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BRIEFING PAPER FOR MEETING OF THE
CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

December 3, 1971

Table of Contents

	<u>Page</u>
Introduction	1
Agenda Item	
1. Adoption of Agenda	2
2. Presentation of Recommendations by TAC	2
3. Discussion and Statements of Intention Regarding Financing for 1972 of the Programs Recommended by TAC	
a. CIAT	2
b. CIMMYT	5
c. IITA	7
d. IRRI	9
e. Animal Disease Laboratory	11
f. ICRISAT (Semi-arid Tropics)	13
g. Potato Center	15
 Annex I - Asian Vegetable Research and Development Center	
Annex II - Statement on Africa Livestock Program	

D R A F T



Briefing Paper for Meeting of the
Consultative Group on International Agricultural Research

December 3, 1971

Introduction

This will be the second formal meeting of the Consultative Group (CG).

The first meeting, held in May 1971, was mainly organizational in nature with the IBRD, UNDP and FAO as tripartite sponsors. At this first meeting, attended by 24 delegations from countries, international organizations and private foundations, the delegations made known their tentative intentions in support of international research. The Technical Advisory Committee (TAC) was named, organizational structures were agreed upon and a proposed agenda for the first TAC meeting was submitted. Early December 1971 was tentatively selected as a date for this, the second CG meeting. Since that time, the TAC has met twice in Rome. Dr. Omer Kelley, TA/AGR, attended both meetings and Mr. John Cooper, AFR/TAC, attended the second meeting with Dr. Kelley.

Provisional Agenda

TA/AGR comments on items in the Provisional Agenda, submitted by the IBRD on November 1st, are as follows:

1. Adoption of the Agenda - No comments.
2. Presentation of the Recommendations of the Technical Advisory Committee (TAC) by the Chairman of the Committee - No comments.
3. Discussion and Statements of Intention regarding Financing for 1972 of the Programs recommended by TAC:

Note:

At this point the TAC recommendations for programs and 1972 budgets for four established International Centers (CIAT, CIMMYT, IITA and IRRI) and three new Centers will be proposed. TA/AGR recommends that the four established Centers be given first priority for funds before commitments for new Centers are made, although TA/AGR favors the establishment of the new Centers if funding is adequate.

a. International Center for Tropical Agriculture (CIAT)

1. Problem - 1972 finances in \$ millions

	<u>Needs</u>	<u>Available</u>	<u>Shortfall</u>
Core Budget	2.8	2.8	0.0
Special Projects	0.4	0.33	0.07
Capital Budget	0.6*	0.00	0.6
	<u>3.8</u>	<u>3.13</u>	<u>0.67</u>

* Not complete. A review of cost of construction increases will probably elevate these figures.

Available funds for 1972 core budget requirement of \$2.8 million are:

Ford Foundation	\$0.72
Rockefeller Foundation	0.72
A.I.D.	0.72
Kellogg Foundation	0.20
CIDA (Canada)	0.30
The Netherlands	0.12
Special income	<u>0.04</u>
	2.82

Available funds for 1972 special projects budget requirement of \$0.4 million are:

Enrollment Fees (A.I.D., IDB and others)	0.220
IDB	0.020
Kellogg Foundation	0.030
Crop Sales	<u>0.055</u>
	.325

Available funds for 1972 capital budget are about \$600,000 short.

Capital funds made available in prior years were:

Rockefeller Foundation	2.8
Kellogg Foundation	<u>1.2</u>
	4.0

By July 1972, capital funds

committed or spent were	<u>4.6</u>
	-0.6

Five-Year Projections of Core Budget

<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
2.829	3.000	3.180	3.370	3.570

These figures will rise if program for field beans and soybeans is added.

2. Background

CIAT is a relatively young Center that is oriented towards multiple problems of tropical and subtropical zones. It is not one- or two-crop oriented as is IRRI and CIMMYT. CIAT is developing facilities and staff rapidly and new projects may be added. Some concern has been expressed that this Center could easily become over-extended if too many new facets are added to its program.

3. Recommendations

That funds be found to cover the relatively small amounts required to complete the CIAT budget. The founding sponsors will probably cover the remaining capital budget deficits.

That the field bean and soybean projects be financed if proposed by TAC.

b. International Maize and Wheat Improvement Center (CIMMYT)

1. Problem - 1972 finances in \$ millions

	<u>Needs</u>	<u>Available</u>	<u>Shortfall</u>
Core budget	3.7	2.63	1.07
Special Projects	2.0	2.00	0.00
Capital Budget	1.3	0.00	1.30
	<u>7.0</u>	<u>4.63</u>	<u>2.37</u>

Available funds for 1972 core budget requirement of \$3.7 are:

Balance from 1971	0.03
Ford Foundation	0.75
Rockefeller Foundation	0.75
A.I.D.	0.75
Special Income	0.30
	<u>2.63</u>

This leaves a core deficit of \$1.07.

