. The situation will create the need for public policies and laws for the improved use of water.

Given the reduced availability of soil and water, both necessary for agricultural production, it can be assumed that any increases in production will have to come from increased productivity.

Another structural factor in agriculture in LAC is the subdivision of property. There has been a significant increase in the number of smallholdings, which are in the hands of producers with limited technical and financial capacity. Another limiting factor is the lack of services and infrastructure, which affects those farms.

In addition, a change is taking place in the types of crops being cultivated (reconversion of production). In some countries, or regions within countries, fruit and vegetable production has increased. In other cases, the size of the area planted in grains has increased. Also, there is an increase in the cultivation of crops to be used in energy production and for other non-food industrial uses.

Important structural changes are also taking place in agroindustry. For example, the industrialization and production of dairy products, wines and spirits, juices and concentrates and oils and fats are on the rise.

These structural conditions in agriculture must be considered in any medium- or long-term strategy. Each country will have to anticipate which conditions will need to be modified and what measures it should consider and implement for this purpose. This is an important challenge that requires information to conduct analyses using the capabilities that exist in the countries in the agricultural institutions.

2.6 Structural conditions in rural territories

In most of the countries of the hemisphere, agriculture is the most important economic activity in the rural milieu. In many cases, what exists is subsistence agriculture associated with a weak, sluggish economic structure, and in which poverty and the growing degradation of natural resources continue.

Agriculture makes an important contribution to the rural economies by generating direct employment, giving rise to agroindustries and creating demand for inputs and services. This contribution has grown in some regions and has been a determining factor in increasing competitiveness, which shows that agriculture plays an important role in the development of rural territories.

Undoubtedly, rural poverty is one of the structural conditions with the greatest implications for agriculture. A territory with a poor population is usually associated with a society that is undereducated, undernourished and living in inadequate housing, and which, therefore, lacks the capabilities needed to engage in modern and competitive agriculture. In order to develop rural territories, it is necessary to link them to other sectors that can have a positive impact on their economies.

A phenomenon of particular importance is the fact that women are playing a greater role in heading up households and assuming work-related responsibilities. However, the policies and instruments the governments have implemented to promote the development of rural women have been insufficient. Several challenges, such as limited access to

technology and markets and to extension and other services, remain. The solution to these problems will require a substantial effort on the part of the State because they are beyond the capacities of agricultural sector institutions.

In sum, in the rural milieu there are many structural conditions that can hinder the development of agriculture and other activities, such as those intended to promote the contribution of women to agricultural production and the competitiveness of the sector. The involvement of not only of the ministries of agriculture, but also of other public and even private entities will be required to overcome these limitations. This fact is particularly important because, in order to overcome rural poverty, it will be necessary to boost the capabilities of institutions to overcome those limitations.

2.7 Challenges and opportunities for agriculture in the hemisphere

The first challenge for agriculture in the hemisphere is to be competitive, which will require greater productivity; for which it will be necessary to develop a new technological paradigm in substitution of the one created by the “Green Revolution.”

The second challenge is for agriculture in the hemisphere to contribute to the development of rural territories, through the linkage of primary sector activities and agroindustries to providers of inputs and services, the ultimate goal being to improve the well-being of rural inhabitants.

A third challenge is to conserve natural resources, improve environmental conditions and take preventive measure to mitigate the impacts of climatic conditions. To accomplish this, it will be necessary to reduce energy consumption, lower greenhouse gas emissions, promote the cultivation of crops to be used as an alternative to fossil fuel, halt the contamination of water and encourage carbon sequestration.

A fourth is to make a major contribution to food security by increasing the production of safe and more nutritional foods, addressing issues related to the availability of and access to food, on the one hand, and the generation of higher incomes for the rural population, on the other.

The outlook for agriculture reveals opportunities, but also structural limitations that must be overcome. The expectations, even if positive, reveal a high level of uncertainty that must be taken into account.

As regards the prospects, they are based on the experience gained in many aspects. As for production, agriculture in the hemisphere has responded to the dynamics of the markets.

These changes have varied from country to country and in sectors within the countries. Despite the fact that the hemisphere continues to be a net exporter of cereals, one of the most urgent challenges to be faced in producing these crops and other staple foods is to increase productivity through technological innovation, but increasingly in keeping with environmental demands; in other words, in a sustainable and inclusive manner.

Given the concern regarding the use of certain inputs that do not improve productivity and have a negative impact on the environment, technological innovations have been developed that are based on biotechnology, such as the new genetically improved varieties, organic fertilizers and biological control methods that do have a favorable impact on productivity and the quality of healthier and safer foods.

There are other crops whose productivity must be increased, such as potatoes, cassava, sweet potato, plantain and other crops native to specific territories and of greater importance in some countries than in others. It should be said that some of the most important accomplishments vis-à-vis improving productivity, quality and diversity have occurred in ecosystems where the fruits and vegetables are produced, which almost all countries of LAC export. These models should be strengthened and imitated.

In the livestock sector, important changes have also taken place. For example, poultry and hog farming and aquaculture have been modernized. A similar situation is reported in the dairy sector. In livestock ranching, however, progress is slower, and in some countries, extensive livestock ranching, which does not take into account the conservation of natural resources, is practiced.

It is necessary to make agroindustries more competitive given the increasingly important role they play in the development of production linkages.

The process of change needed in agriculture demands technological innovations such as different biotechnological applications and the incorporation of better agricultural practices accompanied by good agricultural health and post-harvest practices.

Also needed are innovative management practices that will lead to arrangements between producers and agroindustries and to new ways of running successful agribusinesses.

Of course, it is impossible to overlook problems such as the thousands of poor campesinos who have not been able to participate in the innovation process, which they could do using their own knowledge and culture and using the genetic biodiversity of their native products. It is essential to formulate strategies focused on solving the particular problems of the production and marketing systems of the campesinos.

2.8 International cooperation

International cooperation must be highly valued by countries. To accomplish this, it is essential to have an agenda differentiated by topics, with a strategy focused on a certain type of actions and with mechanisms for accountability. Both international agencies and governments themselves are responsible for demanding quality and effective international cooperation.

Since IICA is an international technical cooperation agency, it is worthwhile to consider the context in which it has had to carry out its activities and what may be anticipated in that regard. There are four problems that have characterized international cooperation and limited its contribution to the efforts of the countries, and that must be overcome in the future.

