



Thirty-ninth Regular Meeting of the Executive Committee

**Report of the 2019 Regular Meeting of the Special
Advisory Commission on Management Issues
(SACMI)**

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Introduction

Pursuant to the provisions of its statute and rules, the Special Advisory Commission on Management Issues (SACMI) was convened on 8 May 2019 at 8:35 a.m. (Costa Rica time) via videoconference, as required by Resolution No. 580 of the Executive Committee. Representatives from the following countries participated: Argentina, Brazil, Canada, Honduras, Jamaica, Mexico, the United States of America and Uruguay. Annex 1 includes a list of participants.

Message from the Director General

The Director General of the Inter-American Institute for Cooperation on Agriculture (IICA) welcomed the participants. He then instructed the Technical Secretary to outline the purpose of the SACMI, the topics included in the agenda, and the procedure for conducting the meeting.

Progress in the Institute's modernization process

The Director General presented a report on progress made during the 15 months of his administration, which had sought to reshape IICA through actions focusing on five areas: a) institutional strengthening, b) a process culture, c) resource mobilization, d) operation of the Institute as a knowledge management platform, and e) transformation of IICA into an institute with open doors.

On the matter of institutional strengthening, he discussed actions that were being taken to promote organizational change, most notable among which were the establishment of a leadership hub, initially comprised of 60 employees; the development of an annual performance map, to serve as the basis for evaluating employees; and the undertaking of an organizational climate and culture survey.

He then advised that the Institute had made significant headway in the integrated planning process taking place in its 35 Delegations, as well as in the regions and at Headquarters. He explained that a critical aspect of the process had been the strategic action plans, which were devised through a process of participation, focusing on achieving results in seven areas: a) efficiency and effectiveness in administration and operations, b) procurement of external resources, c) opportunities for participation in regional or multi-country projects, d) opportunities for horizontal cooperation, e) the Institute's image and positioning in terms of technical cooperation, f) involvement in and forging of strategic partnerships with the public and private sectors, and g) the strengthening of collaborative efforts within IICA. He commented that results were monitored using the Business Intelligence tool, enabling IICA to work in an integrated manner to achieve the mandates of its Member States.

He pointed out that one of the main actions pursued since the start of his administration had been to transform the Institute by introducing a process culture. He highlighted gains achieved as a result of an institutional process study, which sought to strengthen technical cooperation through integrated project management and the rationalization of administrative processes. Moreover, he remarked that process integration would add value to the substantive role of the institution, which

was to provide technical cooperation, and went on to mention that these processes would be automated in subsequent stages, enabling remote work via mobile devices and timely decision making.

In reference to resource mobilization, the Director General advised that a voluntary separation program had been instituted last year, generating savings of USD 1.6 million, which had been used to bolster the Institutional Pre-Investment Fund for the Management of External Funding Opportunities (FonPRI). He indicated that the purpose of the fund was to promote intelligent use of seed capital and to strengthen the Institute's project portfolio.

He then listed other measures that IICA had introduced to rationalize and mobilize resources, most noteworthy of which were: a) a USD 700,000 per year reduction in travel expenditure; b) promotion of a paperless culture through the use of electronic systems, which had slashed paper consumption by 60% - equivalent to 5 tons per year; c) reduction of the fleet of vehicles throughout the hemisphere; and d) reduction of the amount paid for rental of offices in the countries. He pointed out that all of these measures had focused on saving resources, in order to redirect them into providing technical cooperation – the primary mandate of the Institute.

Regarding IICA's role as a knowledge management platform, as proposed in the 2018-2022 Medium-term Plan (MTP), he indicated that the Institute had made headway in implementing a technical cooperation model, which sought to expand technical expertise through joint work with universities, research centers, innovation institutes, the private sector and national institutions, among others. He explained that the information and knowledge generated within the Institute had been integrated, updated and made available to the Member States through the Workspace tool, thereby facilitating their decision making.

The Director General went on to remark that these efforts had bolstered the new technical cooperation model defined in the MTP, which focuses on five programs—a) Bioeconomy and Production Development; b) Territorial Development and Family Farming; c) International Trade and Regional Integration; d) Climate Change, Natural Resources and Management of Production Risks; and e) Agricultural Health, Safety and Food Quality—and on two cross-cutting issues: Gender and Youth, as well as Innovation and Technology.