Available funds for 1972 special projects budget requirement of \$2.0 are:

UNDP	0.620
Ford Foundation	0.551
CIDA (Canada)	0.448
Rockefeller Foundation	0.220
A.I.D.	0.157
IDB	0.100
	<u>2.096</u>

No capital budget funds have been made available for 1972.

This leaves a capital deficit of \$1.30.

Five-year projections of core budget:

<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
3.7	4.2	4.5	4.8	5.1

2. Background

CIMMYT is one of the oldest of the four established research centers and in addition to its fame for new wheat and corn varieties it has been carrying on some research in triticales, sorghum and potatoes. The potato work is being transferred to the new potato center in Peru which is described below. CIMMYT's new research facilities at El Batan near Chapingo, Mexico have just been completed except for greenhouses, equipment, some sub-station buildings and some more land yet to be purchased.

3. Recommendations

That funding be made available to make up CIMMYT's deficit in core and capital budgets. A.I.D.'s contribution to the core budget could be increased from \$0.75 to \$0.925 or even to \$0.1 and still be within our resource allocation if further funding is not forthcoming. There may be a proposal to put the triticales

budget of \$0.448 into the core budget. TA/AGR does not favor this move as this part has been funded by CIDA as a special project.

c. International Institute for Tropical Agriculture (IITA)

1. Problem - 1972 finances in \$ millions

	<u>Needs</u>	<u>Available</u>	<u>Shortfall</u>
Core budget	3.30	3.40	+ 0.1
Special Projects	0.0	0.0	0.0
Capital Budget	<u>0.97</u>	<u>0.0</u>	<u>0.97</u>
	4.27	3.40	0.87

Available funds for 1972 core budget requirement of \$3.30 are:

Ford Foundation	0.750
Rockefeller Foundation	0.750
A.I.D.	0.750
CIDA	0.746
ODA (U.K.)	0.228
The Netherlands	0.125
Special Income	<u>0.050</u>
	3.399

This leaves a core surplus of about \$0.10 that could be utilized in the capital budget.

No funds for the 1972 capital needs are in sight as yet, so financing is being sought for the \$0.87 deficit. This is primarily a building cost overrun.

Also, a new germ plasm exploration project has been proposed and some new training and conference facilities that have an additional capital requirement of \$0.625. This too is being sought.

Five-Year Projections of Core Budget

<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
3.3	3.73	4.18	4.72	5.1

2. Background

IITA is a young Center, like CIAT, and is also developing rapidly. It, also like CIAT, is oriented to the problems of an ecological zone instead of to one or two crops like CIMMYT and IRRI. This is another Center that could easily over-extend its activities, as the problems are many and the temptation great to tackle as many as possible simultaneously.

Primary efforts will be on:

Tropical farming systems to replace bush fallow

Grain crops - corn, rice

Legumes - cowpeas, soybeans (possibly pigeon peas and/or lima beans), peanuts and chickpeas

Root crops - yams, sweet potatoes, cassava

Tropical livestock

3. Recommendations

That funding be found for the deficits in the IITA budget which,

if the founding organizations accept responsibility for, as expected, will amount to about \$0.625 if the new facilities requested are approved.

d. International Rice Research Institute (IRRI)

1. Problem - 1972 financing in \$ millions

	<u>Need</u>	<u>Available</u>	<u>Shortfall</u>
Core Budget	2.57	2.73	+ 0.16
Special Projects	0.66	0.66	0.00
Capital Budget	0.36	0.00	0.36
	<u>3.59</u>	<u>3.39</u>	<u>0.20</u>

Applying the \$0.16 core budget surplus to the \$0.36 capital budget shortfall, leaves a deficit of \$0.20 which may be covered by a CIDA grant.

Available funds for the 1972 core budget requirement of \$2.57 million are as follows:

Ford Foundation	0.75
Rockefeller Foundation	0.75
A.I.D.	0.75
ODA	.36
Special Income	.12
	<u>2.73</u>

Available funds for 1972 Special Projects budget requirement of \$0.66 million are:

Ford Foundation	0.43
Rockefeller Foundation	0.03
A.I.D.	<u>0.20</u>
	0.66

Available funds for 1972 Capital Budget requirements of \$0.36 million are a surplus of \$0.16 million in the core budget as noted above. Funds to cover the resulting deficit of \$0.20 million may be from a CIDA grant to the IRRI core budget.

Five-Year Projections of Core Budget

<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
2.6	2.7	2.9	3.1	3.3

2. Background

IRRI in the Philippines is, along with CIMMYT, one of the well established and highly productive international research institutes. About 15 varieties originating at IRRI are now in use throughout the world and another 15 are the result of crossing onto IRRI varieties and have been released in other countries under local names.