The first is the proliferation of initiatives related to agriculture, with little coordination among them, aimed in particular at rural poverty and focused mostly on actions in rural territories.

The second is the limited collaboration between international institutions, including insufficient synergy between the multilateral financial institutions and the international cooperation agencies.

The third is the channeling of cooperation through projects based on grants aimed at solving lower priority problems rather than structural problems. In addition, the value of agricultural investment projects financed with international resources has remained steady rather than grow.

The fourth is the fact that the proliferation of international cooperation initiatives has led to the dispersal of efforts; to a failure to fully account for costs; and to little or no evaluation of the products generated, the results and the impacts of those initiatives.

3. POLICIES, INSTITUTIONS AND REQUIRED CAPABILITIES

The launching of innovation processes aimed at making agriculture more competitive and sustainable, as well as the extension of the benefits to a larger number of people, require a framework of well-articulated policies and their application through the policy tools most suitable for encouraging and providing support for production. As a result, policies and institutional capabilities will have to be renewed. It is the effort of the governments, supported by IICA and other international agencies, which will lead to the attainment of their objectives related to agricultural development.

3.1 Public policies for agriculture and for rural development

Even though IICA's actions are limited to those issued identified in its stated mandate, it must be mentioned that the body of policies aimed at making agriculture competitive and sustainable is not solely the responsibility of the ministries of agriculture. The participation of other ministries and governmental agencies, as well as a suitable institutional framework, is also needed. Therefore, IICA can contribute to improving the capacity of the ministries of agriculture for dialogue with other entities whose activities may be of benefit for agriculture and rural well-being.

It is also necessary to build consensus with producers and other civil society actors and their organizations in the formulation and implementation of public policies.

Macroeconomic policies can affect the performance of agriculture and the attainment of competitiveness, which is why they must be given due consideration and valued by decision makers involved in the agricultural sector.

The competitiveness of agriculture also has to do with policies related to technology, finance, trade, the environment, agricultural health and food safety, the regulation of the use of soil and water, legal protection and, in general, those that create a favorable climate for private investment and development.

Policies targeted at rural well-being and the environment also affect several sectors and actors, and it is evident that many of them are increasingly cross-cutting in nature. If they are to be viable and effective, flexible institutional mechanisms and bodies for

coordinating the work of the sector institutions with other government entities are needed.

Added to this are the commitments that the countries adopt at the international level that have some impact on agriculture, such as those related to international trade or the environment to name two important examples.

3.2 Agricultural institutions

The institutional framework for agriculture and rural development must be modernized with respect to legislation, the renewal of policy instruments and the capabilities of the responsible entities.

In most countries, the legislation governing agriculture is very old and few nations have reviewed and updated it.

The modernization of institutions that serve agricultural sector entities calls for the review and updating of functions, better training of personnel, innovative policy instruments, follow-up and evaluation systems, information systems, and the allocation of more resources.

3.3 The capabilities of enterprises and individuals

A new institutional framework for agriculture also requires taking into account the opinions of entrepreneurs and farmers and their organizations, among others, when formulating the policies that affect them.

The State has a responsibility to contribute to the development of the capabilities of both enterprises and individuals, with different types of support suited to the needs of each country and public goods that complement the actions of individual producers and groups of producers. This is possibly the biggest challenge to be faced in making agriculture sustainable and competitive and in contributing to the attainment of the other objectives of development.

3.4 Investment for the growth and development of the sector

Available information shows that in recent decades investment in the sector has stalled or in some cases even declined, which limits in large part possibilities for its development. This lack of investment affects everything from research and development to the creation

of infrastructure and the provision of services required for agriculture to perform properly, and affects the private and public sector equally.

To make agriculture competitive, sustainable and inclusive it will be necessary to increase investment in research and innovation, poverty alleviation, food security and environmental protection

Achieving sustainable and competitive agriculture undoubtedly calls for effective private and public investments. The experience of recent years shows that, in general, private investment in the sector, though limited, has led to a number of successful cases in nearly all of the countries. Therefore, it is very important to ensure it increases. In addition, public investment in agriculture must be in keeping with sectoral policies and increase in terms of amount and quality.

4. THE GUIDING FRAMEWORK FOR THE MODERNIZATION OF IICA

Based on a recognition of the four challenges indicated in the section on the context, it becomes evident that IICA must direct its efforts toward strategic objectives and contribute, in this way, to helping the countries to meet those challenges.

4.1 The expectations with regard to IICA

IICA must be an institution that meets the countries' cooperation needs in order to take advantage of the opportunities and to solve the particular problems of each one member country and those common to all of them which affect the competitiveness and sustainability of agriculture, focusing on joint action to achieve common objectives.

Therefore, IICA's actions and proposals must be implemented at the hemispheric, regional and national levels. In addition, they must help to effectively reduce the existing gaps that limit development, support primarily the less developed countries, ensure balance in the provision of support to regions and countries, and respect the principles of autonomy and sovereignty of peoples and nations.

For IICA to accomplish all the above and fulfill the commitments assumed with the countries, it must have the capacity to:

- a. Serve the member countries effectively and in a timely manner. To do so, IICA will focus its activities on a limited number of topics and its human, physical and financial resources on areas in which it has competitive and comparative advantages with respect to other organizations of the international system. This will make it clear to the countries what they can expect from the Institute.
- b. Have prospective and analytical capacities, in order to take action before events happen and assess the scenarios that the countries need to take into account in guiding their agricultural sectors.
- c. Be recognized for its innovative results, its strong technical expertise and great response capacity. The professional technical personnel who collaborate in its programs shall be of the highest caliber and with broad experience in the Institute's areas of competence. They will be responsible for spearheading, in

a transparent fashion, the cooperation actions carried out in their areas of experience.

- d. Meet the challenges involved in developing the agricultural and rural system by generating a continuous supply of specialized services, knowledge, tools and approaches. If IICA is to be innovative, its technical personnel at all levels must be committed to finding innovative solutions to the challenges faced.

To support public policies for agriculture and rural well-being, IICA must not only promote the sharing of knowledge and experiences, but also serve as a technical and scientific intermediary with networks of institutions that generate, share and transfer knowledge. In addition, the Institute must link the experience that exists in its member countries and cooperation networks in an efficient, effective and supportive manner.