He indicated that IICA's efforts to comply with Resolution No. 501 of the Inter-American Board of Agriculture (IABA), entitled "Institutional Process for the Formulation and Presentation of Proposals for the Financial Strengthening and Strategic Restructuring of the Institute," were seeking to create a more horizontal, flexible and less bureaucratic institution, which offered better and more effective solutions to its Member States.

He expressed his resolve to promote IICA as an institution with open doors, and one which would foster collaborative work, a commitment to the environment, the forging of public and private strategic partnerships, technological development in support of rural territories, and linkages with the community, both at Headquarters and in the country Delegations. One significant achievement was the awarding of the highest recognition of the Blue Flag Ecological Program to Headquarters and to the Brazil and Colombia Delegations. He revealed that six other Delegations were

undergoing the accreditation process for this program and that the aim was to transform IICA into a carbon neutral institution.

He then outlined progress made in establishing private sector partnerships, most notably, with the following institutions: a) Microsoft, to create an interactive platform of agricultural videos and a virtual museum of tomorrow's agriculture; b) Bayer, to offer a course on good practices to 100,000 beneficiaries in Brazil; c) Global Hits, to develop projects on connectivity in rural areas, first in Argentina and Brazil, and subsequently in other countries in the hemisphere; and d) Costa Rica's Superintendency of Telecommunications (SUTEL) and Ministry of Science, Technology and Telecommunications (MICITT), to develop the "*Fab-lab* project for agriculture" in IICA's Costa Rica Delegation.

The Director General concluded by mentioning two other initiatives in support of IICA's efforts to become an institution with open doors: a) the creation of a Plaza of Agriculture in the Americas, which he was aiming to establish through private funding; and b) the introduction of a program to reinforce IICA's link with the community, through employee participation in community service activities.

Analysis and comments

The representative of Argentina congratulated the Director General on his presentation. He remarked that he welcomed the e-agriculture platform, as a mechanism that would increase farmers' access to technology. He thanked IICA for the support that it had always provided to his country and agreed with the proposals outlined by the Director General in his presentation.

The representative of Honduras commended the Director General, having observed that a new way of thinking and operating had produced positive changes in the Institute, which would be necessary in order to develop the agrifood sector.

The representative of Mexico expressed her country's willingness to offer ongoing support to IICA. She remarked that it was important that the Administration continue to streamline institutional processes, while channeling more resources towards technical cooperation. She also commented on the importance of the Institute's efforts in the area of climate change and rural migration, given the relevance of both issues to the political agendas of the countries. Finally, she mentioned the need to increase IICA's visibility, in order to inspire greater confidence.

The representative of Uruguay acknowledged the major strides that the current Administration of the Institute had made in just a short time. He agreed on the need to reduce costs, improve the image and positioning of the Institute, and to strengthen IICA's technical cooperation model.

The representative of Brazil expressed satisfaction with the work that the Administration had undertaken, particularly with respect to accomplishments in organizational matters, the streamlining of processes, and the forging of relationships with other sectors.

The representative of Canada expressed support for the Administration's actions to strengthen technical capacities. He commended efforts to improve the efficiency of travel administration and the hiring of consultants, as well as to increase partnerships with the private sector, which would provide several opportunities to leverage financial resources. He highlighted initiatives mentioned by the Director General with respect to transforming IICA into an institution with open doors, such as the Museum of Tomorrow's Agriculture.

The representative of Jamaica welcomed the initiatives of the Director General, which he felt would be of benefit to the countries. He expressed appreciation for the importance placed on the issue of climate change, given the risks faced by the region and his country with respect to natural events.

The representative of the United States of America reaffirmed his country's commitment to the Institute, recognizing its importance to the agriculture sector in the hemisphere, particularly in terms of boosting innovation capacities. He requested greater detail on the proposals related to quotas and the Program Budget, which would be presented in the upcoming meetings of the Executive Committee and IABA. He congratulated the Director General for adopting a progressive approach to management and for promoting evidence-based decision making.