Breeding continues, with strong emphasis on disease and insect resistance. The new IR-24 is a long step forward in this direction with further improvement in prospect.

New work is now giving strong emphasis to farmers' problems in trying to utilize the new technology.

3. Recommendations

That this research institute be adequately supported in its new thrusts, costs of which are not yet well delineated. A move by IRRI into the area of upland (non-irrigated) rice may be forthcoming. If so, then additional funds will be required.

e. Animal Disease Laboratory

This Laboratory is one part of a broader network proposal that would include research work on livestock production, including animal husbandry, range management, pasture development, forage crop production, marketing, social factors and effects of livestock in long-term crop rotation systems.

While initial studies by the Rockefeller Foundation and others indicated that this broader approach was the correct one, work on the Livestock Disease part has moved ahead more rapidly. It now seems likely that the TAC will recommend funding only the Animal Disease Laboratory at this time. Since, however, the TAC has agreed that the total package is the proper approach, TA/AGR feels that A.I.D. should encourage the CG to move ahead with funding the entire livestock package.

1. Problem - 1972 finances in \$ millions

Definitive figures have not been worked out, but estimates indicate that the two parts of the International Livestock Institute;

i.e., the Production Center in Nigeria and the Disease Center in Kenya, would each require about \$3.5 million in capital costs and about equal operating budgets starting at \$0.50 million the first year and increasing to about \$1.50 annually by the end of five years.

The Institute budget for 1972 (including both Centers) would be approximately as follows:

	<u>Needs</u>	<u>Available</u>	<u>Shortfall</u>
Core Budget	1.00	1.00	0.00
Special Projects	0.00	0.00	0.00
Capital Budget	0.65	0.00	0.65
	<u>1.65</u>	<u>1.00</u>	<u>0.65</u>

Available funds for 1972 core budget requirements of \$1.0 million are:

Rockefeller Foundation	0.50
A.I.D. (Africa Bureau)	<u>0.50</u>
	<u>1.00</u>

Funds for the initial capital budget requirement of \$0.65 are not yet in sight.

2. Background

A task force organized by Dr. John Pino of the Rockefeller Foundation, has surveyed the ecological zones in Africa that encompass the main potential for livestock production, the existing research facilities in these zones and ongoing research activities. Conclusions were that

an International Research Institute should be established, that existing facilities should be utilized to the fullest extent possible and that the research should cover all aspects of an integrated production system as well as livestock diseases.

There are some problems of emphasis and structure. The French do not want to sacrifice their position as principal advisors to French-speaking African countries to an international group, but all agree basically, as does the TAC, that both production and health phases should be accorded strong emphasis. The Africa Bureau of A.I.D. is the only A.I.D. Regional Bureau with strong livestock interests.

3. Recommendations

A.I.D. (TAB and Africa Bureau) supports the idea of attempting to finance the whole Livestock Institute rather than the Animal Health Laboratory alone.

2. International Crops Research Institute for the Semi-arid Tropics (ICRISAT)

The dry lands or unirrigated semi-arid zones of the tropics constitute very large areas where crop yields are low and uncertain. A TAC team has recommended a new institute modeled after IRRI, located hopefully in India to do research on a few major crops and on farming systems.

1. Problem - Financing requirements in \$ millions

Core budget figures will probably reach \$3.0 million in five years, starting with \$0.5 the first year.

Capital expenditures will probably reach \$12.0 million by the time construction, equipment installation, etc., are completed.

2. Background

This new research institute will carry out intensive research on sorghums, millets, pigeon peas and chickpeas (also a few other crops that may be important in crop rotations) and on new cropping patterns and improved farming systems, optimizing the use of land and labor.

If the details can be satisfactorily worked out, the Institute will be located in India, but satisfactory sites in Africa are a possibility. Staffing and programming will follow, with suitable modifications, the pattern of IRRI.

There was a suggestion that this institute concentrate on basic research in plant physiology and cytogenetics, but such work could more readily and cheaply be done at an established university. What is required is a practical field program, as described in the TAC proposal, and outlined by Dr. Lewis Roberts of the Rockefeller Foundation.

The TAC gives this institute high priority and the A.I.D. commitment of 25 percent of core and capital costs will apply.

3. Recommendations

That the U.S. Delegation support this proposal and commit funds for a start up in 1972.

g. International Potato Center

In 1967, under an A.I.D. contract, a strong potato program emerged in Peru due largely to efforts of the University of North Carolina, the USAID Peru, the Rockefeller Foundation Potato Project in Mexico and several Peruvian institutions. The Government of Peru formally created the International Potato Center by Presidential Decree.

This potato program is well underway and active; potato acreage is expanding rapidly in the LDC's of Asia and Africa, as well as Latin America; Peru is the center of wild potato germ plasm; the crop has wide adaptability to climate and soils, and the potato is a strong calorie and well-balanced protein producer. For these reasons such a potato center, as envisioned in this proposal, based upon the Peru experience, is of great interest on an international basis.