Public goods are designed to meet the international demand for strategies or policies in the thematic fields within the Institute's areas of competence. The fields in which IICA has an obligation to generate international public goods include knowledge, negotiating capabilities, the defense of regional interests, trade agreements, strategies for managing global or hemispheric problems such as climate change, and relations with other regions of the world in the Institute's areas of expertise.

IICA will forge and strengthen partnerships with other international and regional cooperation and assistance organizations and with national institutions that complement its efforts and actions, in order to provide the countries with comprehensive solutions.

The proposed actions will be carried out through institutional thematic networks for regional and hemispheric collaboration. Advances in the communication sciences and their technology make it possible to develop new systems for integrated collaboration within IICA, which will favor action at the regional and national levels while maintaining hemispheric integration and the hemispheric vision. This process of integration must ensure that all activities, work, products and initiatives have a common thread and are focused on finding coordinated solutions to priority challenges.

4.2 The Institute's mission, vision and principles

The global context described in Chapter 2 makes it necessary to take advantage of the opportunities and reduce the impact of the challenges facing the countries as they strive to improve the competitiveness of agriculture and the quality of rural life. With that in mind, the Mission, Vision and Institutional Principles that IICA should use to guide its

actions over the next ten years are presented below. They should be enhanced in preparing the MTP.

a. Mission

IICA is the institution of the Inter-American System that provides technical cooperation, innovation and specialized knowledge to contribute to the competitive and sustainable development of agriculture in the Americas and to improve the lives of rural dwellers in the member countries.

b. Vision

To be a leading and innovative institution in the provision of technical cooperation for agriculture, known for its contributions to making the agrifood system sector competitive and productive, achieving the sustainable development of agriculture, promoting food security, reducing poverty and improving living conditions in the rural territories of the Americas, based on its strong technical expertise and capacity to provide solutions to the new challenges facing the member countries in these areas.

c. Institutional principles

In order to achieve its mission, ensure the provision of quality services and be an innovative and knowledge-based institution, IICA will base its actions in the hemisphere and its relations with the Member States, strategic partners and the different actors of the community of the agricultural and rural sector on the following principles:

▪ **Leadership through excellence**

It will promote the concept of effective leadership and technical excellence in each of its strategic priorities, in order to achieve the recognition of its clients and partners regarding the quality and timeliness of IICA's contributions.

▪ **Innovation**

The Institute will promote a proactive attitude and a culture of change to encourage the development of innovative proposals and the incorporation of new knowledge into the technical cooperation services and the internal activities of IICA, with a view to meeting the new challenges facing agriculture and the rural world.

- **Interdisciplinary approaches and teamwork**

The Institute will promote itself as an interdisciplinary team focused on solving some of the critical problems facing agriculture and rural development. It will facilitate teamwork and promote itself as an institution based on results that links hemispheric opportunities to local demands.

- **Excellence in performance**

It will promote excellence in performance and continue implementing a system that recognizes superior performance, creativity and innovation, and offer incentives for the ongoing development of its human resources.

- **Partnerships to boost impact**

It will promote the development of partnerships and the “working together” approach in its relations with strategic partners at the national, regional and hemispheric levels, articulating and developing networks dealing with common thematic priorities.

- **Social responsibility**

It will promote greater social responsibility, recognizing that the Institute must contribute to solving the problems of unemployment, marginalization, poverty and limited access to education and health services in the countryside.

- **Environmental responsibility**

It will foster a true culture of responsibility, promoting the principles of the sound and sustainable management of natural resources, and the conservation and preservation of ecosystems, genetic diversity and the environment for this and future generations. IICA will replace some practices that may threaten, damage or have a negative impact on the environment.

- **Focus on results and accountability**

It will continue to implement systems that make it possible to link the allocation of resources with the attainment of results, and to ensure that its actions can be quantified and evaluated. Also, it will apply clear and specific parameters in

measuring its performance, the efficient use of resources and the products it delivers via technical cooperation.

- **Efficiency, transparency and financial prudence**

It will promote operational efficiency, transparency, accountability and financial prudence at the national, regional and hemispheric levels; as well as ethical conducted based on solid values.

- **Equality and equity**

IICA will respect fully the principle of equality for all persons, regardless of nationality, origin, gender or age, and will contribute to creating, maintaining and promoting equal opportunities for all.

- **Respect for diversity**

It will protect the rich ethnic, cultural and linguistic diversity of the countries of the Americas, respecting and promoting such diversity in its many manifestations. IICA is a secular institution that will honor and accept religious, political, sexual and other preferences.

4.3 The underpinnings of the Institute's response

IICA's response to the needs of the countries proposed in this Strategic Plan is based on the high value of knowledge and the importance of its being harnessed widely as a public good. In this regard, it is recognized that the information society encompasses many dimensions. Agriculture, for example, must address and comprehend its links - sometimes not clearly visible - with the components of the economic, social and environmental systems. These include the relationship between agriculture and natural resources, climate change, water, energy and other production activities, as well as the human needs like equity, health, employment, housing and inclusion. This only can occur in the context of integrated knowledge management that takes into account both the spatial and temporal dimensions of those relationships. Therefore, IICA understands that agriculture must become increasingly sustainable and competitive and contribute to knowledge-based sustainable development, in which social and environmental considerations play a very important role.

All knowledge that is a public good is the object of IICA's activities. In everything it does, the Institute will endeavor to generate and identify new knowledge, innovations, experiences and better practices, and make them available to the countries. Mechanisms will be created to systematize and manage knowledge and facilitate its exchange, transfer and application, and to learn from the experiences of both IICA and others. The Institute will also assist the countries with the creation of mechanisms for managing information and knowledge, to help make institutions in the sector more transparent and efficient.