The Director General thanked the delegates for their input. He highlighted the importance of the agreements signed with private-sector institutions, such as the one with Bayer, which had provided 100,000 Brazilian producers with training in good agricultural practices, beekeeping and technological innovation.

The Deputy Director General provided further information on the agreement signed with Bayer in Berlin, Germany, which focused on training producers, strengthening partnerships with supermarket groups, as well as executing collaborative actions related to the genetic improvement of seeds and the management of agricultural waste and agrochemical levels, among other topics.

The Director General noted that his Administration had placed great emphasis on delivering technology- and science-based technical cooperation to the agriculture and rural sectors of the hemisphere. As an example, he mentioned the project that the Institute was implementing together with the Government of Dominica, with the aim of establishing a Global Center for Resilient Agriculture that would disseminate experiences and technologies related to climate-smart agriculture.

2020-2021 Draft Program Budget

The Director of Corporate Services listed the main criteria used to prepare the Program Budget for the 2020-2021 biennium: a) the Program Budget was aligned with institutional strategic planning and the 2018-2022 MTP; b) the Regular Fund was financed by Member State quotas and miscellaneous income generated; c) IICA's quota scale was based on the percentage structure approved by the Organization of American States (OAS) for 2020 and 2021; and d) there had been a 28.57% reduction (USD 1,000,000) in miscellaneous income compared to the amount in 2019, which was USD 3,500,000.

He noted that the income budget for the 2020-2021 biennium was USD 32,074,100, made up of USD 29,574,100 from quotas and USD 2,500,000 from miscellaneous resources. He then indicated that the percentage of resources of the Regular Fund allocated to each of the budget chapters were as follows: a) Direct technical cooperation services: 90.0%; b) Management costs: 5.7%; c) General costs and provisions: 3.7%; and d) Renewal of infrastructure and equipment: 0.6%. He added that the expenditure budget would be presented in detail by programming center and by object of expenditure at the next meeting of the Executive Committee, in accordance with the corresponding regulations.

Analysis and comments

The representative of Mexico was in agreement with the information presented. She asked that the document that would be presented at the upcoming Executive Committee meeting include a more detailed breakdown of the expenditure budget. She also expressed an interest in receiving more information on the execution of the 2018 budget.

The representative of Canada inquired whether the USD 1,000,000 reduction in miscellaneous income represented a trend that would be expected to continue over the next few years. He also requested clarification regarding whether IICA's quota scale percentages would vary in 2020 and 2021, as established by the OAS.

The Representative of Brazil announced that the Minister of Agriculture was defining a series of priority projects that could serve as the foundation for the cooperation agenda with the Institute.

The representative of the United States of America underscored the significance of the opinion issued by the external auditors following their review of IICA's financial statements. He requested that a more detailed breakdown of the expenditure budget be provided during the upcoming Executive Committee meeting.

In response, the Director of Corporate Services informed the Commission that the working document on the 2020-2021 Program Budget, which would be analyzed at the upcoming meeting of the Executive Committee, would present the budgetary breakdown in greater detail, as usual. He noted that IICA's quota amounts for the biennium under review were established based on the OAS quota scale, pursuant to the provisions of the Convention on the Institute. He also informed the delegates of Mexico that they would receive the report on the execution of the 2018 budget.

Report on the collection of quotas

The Financial Manager presented the report on the collection of Member State quotas, corresponding to the end of 2018 and the current year, which had been updated on 8 May 2019. She made reference to Article 23 of the Convention on IICA and Resolution No. 414 of the IABA, "Revised Measures for Collecting Quotas Owed to the Institute," which indicate that Member States shall contribute to the maintenance of the Institute through annual quotas established by the IABA, in accordance with the OAS system for calculating quotas.

She indicated that, as of 31 December 2018, USD 27.6 million had been collected, representing 93.81% of the annual quota budget. She stated that as of 8 May 2019, 22 countries were up to date, 9 were under regular status (owing no more than two years of quotas), and 3 were in arrears (owing more than two years of quotas). She mentioned that USD 29.6 million would be required to fund the 2019 Program Budget, of which USD 15 million had already been received.