1. Problem - 1972 financing in \$ millions

	<u>Needs</u>	<u>Available</u>	<u>Shortfall</u>
Core Budget	0.238	0.082	0.156
Outreach	0.155	0.080	0.075
Linkages	0.393	0.315	0.078
Capital	0.050	0.000	0.050
	<u>0.836</u>	<u>0.477</u>	<u>0.358</u>

Available funds for the 1972 core budget requirement of \$0.238 are:

A.I.D.	0.32
Rockefeller Foundation	<u>0.50</u>
	0.82

Available funds for the outreach requirement of \$0.155 are:

Rockefeller Foundation	\$0.080
------------------------	---------

Available funds for the linkages budget requirements of \$0.393 are:

Netherlands	0.180
Germany	0.120
U. K.	0.015

Total deficit is \$0.358 million.

Five-year projections on total budget:

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Core	0.238	0.423	0.507	0.520	0.541
Outreach	0.155	0.185	0.235	0.235	0.235
Linkage	0.393	0.571	0.690	0.740	0.740
Capital	0.050	0.040	0.030	0.030	0.050
	<u>0.836</u>	<u>1.219</u>	<u>1.462</u>	<u>1.525</u>	<u>1.566</u>

2. Background

Potato breeding programs all over the world have been hindered by a lack of a dependable source of germ plasm of known background and performance characteristics. Many collections of wild germ plasm have been made, none complete, by collectors and breeders - mainly from developed countries. These collections have not been maintained due partly to the fact that many of the ecotypes could not be successfully reproduced in the area where the breeder

was working and partly due to the breeder not being prepared to perpetuate any but the ecotypes of immediate interest.

The Center will attempt to:

Collect all available germ plasm.

Maintain the genetic variability for use by breeders.

Utilization of the material in breeding for disease, insect, cold resistance - nutritive quality and quantity - processing methods and tropical adaptation.

Training

Developed countries will strongly benefit from this Center.

3. Recommendations

That this Center be supported by the CG and that this support not be delayed pending a new proposal that more closely follows the style of budgets for other Institutes.

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ACTION MEMORANDUM FOR THE ADMINISTRATOR

THRU: EXSEC

FROM: AA/TA, Joel Bernstein

SUBJECT: December 3-- Meeting of Consultative Group on International
Agricultural Research

Problem: To establish position, to be taken by U.S. representative at the subject meeting, on further AID financing for international agricultural research institutes.

Discussion: Since the first meeting of the Consultative Group, May 9, its Technical Advisory Committee has met twice in Rome to consider what further support for international agricultural research institutes to recommend for consideration at the second CG meeting of December 3-4, based on its own investigations and discussions with involved parties and some studies done for it. The TAC is chaired by Sir John Crawford of Australia, half of its 12 members are from LDCs, and the American member is Dr. Harrar: it is a group of experts, not representatives of countries or organizations.

The principal TAC recommendations are:

- continuing support for the four existing centers, at rising budget levels (See Table A, Attachment 1);
- starting a new livestock disease center in East Africa in 1972, plus further studies prior to recommending on a proposed companion animal production center in West Africa;
- starting a new institute in India for research on rainfed crops and farming systems in the semi-arid tropics, with particular stress on sorghums, millets and food legumes;
- supporting the transition, already begun, of an existing potato research center in Peru into an international center.

In addition, the TAC recommended further developmental work on proposals for:

- a world network of genetic resource centers ("gene pools"),
- research on food legumes,
- a computerized agricultural research information system,

- research on water use and management,
- research on socio-economic problems,
- vegetable production in South-East Asia (i.e., further support for the Taiwan center).

Also, it deferred consideration of livestock production in South-East Asia, protein production in Latin America, and aquaculture.

The December 3-4 Agenda (Attachment 3) focusses on the means of financing on-going and proposed new institute programs. Expression of members' interests and intentions is being solicited, particularly for 1972 budgets but also for the longer term.

The 1972-76 financing requirements estimated for the four existing centers plus the three new ones recommended by TAC are shown in Table A. They indicate that by 1974 AID is likely to reach the \$7 million financing level that we had indicated in our January 1971 statement to the organizing meeting for the CG, if we are financing then the full $\frac{1}{4}$ of costs that we had also indicated as our intent, subject to appropriate caveats.* This means that the concerned Bureaus will need to concert their views on where we go from here in the course of our FY 1974 budgeting work, seeking further guidance from you at that time, unless it appears by then that a \$7 million or greater requirement will not arise until after 1974.