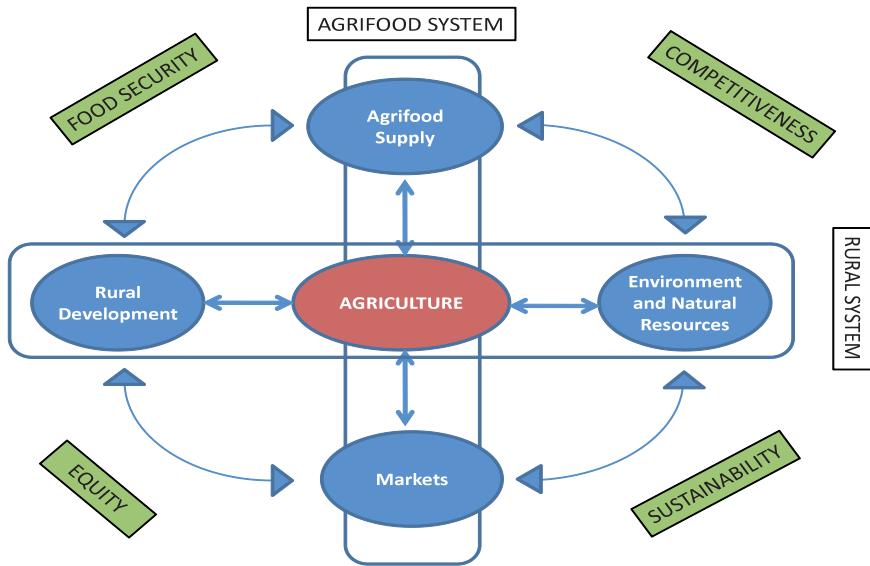


Figure 2. Conceptual Framework

4.4 The strategic objectives

IICA recognizes the enormous complexity and scale of the opportunities and challenges of the agricultural sector. Nevertheless, IICA believes that, to make its technical cooperation more efficient, it needs to concentrate its limited resources and efforts on contributing to the attainment of those strategic objectives in which it possesses the greatest technical capabilities, experience and recognition, and, therefore, can have a greater and better impact.

The identification and selection of the strategic objectives to which IICA will contribute not only confirms the commitment of the Institute's General Directorate to contribute to the overarching development goals of the countries, but also defines precisely the focus of IICA's actions and the mechanisms for cooperation with its member countries.

IICA, as the leading organization in agriculture in the hemisphere, must provide the technical cooperation the countries need to face the challenges and tap the opportunities that emerge in the topics included in the Strategic Objectives:

Strategic Objective 1: To make the agricultural sector more productive and competitive

The first Strategic Objective encompasses all aspects of production, with agriculture viewed as a key component of a complex system of value chains in which production reaches consumers in agricultural markets via competitive agribusinesses that include small-scale farmers.

The evidence suggests that agriculture will face additional pressures in the future, not only because of the increasing demand for agricultural products, a natural consequence of population growth and rising incomes, but also due to the slowing rates of growth of the yields of the main crops farmed, the fact that less land will be available to expand the agricultural frontier,¹ the loss of natural resources, the emergence of new or more virulent pests and diseases and the anticipated impact of climate change. Coupled with these factors, globalization and the integration of regions, borders, and markets, as well as the emergence of a mass of consumers who are more demanding and aware of both quality and how food is produced, pose new challenges and create opportunities in all the links in agrifood chains.

To address this complex situation, the countries must develop public strategies and encourage the formulation of private strategies to promote innovation, attract investment, reduce the uncertainty in agriculture and develop new business models that will improve its productivity and competitiveness. They will also have to find more balanced trade and market mechanisms that permit less developed countries and actors to tap the advantages that trade at all levels offers them. However, the countries will also have to reach agreement on policies that go beyond the traditional functional areas of the ministries of agriculture, in order to incorporate other public and private actors that play important

¹ In the Americas, only some countries have land to expand their agricultural frontier significantly. However, there are important factors that hinder the incorporate of additional land, such as land-use policies, conservation programs and problems related to deforestation.

roles in all the endogenous and exogenous elements that contribute to the systemic competitiveness of agriculture.

IICA must promote innovation to enhance competitiveness, increase production and help improve the operation of agricultural markets in a socially and environmentally sustainable way. In these efforts, it is necessary to consider the inclusion of small and medium-scale agricultural producers, who have limited access to modern markets, as well as the development of the markets for the traditional commodities consumed by the people in the lowest-income brackets.

Strategic Objective 2: To enhance agriculture's contribution to territorial development and to rural well-being

The second strategic objective recognizes that agricultural activities take place in rural territories, where efforts are based on the rational use of natural resources and on people who are the object and subject of development efforts. It also highlights the role that agriculture plays in the economy and society in rural territories, where its importance extends beyond purely production-related considerations to include the social dimensions that have to do with rural well-being (jobs, income, services, institutions, participation, etc.). Family agriculture and the role that women play in agriculture are two elements that require special consideration.

Agriculture performs other functions besides the production of goods and services. It creates employment and income, has a direct bearing on nutrition and health, affects the environment, determines the dimensions and types of territorial occupation, supports economic and institutional networks in the spaces where it is carried out, has close links with the culture and the social fabric, shapes the landscape, establishes relationships and mechanisms for territorial integration and constructs the functional relationships between rural and urban spaces.

The many functions that agriculture performs - related to the economy, society and the environment - are greater than those performed by other economic sectors, and, as a result, determine the sustainable development of rural territories. At the same time, it is a two-way relationship, since the development of agriculture is affected by the externalities that exist in each territory, related to the natural resource base, the infrastructure, the institutional framework, governability, the labor supply and the knowledge and innovation systems that exist in each.

The territorial approaches to agriculture and the attainment of rural well-being in the countries have paved the way for a new generation of policies whose most important features are decentralization (shifting the power to make decisions and allocated resources from the central governments to the territories, taking into account the importance of local issues and regional structures), participation (attaching greater importance to the leading role played by the social and economic actors, who share the responsibility) and the articulation of parallel public policies in the territories, recognizing that development processes are intersectoral in nature. In many countries, this has meant a change in the traditional role of the ministries of agriculture, which no longer focus exclusively on production and have assumed responsibility for the territorial dimensions of agriculture and for coordinating the responsibilities of other actors, particularly other ministries, territorial entities and civil society organizations.

IICA will support such national efforts and help bring about greater articulation and coordination of the institutions that play a leading role in rural development and well-being.

Strategic Objective 3: Enhancing agriculture's capacity to mitigate the effects of and adapt to climate change and make better use of natural resources

The third strategic objective highlights agriculture's relationship with the natural resource base (soils, water, agro-biodiversity, forests and rain forests, and climate) located in the rural territories. On the one hand, agricultural activities depend on those resources for production; while on the other, they affect the condition of those resources and their availability for use and enjoyment by current and future generations. Even more important is the role that modern agriculture plays in protecting and improving environmental conditions; modern practices can restore the health of the environment. Climate change and its unpredictable effects, as well as extreme natural events, determine and condition productive activities and their competitiveness and sustainability, as well as the vulnerability of the population.