She clarified that Resolution No. 414 of the IABA establishes that quotas for the current year become past due if not paid by June 30 of the year, the period considered reasonable to make payment of annual quotas that fall due as of January 1 of the given year. Lastly, she thanked the Member States for the quotas received and requested their support in complying with their quota commitments, which are critical to enabling the Institute to carry out its work plan.

Analysis and comments

The representative of Argentina acknowledged IICA's efforts and stated that the country would continue to make payments in order to comply with its financial commitments to the Institute.

The representative of Brazil stated that, despite the economic difficulties his country was facing, conversations had been held with the Minister of the Economy, with a view to meeting payment obligations to the Institute.

The representatives of Mexico, Canada and the United States of America underscored the importance of all Member States complying with their quota payments. They encouraged the countries that were in arrears to boost efforts to bring themselves up to date with their quota obligations.

The Director General expressed his appreciation to the countries that had paid their quotas, particularly Mexico and Brazil for their payment of overdue quotas, which had had a very positive impact on the Institute's operations.

Other matters

The Technical Secretary noted that he had not received any request from the countries to incorporate additional agenda items; therefore, he asked whether the SACMI members had any such request.

The representative of Canada underscored the importance of remaining up to date with quota payments, in light of the upcoming meetings of the Executive Committee and the IABA. He expressed his country's interest in incorporating the preparation of a joint plan between IICA and the Tropical Agricultural Research and Higher Education Center (CATIE) as an agenda item for the Executive Committee meeting. He noted that in 2019, the agreement between both institutions would be renewed for an additional 20-year period. Thus, given the Institute's annual investment of USD 1 million in CATIE, it would be advisable to justify the renewal of the agreement during the upcoming meetings.

The Director General announced that a proposal would be presented during the next meeting of the Executive Committee in order to address the request made by the IABA via Resolution No. 507, entitled “Report on the Results of the IICA-CATIE Program of Joint Action and Extension of the Contract between the Government of the Republic of Costa Rica and the Inter-American Institute for Cooperation on Agriculture on the Tropical Agriculture Research and Higher Education Center.” He added that IICA, CATIE and the Government of Costa Rica had jointly prepared the proposal, in order to issue recommendations that would enable both institutions to conduct work in a synergistic manner in various areas and in accordance with their individual mandates.

The representative of Argentina reflected on the fact that, in international forums related to climate change, countries were evaluated using methodologies traditionally applied in production processes. She added that the countries would greatly appreciate the Institute’s assistance in collecting information on alternative methodologies for these processes.

The Director General announced that the Secretariat of Agroindustry of Argentina, the Group of Producing Countries from the Southern Cone (GPS) and IICA would hold a seminar on July 4 in Buenos Aires, with the aim of analyzing the production systems utilized by countries in the Southern Region, as well as sharing information on low-emission initiatives that those countries were implementing.

The representative of the United States of America asked that the relationship between IICA and CATIE be included on the agenda of the upcoming Executive Committee and IABA meetings, in order to discuss ways to strengthen the relationship. He underscored the importance of developing more partnerships with IICA and of digitalizing agriculture with a view to the future.

The Director General assured the Commission that the relationship between IICA and CATIE would be one of the topics on the agenda of the Executive Committee meeting. The main topics to be addressed at the IABA meeting, such as the digitalization of agriculture, agricultural health, food safety and the interaction between sustainability and productivity, especially in sustainable agricultural businesses, would also be discussed by the Executive Committee.

With respect to partnerships, the Director General noted that the Institute fostered the strengthening of relationships with the private production sector and with academia. As examples, he cited the agreements signed with Mexican universities within the framework of the scholarship program implemented with the National Council on Science and Technology of Mexico (CONACYT), as well as the agreements signed with Iowa State University and private companies like Coca-Cola México and Subway.

Close of the session

The Director General thanked the Member States for their support as well as their commitment to the Institute. He reiterated that the roadmap they had jointly developed would transform IICA into a renewed institution capable of successfully facing the region’s changing, volatile climate.

At 11:10 a.m. in Costa Rica, on 8 May 2019, having completed the analysis and discussion of the items proposed, the Director General thanked the members of the SACMI for their participation and declared the meeting closed.

Annex No. 1
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