For 1972, current AID funding intentions for the existing centers, plus IBRD estimates of firm financing commitments from other non-IBRD sources add up to \$12.6-12.8 million, against the estimated \$16.5 million requirement in Table A. Additional financing for the balance or other requirements not listed (e.g., CIAT or other capital costs) is in sight from:

- U.S. partial support for the proposed new centers;

*Actual January 1971 statement authorized and delivered January 14 was:

"A.I.D. is prepared in principle to provide up to 25% of the additional capital and future operating costs of the existing institutes and the two new institutes proposed (up to a maximum total contribution of \$7 million in any one year), provided that the remaining 75% is forthcoming from other sources. Specific pledges would, of course, be for individual institutes subject to our review and approval of fully developed proposals for each and to the provision by the Congress of adequate funds. The U.S. is convinced that the success of existing institutes has depended in large part on the effectiveness of the management supplied by the Foundations and our pledge is based on the assumption that additional institutes will be assured of management of comparable efficiency."

It was generally understood that the U.S. intent was to finance $\frac{1}{4}$ of center costs, if needed, subject to the stated caveats.

- probable new expressions of support on September 3 from Germany, Belgium, Sweden and Denmark and possibly some small increases in support previously indicated by the UK, Netherlands and Canada;
- IBRD indication of the availability of up to \$3 million for uncovered residuals.

In sum, there is not likely to be a shortfall problem in 1972. However, if the requirements grow as fast as estimated in 1973, there may be a problem by then. Attachment 2 shows our best current estimates of 1972 and 1973 funding requirements for AID, for which there is some flexibility between our fiscal years.

As the individual centers come up for discussion and statement of donors intent for 1972 under item 3 of the Agenda, we propose to indicate the financing intent for 1972 shown in the table in Attachment 2. (Our general caveat regarding Congressional provision of funds, shown in the footnote on page 2, still holds. It seems undesirable to stress the point in the context of this Agenda item when the purpose is to encourage other donors to come forward. As suggested below, we shall probably need to remind the CG of the content of our January 1971 statement of financing intent, including its caveats, at a later point in the Agenda.) We also intend to comment along the following lines on the proposed new centers.

African Livestock. AID supports strongly the recommendations of the report of the International Livestock Task Force to the TAC for a single, comprehensive African Center (with appropriate disease and production sub-centers) to integrate animal production, disease and marketing aspects in a vertical systems approach to the basic goals of increased meat consumption and increased rural income, rather than the TAC recommendation to proceed with the animal disease center portion of this proposal while deferring action on a separate production center until more studies are made of present research activities. This position is explained in a memorandum to you from AA/AFR (Attachment 4), with which I agree fully. The position also reflects the consensus of various discussions in the Bellagio context, at which AID pointed out that extensive experience with livestock development problems in the LDCs indicated clearly the essentiality of an integrated vertical approach. The Rockefeller Foundation has just reaffirmed its agreement on this, and I believe that the Ford Foundation has a similar view. So does the UK. The TAC proposal apparently was engineered as a stalling tactic by the French member, reflecting concern that an international center in West Africa would undermine the exclusive French hold on research in the French speaking countries. If the proposed livestock and production Centers were to start separately, it would be difficult to get them back together, and an unbalanced and wasteful research program would be likely. We are trying to bring the French along on some basis, and have some hopes of succeeding, but do not want to allow them to hinder action on a production center if several donors are ready to proceed. In this regard, AFR is prepared to commit \$500,000 to match a like commitment by Rockefeller for start up funds for an integrated center. We hope that others will join.

Inland Crops. We propose to indicate full support, and willingness to participate in financing on the basis indicated in our general statement of intent last January. This is based on a strong consensus in AID and outside circles expert on LDC agriculture that development of suitable crops with higher and more dependable yields for the unirrigated semi-arid zones of the tropics is the most important action needed to benefit the largest portion of the rural peoples by-passed thus far by the "Green Revolution", with its focus on irrigated agriculture. This is the only one of the seven centers under consideration for which there has been no prior AID programming, and the appropriate Bureau to manage this new center has not been determined. We plan to confer further with NESR on this and then make a proposal.

Potatoes. We propose to endorse the strong TAC recommendation that this new international center be embraced by the CG and its support widened and regularized, and to indicate our willingness to continue to support it on the basis of our general statement of intent last January. Cooperation to date among USAID/Peru, the University of North Carolina, the Rockefeller Foundation Potato Project in Mexico and several Peruvian institutions has converted a bilateral aid project into the frame of an international center in Peru. The latter has made a tentative start with interim support from TAB and Rockefeller, and Netherlands, Germany and the UK have now proposed some support. Others are interested. Potato research has a high priority, since potatoes rank with sorghums (after only rice and wheat) as a major worldwide source of calories, they have extremely high calorie yield per acre and high quality protein content that probably can be increased substantially via research, and there is rapidly growing interest and optimism regarding the possibilities of expanding their production in the tropics on the basis of good research programs.