Agriculture poses two major challenges for the countries in terms of its relationship with the environment. The first concerns innovation - the need to develop technologies, plant varieties, animal species and productive models that reduce the vulnerability of agro-ecosystems, adapt agriculture to the new climatic conditions, mitigate the activity's impact on the environment and natural resources and, at the same time, pay proper attention to the growing demands of consumers in these areas.

The second challenge is the need to strike the right balance between environmental management and agricultural development policies. At present, these two types of policies have widely differing objectives and goals that, in many cases, seem to be at odds with each other in specific national contexts. This need to articulate environmental policies, and to link them to agriculture, places additional demands on the ministries of agriculture (the need to work with the ministries of the environment on cross-cutting issues and create synergies with them). Therefore, IICA will support the ministries' efforts to enhance their capabilities and improve their institutional frameworks in order to address this critical issue.

Furthermore, decisions, commitments and investments at the international level are badly needed to ensure that agriculture develops in harmony with the environment. The response of the countries must be to consolidate and intensify their efforts to find new environmentally-friendly forms of production, with a view to reducing the negative impact of traditional agriculture on natural resources and ecosystem health, devising policies, strategies and institutional frameworks that prepare the sector to adapt to climate change, and articulating public policies related to natural resources and the environment with policies on and for agriculture. IICA will provide expertise and advisory services to enhance the institutional and human capabilities of the member countries, in order to position the issue on their domestic agendas.

Strategic Objective 4: Enhancing agriculture's contribution to food security

The fourth strategic objective recognizes the dual role that agriculture plays in food security. On the one hand, it provides an adequate supply of quality food (availability and utilization); and, on the other, it creates conditions that afford the rural population access to food (employment and income). One of the key aspects of this dual role is the participation of small-scale agriculture, which can make a bigger contribution to the supply of agricultural products than at present, provided its efforts are underpinned by effective public policies and efficient investment in public goods that improve its production and its integration into value chains. If markets provide a fair return, small-scale agriculture can also generate more employment and income.

It is estimated that three out of every four poor human beings live in the rural areas of developing countries and agriculture is the chief means of survival of a large percentage of them. Allied to this, it is estimated that over 80% of agricultural production units are less than two hectares in size, and that, due to migration, a growing number of those units are operated by women and children or elderly farmers. All of this makes small-scale producers one of the most vulnerable groups, and susceptible to food insecurity. These conditions have also contributed to the emigration of young people in search of

opportunities, so agricultural capabilities need to be created that will encourage them to remain in the countryside, generating more income.

The rise in food prices in 2007-2008, which led to a food crisis in many countries of the world, underlined how fragile the current food system is and showed that short-term, emergency interventions are insufficient to guarantee the food security of large segments of the population, particularly the poorest and those with limited incomes. Hence, the need for long-term strategies to make sustainable the efforts to improve food security conditions from the standpoint of agriculture's twofold role in the process: the production of food and the generation of employment and income as producers sell their products.

There are many actions, beyond those in the agricultural sector, that the countries should implement to consolidate their food security but, from a strictly agricultural standpoint, they need to intensify their efforts to devise and implement strategies for integrating more small-scale producers and family farmers into value chains in a more effective way, as a mechanism for boosting production and improving the income of this group of producers.

IICA will support the development of policies, strategies and institutional frameworks aimed at increasing the contributions of small-scale and family agriculture to the countries' food security, both in terms of the supply of food and small farmers' access to it.

4.5 Objectives of technical cooperation

The considerations on the demands imposed by the context and on the areas of technical cooperation for making agriculture more productive and competitive, the commitments and responsibilities for development vis-à-vis rural territories, food security and natural resources suggest a conceptual framework based on a strategic vision, expressed via the strategic objectives; the recognition that agriculture must be understood as part of the chains in the agrifood system and of rural territories; and that from an operational perspective, the Institute requires an approach more focused on technical cooperation and on efficient administration.

The starting point is the recognition that agriculture is part of an agrifood system (agrifood chains and a rural system (territories)). This approach to agriculture has already gained considerable acceptance in the countries and leads on to recognition of the fact that agricultural development requires a set of policy measures for which other institutions are responsible, institutions with which the ministries of agriculture must

interact. Policies that are important in agrifood chains include those governing safety, trade, financing and market access. In the case of territories, policies related to public works, health, safety and services must be taken into account.

The thematic areas on which the Institute's work will concentrate, based on the strategic objectives defined for cooperation, are summarized below.

a. Technological innovation

One of the biggest issues derived from the analysis of the context, and which can be seen clearly in the challenges facing agriculture, is the need to innovate, in all aspects and at all levels of agriculture. This includes the need to develop new plant varieties and animal species adapted to growing, heterogeneous and variable demands; develop and disseminate innovative technologies geared to the needs of businesses; strengthen extension systems, to make them efficient and capable of carrying the new technologies and varieties to producers, small-scale farmers in particular; protect intellectual property; and develop policies, strategies and new business models.

With that purpose in mind, IICA intends to support the institutional efforts of its Member States to increase and extend innovation in agriculture, in order to improve production, competitiveness and trade and thereby support food security and the development of the member countries.

b. Agricultural Health and Food Safety

The countries increasingly regard animal and plant health as a key factor in determining whether producers can balance costs and quality. However, the issue has become very complex, given the variety of ways in which it affects agriculture and its implications vis-à-vis methods of control and their environmental impact. Food safety has also become a requirement for accessing markets, involving processes like traceability, to identify and establish quality control mechanisms from primary production through to the consumer. Climate change, on the other hand, is making it increasingly difficult to manage health and safety issues in agrifood chains. Specialized government agencies, private sector organizations, producers and agroindustries all have to shoulder growing responsibilities in this area.

IICA will continue to assist the countries in the field of agricultural health and food safety, particularly with the development of policy instruments and modern, harmonized standards; the modernization of national services; the implementation of hemispheric and regional mechanisms for cooperation and information on the subject; the adoption by the

countries of international standards; and, the establishment of public-private collaboration mechanisms, as part of the collaboration with the specialized international agencies.

c. Agribusiness and trade

Agriculture is increasingly viewed as an economic activity, a business, which, regardless of its scale and social complexity, transcends primary production and is, therefore, a comprehensive system that responds to the demands of the markets and the requirements of consumers with an agrifood chain vision and strategies. Moreover, local, national and international markets are a key element for the success of agriculture. In recent years, many countries have placed great emphasis on two aspects of markets: efforts to open them up for freer trade, and the promotion of international markets over local ones. However, the recent food and financial crises have highlighted the need to promote more efficient and transparent local markets, as mechanisms for development. This will also make it possible to integrate large swathes of agricultural producers (and small-scale farmers in particular) that have not benefited from trade liberalization. Therefore, the countries need to reactivate the mechanisms for multilateral dialogue; fulfill the commitments assumed under the various trade agreements; and develop policies that will increase international trade in agricultural products and ensure that all social groups benefit from it.