Probably under Agenda item 7, if not sooner, the CG meeting will discuss the following concern put forward by IBRD, and pressed particularly by the Foundations on behalf of the Centers.

"The experience of the research Centers and of the foundations which so far have been their chief support makes it clear that continuity of support, and the ability to count on long-range financing, are highly important for the successful operation of the Centers. Length of commitment is particularly crucial in the case of new centers, where four or five years may be required to create a fully effective staff and put the necessary infrastructure of buildings and equipment in place.

It would be of great advantage if as many Consultative Group members as possible could find some way to indicate at Group meetings the extent of the financing they likely would be able to offer not

merely in the year immediately following but also in the second year following, at least. If in one year, the Consultative Group confirmed its support of the programs and budgets for the following year and tentatively approved the plans for the year after that, a good deal more firmness could be given to the underpinning of each center's action program."

The general forward commitment made by the U.S. at the January 1971 organizing meeting of the CG should provide much of what is sought above, as far as our support is concerned. If needed in the CG discussion on this point, it is proposed to remind the CG of this statement of long term intent, and that we are also prepared to consider for the future some procedure for tentative indication of financing intent for one year beyond the year immediately ahead if this would really provide additional help for the Centers' planning.

Regarding the six proposals on which the TAC is expected to report that it has recommended further work to bring them to a point at which action may be recommended, our current views are these.

- Some suitable means of strengthening research on water management is highly desirable, but as yet no adequate proposal has been developed. Since further work to define needs is proceeding at TAC's behest and is in competent Canadian and U.S. hands, we do not propose to comment.
- We plan to encourage further internationalization of the vegetable center in Taiwan, trying to bring this in as a member of the group of CG endorsed and supported centers. There may be resistance to this.
- We are skeptical about the comparative cost/effectiveness of the proposals for building a computerized agricultural research information system at FAO for the near future, believing that contracting for such services with already established computerized systems that have such data (e.g., Brookings) or other less ambitious alternatives for a reference center may be more sensible for now. We plan to propose, in lieu of the TAC proposal for a pilot project to test user requirements and potential usage of the proposed computerized system at FAO, that the TAC designate a sub-committee or panel to look into alternative ways of meeting the need for dissemination of research information so that it could consider the alternatives before deciding which one to pursue.
- We propose to reserve comment on proposals regarding a world network of genetic resource centers, further steps regarding research on food legumes, and research on socio-economic problems pending further work by sub-committees as indicated in the TAC report.

We do not expect that any additional U.S. financing requirement will be suggested by the discussion of Agenda item 6 on financing for feasibility studies. This would not preclude a situation in which we or other donors had a special interest in and wished to finance or help finance a particular study that would be considered by TAC.

The anticipated CG discussion of future methods of operations involves primarily the proper interrelating of the work of the TAC, Consultative Group and the individual Centers. Except for one point, it involves no matters of policy concern to us, and will be worked out more-or-less to the satisfaction of the interrelated organizations.

The one point of concern is the establishment of some reasonable basis for donor assurance that the Center budgets are tightly constructed from a cost efficiency point of view, as distinguished from the validity of the kinds of activities undertaken and the levels of activity. While the U.S. has some means of looking into this kind of question directly, this is not practicable for the whole group of donors. The present structure of Center Boards and the CG/TAC apparatus should be adequate to assure good program content. However, since the Boards and TAC are primarily technically oriented and do not represent donors, and given the proliferation of Centers and donors, it has seemed to me that the CG needs some centralized means to monitor Center budgets and operations to keep the water out. The IBRD has also felt this. If this is well done with continuity of personnel, it would help the U.S. as well as other donors. After some discussion of alternatives between IBRD and Foundation staff and myself, we have agreed that the best scheme would be for the Bank to take on the responsibility for this surveillance/guidance vis-a-vis the Centers and to report its findings to the CG (i.e., to the donors). We expect this to be proposed to the CG and will support it. We are all concerned to meet this need in a way that will avoid any subverting of the policy responsibility of the individual Boards for their respective Centers.

Recommendations.

That the U.S. respond to the request, under Agenda item 3, for a statement of intent regarding financing of Centers for 1972 by indicating the amounts shown in Attachment 2.

APPROVAL: _____

DISAPPROVAL: _____

DATE: _____

That the U.S. remind the CG of its January 1971 statement to the CG of longer term financing intent (footnote on page 2), as needed to meet the requirements of the discussion of Agenda items 4 or 7.

APPROVAL: _____

DISAPPROVAL: _____

DATE: _____

Clearances:

AFR
NESA
LA
SA/EAD
PPC

TABLE A

INTERNATIONAL AGRICULTURAL RESEARCH CENTERS

1972-1976 ESTIMATED FINANCIAL REQUIREMENTS*
(in \$million)

	1972			1973			1974			1975			1976		
	Core	Capital	Total	Core	Capital	Total	Core	Capital	Total	Core	Capital	Total	Core	Capital	Total
CIAT	2.8	n.a.	2.8(a)	3.3	0.5	3.8	3.7	0.3	4.0	4.2	0.2	4.4	4.6	0.2	4.8
CIMMYT	3.7	1.3	5.0	4.2	0.4	4.6	4.5	0.3	4.8	4.8	0.2	5.0	5.1	0.5	5.6
IITA	3.2	0.6(b)	3.8	3.7	0.3	4.0	4.2	0.2	4.4	4.7	0.3	5.0	5.1	0.4	5.5
IRRI	2.6	0.4	3.0	2.7	0.3	3.0	2.9	0.3	3.2	3.1	0.4	3.5	3.3	0.5	3.8
Livestock (Africa)(c)	Start up Costs	{	1.0	1.6	3.0	4.6	2.0	2.0	4.0	2.4	1.0	3.4	3.0	1.0	4.0
Upland Crops (India)			0.5	1.0	3.0	4.0	1.6	5.0	6.6	1.9	2.0	3.9	2.5	1.0	3.5
Potatoes (Peru)			0.4	1.0	-	1.0	1.2	0.1	1.3	1.3	-	1.3	1.3	0.1	1.4
TOTAL	13.7	2.3(a)	16.5(a)	17.5	7.5	25.0	20.1	8.2	28.3	22.4	4.1	26.5	24.9	3.7	28.6

(a) Excludes capital requirements for CIAT for which no firm figures available.

(b) Excludes over-run (\$700,000) on construction costs.

(c) Arbitrarily doubled all IBRD figures for E. Africa portion of livestock center (animal disease research) on basis AID and Rockefeller Foundation intent to press for simultaneous development production and disease components of an overall center in East and West Africa. Costs may not build up as fast as shown in 1973.

*This is a slightly adapted version of the table of estimated requirements distributed by the IBRD for the Dec. 3-4 meeting. It does not provide for new programs that may be introduced at existing centers, or for additional centers that have been suggested and might be recommended later. Sizeable new initiatives of the latter type beyond those in the table do not seem likely in the next year or two, but future TAC recommendations are uncertain.

1972-73 FINANCING BY AID FOR INTERNATIONAL CENTERS

Estimated AID financing for 1972 and 1973 is as follows. 1972 estimates are based on actual Bureau budgeting (except for the new upland crops center in India), and reflect some transitional considerations in moving towards a 25% formula within the broadened CG participation. 1973 provisional estimates merely project 25% of core and capital budgets.

	(\$ millions)	
	<u>1972</u>	<u>1973</u>
CIAT (IA)	.720 <u>1/</u>	.950
CIMMYT (TAB)	.925+ <u>2/</u>	1.150
IITA (AFR)	1.030 <u>3/</u>	1.000
IRRI (EA)	.750 <u>4/</u>	.750
African Livestock (AFR)	.500 <u>5/</u>	1.150
Upland Crops (NESA or TAB)	.125 <u>6/</u>	1.000
Potatoes (TAB)	<u>.100</u> <u>7/</u>	<u>.250</u>
TOTAL	4.150	6.250

1/ Former "full partner" share with foundations. About 25% core budget.

2/ Estimate is increase from former \$750,000 share and is 25% core budget: may need to consider later increasing contribution further towards full $\frac{1}{4}$ share of \$1,250,000 for core and capital budget, depending on financing forthcoming from other sources and possible reduction capital budget.

3/ \$750,000 "full partnership" share with Foundations and Canada plus \$280,000 capital contribution previously agreed.

4/ Former "full partnership" share: also 25% budget.

5/ AFR proposed sharing with Rockefeller Foundation of start up costs.

6/ Assumed $\frac{1}{4}$ U.S. share on start up costs, if goes ahead and expected interest several organizations. No present AID budget for this item.

7/ Proposed U.S. share on start up costs.

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

Second Meeting

December 3, (and, if necessary, December 4) 1971

PROVISIONAL AGENDA

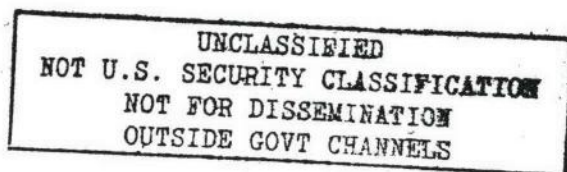
1. Adoption of Agenda
2. Presentation of the recommendations of the Technical Advisory Committee (TAC) by the Chairman of the Committee
3. Discussion and Statements of Intention regarding financing for 1972 of the programs recommended by TAC:
 - a) International Center of Tropical Agriculture (CIAT)
 - b) International Maize and Wheat Improvement Center (CIMMYT)
 - c) International Institute of Tropical Agriculture (IITA)
 - d) International Rice Research Institute (IRRI)
 - e) Animal Disease Laboratory
 - f) International Crops Research Institute for the Semi-arid Tropics (ICRISAT)
 - g) International Potato Center (subject to review by TAC)
4. Review of Five-Year Financial Requirements projected for programs recommended by TAC
5. Review of other programs under study and their possible financial requirements
6. Financing for feasibility studies
7. Discussion of Future Method of Operations and 1972 Schedule of Meetings of Consultative Group and TAC.
8. Other business
9. Press Communique