To that end, IICA will assist the countries in developing the policies, institutional frameworks and capabilities required to create enabling environments for agribusinesses, as well as a new mindset and capabilities in producers, by strengthening their individual and collective capacity to supply markets and compete successfully. The Institute will also help its Member States to develop public policies, strategies and institutions for the promotion and development of more transparent and efficient local markets, and to develop mechanisms and tools that will reduce risks and permit small-scale producers to establish more links with markets. Moreover, it will help to develop strategies and strengthen the institutional framework for promoting international agricultural trade as a factor in development; and assist its member countries in developing capabilities that will enable them to better administer the trade agreements they sign and take greater advantage of them.

d. Management in rural territories

Agriculture determines what territories are used for and has an impact on the economic, social and cultural relationships of their inhabitants, thereby determining the contribution it can make to rural well-being and the sustainability of territories. Nevertheless, it is

clear that improving living conditions in rural territories is beyond the capabilities of the agricultural and agroindustrial sectors alone. Hence, the well-being of rural territories today calls for consistent, coordinated, multisectoral policies to promote the synergy and articulation of productive and social investments. Those coordinated policies must aim to create an enabling environment that facilitates access to the productive assets, inputs, technologies and knowledge needed to promote innovation processes in rural territories and the strengthening of family and small-scale agriculture and agribusinesses linked to local markets.

To address these needs, IICA will help to develop tools for assessing the true contribution that agriculture makes to rural territories, and to establish the intersectoral relationships among the public policies and tools that have an impact on territories, with a view to optimizing agriculture's contribution to the development of rural territories and thereby maximizing the social returns generated by agricultural activities. The Institute will also help the governments execute projects in rural territories and encourage the use of good social accountability practices, fair trade and other elements that foster harmony between production and rural communities.

e. Food security

The countries are implementing a wide range of actions to consolidate their food security, such as mechanisms that encourage food production, the generation of income and foreign exchange and the efficiency of markets. However, from a strictly agricultural standpoint - the importance of large-scale agricultural production notwithstanding - the countries also need to step up their efforts to develop and implement policies and strategies to boost small-scale agriculture's contribution to food security. The performance of this subsector must be improved to increase the supply of agricultural goods (availability of food). Small farmers also have to be integrated into value chains, so they have better access to food (by increasing their income and producing more food).

It is particularly important to recognize that agriculture can contribute to food security in different ways: to increase production and ensure a stable supply of quality food; to create better paying jobs; to generate foreign exchange resources to purchase those foods that cannot be produced locally; and to develop markets that operate free of distortions, which have their greatest impact on the most needy. In other words, it is important to consider the contribution of agriculture to food security with a broad vision.

Based on the above, IICA will support the efforts of its Member States to develop policies, strategies and institutional frameworks that will increase the contributions that agriculture - and especially the small-scale variety - makes to the food security of the

countries, in terms of both the national vision and the access of small-scale producers to the income they need to purchase foodstuffs and produce staple foods. IICA intends to contribute to the development of policies, strategies and capabilities designed to improve the production, productivity, value-added processes and access to input and product markets, to financing and to agricultural insurance.

f. Natural resources and climate change

Agriculture is regarded as an activity that is especially sensitive because of the many and diverse risks to which it is exposed. IICA's member countries have stated in many forums and in a variety of circumstances that they need strategies and tools to manage those risks, so their farmers can take the best possible decisions related to their production with some degree of confidence. Risk management in agriculture must focus on the different types of risk that producers or farmers face: natural risks, the risks inherent in product markets, financial risks, etc. Furthermore, the number of natural disasters around the world has increased in recent years and that trend is expected to continue in the future. There has also been an increase in the incidence of diseases and epidemics that spread rapidly across the globe and cause serious human and economic losses.

To address this situation, IICA will assist the institutions of the countries, especially the ministries of agriculture, with the development of public policies, the design and implementation of sectoral strategies, the use of policy tools and the provision of timely information, in order to reduce the uncertainties that producers face in their agricultural activities and to help them improve their productivity and competitiveness.

In its Medium-term Plans, IICA will establish mechanisms that will permit complementarity and synergy in the execution of its programs, based on the definition of the guidelines for its core areas for cooperation. In doing so, the Institute must take very much into account that this Strategic Plan stresses that technical cooperation and synergy are strategically important tools for contributing to the attainment of the objectives of development.

It is important to note that IICA must implement programs in thematic areas in which it is properly equipped to provide cooperation. This is undoubtedly one of the keys ways in which IICA must change. The experience of recent years has shown clearly that the Institute's tendency to provide support to the countries in too many areas is one of the reasons why it has not been able to develop excellence in any of them. Moreover, in several of those areas IICA not only did not possess the necessary capabilities but also failed to help other entities develop programs on those topics from which the countries could have benefited.

4.6 The types of cooperation IICA will provide

The complexity and scale of the challenges and opportunities facing the countries in agriculture today, the institutional framework governing IICA and the urgent need for the Institute to concentrate and focus its resources on those areas where it can have the biggest impact make it necessary to establish and specify clearly the priority technical cooperation actions that the Institute will offer the countries. Defined in this section are the spheres of activity on which IICA will focus to meet the needs of the countries. It is important to note that the Institute's contribution to the efforts of its member countries concentrates on what an international cooperation agency is supposed to do. Therefore, IICA's work is intended to complement, not replace, the activities of national institutions and other international organizations.

a. Design, analysis and evaluation of public policies and strategies

Within the member countries and at the hemispheric level, the national governments are directly responsible for addressing the challenges facing agriculture and the rural milieu and taking advantage of the opportunities that exist by developing and implementing public policies, including agricultural, rural and environmental sectoral policies. However, the latter take second place to macroeconomic policies, which have an impact on the entire economy and the many functions performed by agriculture and its positioning within the economic, social and political fabric of each country.