File - CG 1971

BAIRD

Cox

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



~~_____~~
AGR 71-8

FROM: The Secretary

November 24, 1971

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

With reference to Paragraph 3b of AGR 71-7, dated November 18, 1971, attached for use at the meeting on December 3 and 4 is a paper entitled "Five-Year Financial Requirements" prepared by the Secretariat of the Consultative Group to be considered under Agenda Item 4.

Distribution

IBRD Executive Directors for:

Australia	Japan
Belgium	Netherlands
Canada	New Zealand
Denmark	Norway
Finland	Sweden
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Germany	United States
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Embassy of Switzerland
European Development Fund
Food and Agriculture Organization of the United Nations
Ford Foundation
Inter-American Development Bank
International Development Research Centre
Kellogg Foundation
Rockefeller Foundation
United Nations Development Programme

FIVE-YEAR FINANCIAL REQUIREMENTS

The attached tables show five-year projections of the financial requirements of the seven agricultural research centers which are the subject of positive recommendations of the Technical Advisory Committee (TAC).

The figures are estimates intended to suggest orders of magnitude. They indicate that the annual requirements for core budgets may increase from about \$13.7 million in 1972 to \$23.4 million in 1976, and that capital requirements for the period 1972-76 may be about \$22.3 million. Increases between 1972 and 1976 are due primarily to the proposed establishment of new centers and to the rising costs of maintaining ongoing and planned programs: no provision is made for changes in the volume or scope of existing or planned programs that may be proposed in future.

Estimated Five-Year Financial Requirements for Seven TAC Supported Centers

	<u>Core</u>	<u>Capital</u>	<u>Total</u>
1972	13.7	2.3	16.0
1973	16.7	6.0	22.7
1974	19.1	7.2	26.3
1975	21.2	3.6	24.8
1976	<u>23.4</u>	<u>3.2</u>	<u>26.6</u>
	94.1	<u>22.3</u>	116.4

Note: The above figures exclude a) 1972 Capital Requirements of CIAT; b) over-runs in construction costs (CIAT and IITA).

In the case of core budgets, the figures are derived from the budgets of existing centers, as presented during International Centers Week, and from the estimates made for new centers in the documents submitted to TAC. Capital budgets for existing centers have been estimated and projected by the Consultative Group Secretariat on the basis of past investments. Capital budgets for the new centers are based on documents submitted to TAC. The figures for year-to-year distribution are mainly estimates by the Consultative Group Secretariat.

1972-1976 ESTIMATED FINANCIAL REQUIREMENTS
(in \$ million)

	1972			1973			1974			1975			1976		
	Core	Capital	Total	Core	Capital	Total	Core	Capital	Total	Core	Capital	Total	Core	Capital	Total
CIAT	2.8	n.a.	2.8(a)	3.3	0.5	3.8	3.7	0.3	4.0	4.2	0.2	4.4	4.6	0.2	4.8
CIMMYT	3.7	1.3	5.0	4.2	0.4	4.6	4.5	0.3	4.8	4.8	0.2	5.0	5.1	0.5	5.6
IITA	3.2	0.6(b)	3.8	3.7	0.3	4.0	4.2	0.2	4.4	4.7	0.3	5.0	5.1	0.4	5.5
IRRI	2.6	0.4	3.0	2.7	0.3	3.0	2.9	0.3	3.2	3.1	0.4	3.5	3.3	0.5	3.8
ILRAD	0.5	-	0.5	0.8	1.5	2.3	1.0	1.0	2.0	1.2	0.5	1.7	1.5	0.5	2.0
ICRISAT	0.5	-	0.5	1.0	3.0	4.0	1.6	5.0	6.6	1.9	2.0	3.9	2.5	1.0	3.5
IPC	0.4	-	0.4	1.0	-	1.0	1.2	0.1	1.3	1.3	-	1.3	1.3	0.1	1.4
TOTAL	13.7	2.3(a)	16.0(a)	16.7	6.0	22.7	19.1	7.2	26.3	21.2	3.6	24.8	23.4	3.2	26.6
=====															

(a) Excludes capital requirements for CIAT for which no firm figures available

(b) Excludes over-run (\$700,000) on construction costs

Washington, D.C.
November 23, 1971