The countries have a responsibility to take decisions with regard to their macroeconomic policies that impact agriculture - such as policies on matters such as trade, fiscal and exchange rate policy, planning, decentralization, land management, etc. Therefore, IICA must be prepared to provide the ministries of agriculture with support in analyzing these policies, in increasing the influence of such policies on agriculture, and in finding a way to ensure they are given the attention they deserve. Added to these are public policies on specific sectoral issues, as part of the vision to promote the competitiveness and sustainability of the agricultural sector.

Therefore, the Institute must support the processes of devising, analyzing and evaluating public policies, strategies, approaches and intervention tools, actions that are carried out primarily via the public institutions of the countries.

b. Strengthening and modernization of public and private institutions

Changes in the context are constantly creating new challenges for agriculture, as well as opportunities for the sector to make a bigger contribution to the economy and to rural

well-being. Those changes involve transformations in the international, regional and national institutional framework. Agricultural institutions must make the adjustments required to enable them to tackle the new challenges and seize the opportunities. They must also enhance their management capabilities in order to be more efficient and effective and contribute more expertise and information to the sector.

Slowly but surely, the countries need to overhaul their agricultural institutions so they can offer more efficient and effective services. Those institutions include both the public entities responsible for the sector and those that provide services in the fields of health and safety, technology, irrigation and drainage, information, facilitation of business, etc. In all these areas, both public entities and those of the private sector must provide efficient and effective services.

Furthermore, it is necessary to strengthen the leadership and managerial capabilities of the entities responsible for policies, so they can modernize the delivery of their services, incorporate innovative processes and tools and improve access to relevant, up-to-date information. Agricultural public and private sector institutions also need overhauling, to enable them to generate the knowledge required for agriculture to be competitive, sustainable and inclusive, and to provide the services required to achieve that kind of agriculture.

The countries also need to strengthen the capacity of their institutional framework at the hemispheric and regional levels. This includes the forums of ministers of agriculture and those dealing with technology, health and other topics, through which the countries coordinate their policies.

IICA will continue to support the member countries as they endeavor to develop a systemic, modern and articulated institutional architecture for agriculture and the management of rural territories in each country. It will also promote any regional institutional frameworks that the countries believe they need and pledge to support. In particular, IICA will help generate and manage investment projects for institutional modernization.

c. Capacity creation and development

The dynamism and complexity of the global environment in which agriculture operates is spurring the rapid development of new expertise, information, technologies and tools, and calls for investment in the development of capabilities in every relevant and critical field. This process makes it necessary to develop and update the capabilities and knowledge of the human resources in the public and private sectors who are directly

responsible for the development of agriculture and rural territories, and institutional modernization.

It is also vital to develop the leadership capabilities of the key officials of national institutions, as well as those of young people and the leaders of producers' organizations and other public and private sectors groups related to agriculture and rural territories, so they can guide the modernization of their institutions and the updating of their personnel.

IICA will contribute to the development of expertise, technical capabilities and leadership in topics pertinent to the strategic objectives and technical cooperation in which it is best equipped to do so, in order to promote innovation in the agricultural sector and in rural territories, where such capabilities and knowledge have an impact.

d. Knowledge management for agriculture and rural well-being

In order to make the sector more competitive and sustainable and contribute to rural well-being, the countries must be at the forefront of knowledge and producers, specialists, scientists, business leaders, and leaders of sectoral organizations must have the know-how and information they need for sound decision making.

All knowledge that is a public good is the object of IICA's activities. Therefore, the Institute will generate and identify knowledge, innovations, experiences and best practices and share them with the countries. Existing mechanisms for sharing knowledge will be renovated and new ones will be created as needed to ensure it is available to as many people as possible involved in different types of agriculture. The mechanisms will make it possible to systematize, manage, exchange, transfer, disseminate and apply knowledge. To this end, partnerships will be formed with knowledge-generating institutions at the hemispheric level.

e. Support for the countries with specific issues and investment projects

Today's agriculture and the support that the countries are requesting and need present a wide range of opportunities for the implementation of agricultural and rural development projects, financed by the international financial institutions and other sources. Furthermore, the public sectors of some countries need assistance with specific or very important issues that other countries can provide.

IICA will support the countries with the design and management of investment projects aimed at promoting institutional modernization. It will also facilitate horizontal cooperation between countries in order to provide support to its Member States on issues

regarding which some countries have more capabilities and expertise that they are willing to share with others.

4.7 Concentration of efforts for the renewal of IICA

a. Recognition of the current situation in the Institute

As a public inter-American cooperation agency, IICA is responsible for meeting hemispheric demands in its areas of competence, with emphasis on the provision of international public goods that will help its Member States to solve the global, hemispheric or subregional problems they face.

In order to determine the Institute's current capacity for providing the countries of the Americas with support in meeting challenges and harnessing opportunities, it is necessary to analyze its competencies, strengths and weaknesses and, based on that analysis, to propose the necessary adjustments that will enable the Institute to pursue its mission from 2010 to 2020.

IICA is a well-known organization that has a broad hemispheric mandate and almost 70 years of experience in the provision of technical cooperation in the areas of technology and innovation for agriculture, agricultural health and food safety, agribusiness and agricultural trade, rural development and agricultural training. More recently, the Institute has become involved in the question of the relationship between agriculture and the environment, natural resources and climate change. In its desire to respond to new challenges in the countries, activities have been undertaken in biotechnology and biosafety, agroenergy, agrotourism, organic agriculture, rural agroindustry, agricultural insurance, rural development with a territorial approach, combating desertification and the comprehensive management of water resources.

One of the Institute's greatest strengths is that its governing body is the IABA, the inter-American forum of ministers of the agricultural sector. In addition, it has a wealth of knowledge and experience related to agriculture and rural development, valuable human capital, considerable assets and physical infrastructure and essential financial resources. IICA has also developed working networks and systems to manage knowledge and information that give it a considerable capacity to respond to the needs and demands of the Member States. The Institute has forged solid relations and partnerships with strategic international and regional organizations whose areas of competence complement its own. All these factors, and the close relationship that IICA maintains with the ministries of agriculture and other clients in the hemisphere, contribute to the countries' positive perception of the Institute.

However, although IICA has technical, administrative and support personnel, capabilities and basic economic resources, it has limitations that force it to undertake strategic reengineering exercises in order to carry out all the desired activities and meet growing and varied demands stemming from agriculture's complexity and the many functions that it performs. In the future, the Institute's priorities and stated objectives must be brought more into line with its actions at the hemispheric, regional and national levels.

In recognition of the fact that the programmatic framework of IICA is founded firmly on institutional processes legitimized, technically and legally, by its different governing bodies, in particular by the IABA and by the mandates issued within the framework of the Summit of the Americas process, the Strategic Plan proposes that IICA be strengthened in the following areas:

b. Renewal of capacities

The Institute will implement its own plan for the continuous improvement of its technical and administrative-managerial capabilities. To that end, a program will be established for human resources development based on in-service training, participation in professional networks, training overseas through scholarships, the participation of young professionals in technical assistance missions, etc.

The capacity building program will go hand in hand with post and salary reviews to increase IICA's capabilities.

c. Management through program-based networks

As it is primarily a knowledge institution, IICA will adopt a program-based structure that will consist of processes, actions, projects, financing and results, with results being the most important. A program exists when there are clear objectives, goals, expected results, action strategies and identifiable responsibilities.

Network-based management will lead to the expansion of IICA's capabilities. Capabilities and mechanisms will be created to make it possible to achieve the credibility and managerial capacity required to mobilize the networks that already exist in the region linked to IICA's agenda. Mindful of the fact that the knowledge society operates via formal and informal networks, the Institute views it as a challenge for international cooperation. Special emphasis will be placed on networking to address the increasing complexity of global problems.

IICA will link up with the networks with which it shares objectives. As an intergovernmental public organization, it will tap the enormous drawing power of networks composed of public or private institutions, nongovernmental organizations, research centers and universities, guilds or civil associations. These links will be based on action, sharing agendas and promoting the development of the networks themselves, in which the Institute's strategic objectives will be reflected. Networks are the management structures with greatest potential, as they make it possible to add resources and achieve critical mass on demanding issues, particularly those related to knowledge management.

d. Strengthening of management

The Institute's operational, financial and administrative complexity calls for the adoption of modern, technically solid management plans that make it possible to optimize resources and provide a streamlined, flexible, reliable and sound base to underpin technical actions. IICA will modernize its managerial tools based on modern management platforms, the professionalization of the administrative areas and the use of management information systems.

To deliver services of the highest quality and master the thematic aspects on which cooperation is based, IICA's personnel must be properly trained and motivated. Therefore, the Institute will formulate and implement a human resources policy under which its technical and administrative personnel will be classified according to their knowledge of thematic matters, apposite use of the tools for cooperation, mastery of information systems, efficiency in communication, efficacy in the delivery of services, administrative efficiency, etc.

e. Expansion of sources of financial resources for cooperation

To broaden the sources of international cooperation resources (cooperation funds from the developed countries and multilateral financial agencies) for the financing of the Institute's programs, projects and actions, at least two fields will be redefined.

IICA will work to become the technical partner of choice of regional financial institutions such as the IDB (a fellow member of the inter-American system), CAF, CABEI and the World Bank. To that end, it will strengthen its technical capabilities and its position as a spokesperson for governments, a technical mediator and interlocutor in processes for the formulation, management and implementation of projects, building in this way a partnership with international funding organizations.

The second aspect is the possibility of accessing the cooperation and international aid resources pledged by the developed countries. Assuming a structure of intergovernmental programs gives IICA the opportunity to promote proposals for strategic partnerships with countries and cooperation agencies, with a view to creating funds to finance processes, programs or projects to be implemented in the countries. The Institute will extrapolate its experience of national project management (strengthened through the administration of projects) at the international level, with the donor governments as its clients. This resource intermediation mechanism (with IICA acting as the intermediary between the donors and the governments that receive the assistance) will be a key underpinning of the Institute's action.

f. Strategic partnerships

The problems of institutional policies and capabilities in agriculture cannot be resolved by the governments based on the support received from a single international organization. Therefore, IICA will place special emphasis on cooperation with other international cooperation agencies. Such cooperation must lead to joint initiatives at the hemispheric, regional and national levels. Special care will be taken to build effective partnerships, especially for the mobilization and very effective use of cooperation resources.

Partnerships must be based on capabilities and the possibility of complementing the Institute's own. In this regard, and as has already been mentioned, special attention will be paid to relations with the multilateral banking system, in order to channel and make better use of more resources for investment in agriculture.

5. The Strategic Plan in Action

The context in which agriculture will have to operate (especially a scenario of instability and opportunities), the recent history of agriculture and the outlook for the sector and rural development, and the needs of the countries in the areas of policies and capacity building were the frame of reference used to draft this proposed 2010-2020 Strategic Plan.

One of the aspects to which most consideration has been given is the uncertainty of the scenario in which agriculture in the hemisphere will be operating. Therefore, one of the considerations on which this Strategic Plan focuses is the flexibility that the Institute must have to serve the countries in specific fields in which it specializes, making recourse to a number of cooperation tools that enable it to provide an expeditious, efficient response.

The Institute's response will be based on three aspects. Firstly, technical cooperation in the fields in which IICA will support the countries and, therefore, will gradually develop more capacity, in order to be recognized for its excellence. Secondly, the focusing of actions on specific fields (capacity to design and manage policies, institutional improvements and personal capabilities) and the effective use of its tools for cooperation, in order to be increasingly useful to the countries, to meet national needs as well as needs common to countries within a given region or the entire hemisphere. And thirdly, efficient management and the broadening and diversification of the sources of resources for cooperation.

This proposal, whose starting point was the guidelines provided in the Strategic Framework approved at the Fifteenth Regular Meeting of the IABA, held in October 2009, has been drafted via a process of consultations involving the Institute's own personnel and external experts with extensive knowledge of agriculture and the rural milieu in the Americas, and of IICA. This version of the Strategic Plan includes the recommendations offered by the members of the Special Advisory Committee for Management Issues (SACMI) at their meeting held in July of this year. The proposal is still in the process of development and, therefore, subject to further revision.

IICA attaches special importance to the planning process, but is fully aware that a better future is achieved one step at a time, with a clear vision of the objectives and the

attainment of goals. This document provides the frame of reference for the Medium-term Plans and provides guidelines for the Institute's activities.

The institutional modernization of IICA is no easy task, especially since the Institute is an organization that is required to address the extremely diverse needs of the countries and provide a complex array of hemispheric and regional public goods, which it must assess if it is to be useful to each country and to the hemisphere as a whole. Accordingly, this Strategic Plan will be converted into actions as the Institute's governing bodies endorse the process of change advocated in it.

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