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Sept-Oct 74 05
CONSULTATIVE GROUP ON INTERNATIONAL
AGRICULTURE RESEARCH FY-75 1974


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Agricultural Research - Correspondence 05

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INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

THRU: EXSEC

October 21, 1974

FROM: Joel Bernstein 

SUBJECT: Meeting of the Consultative Group on International Agricultural Research (CGIAR), October 30-31.

This Consultative Group meeting essentially is a follow-up to the CGIAR meeting last August 1-2 during Centers Week. Program and policy issues raised then have been considered further via working committees, firming up of proposals, preparation of Secretariat analyses and other means: the latest status will be reported. Provisional budget requirements for 1975 that were discussed last summer have been hardened by further work and in response to points made last summer.

The primary business of the meeting is to firm up the preliminary indications of financial support for 1975 that were provided by donors last summer.

This is an information rather than action memorandum because no substantial issues are anticipated that require new or different U.S. positions beyond those taken previously in the CGIAR on the basis of the Administrator's approval. Reference is made to the Action Memorandum for last summer's CGIAR meeting approved by you July 26, 1974 Attachment A and the August 23, 1974 Information Memorandum following that meeting Attachment B.

A. Prospects for CGIAR Financial Support for 1975

Estimates of overall financial requirements for programs supported by the CGIAR have been reduced from the \$48+ million estimated when the U.S. position was approved and stated last summer to the current best estimate of \$44.5 million, shown in Table I. This reflects some delays and paring of expenditure plans for ongoing centers and the dropping out or reduction of some prospective new requirements, offsetting some upward adjustments for inflation. The overall requirements estimate for 1975 may change a little more, as a few components are still not completely set.

Paralleling this change, the AID financing for 1975 is now estimated at \$11.0 million rather than the \$12 million estimated when the U.S. reconfirmed its past 25% support formula at the CGIAR meeting. This total is broken out in Table I. We propose to refer to and reaffirm our prior general statement of financing intent, and to indicate the breakout shown in Table I, subject to final confirmation of the requirements for the individual research centers and of availability of the 75% needed from other donors.

If the net effect of last minute adjustments in the individual program requirements is to increase the total above the \$44.5 million estimated in Table I, we propose to keep the U.S. share at \$11.0 million and look to the IBRD (which has been the residual financier) or adjustments in other donors' contributions to provide for the needed increment. This will facilitate our making a prompt Congressional notification of the increase in the International Centers project from the \$10.5 million estimated in the Congressional Presentation. Within the \$11.0 million, we propose to sustain our past position of flexibility in shifting some funds between centers if needed to permit full use of funds potentially available from other donors, or to help the system adjust to last minute changes in particular requirements.

AID financing proposed is slightly below 25% overall because the program of support for strengthening international gene banks and the exploratory fund to carry forward work towards a new research center for the Mid-East and N. Africa do not need a full 25% from the U.S. during 1975.

Note that the \$11.0 million total does not include AID contributions to the International Fertilizer Development Center at Muscle Shoals, Alabama, or to the Asian Vegetable Research and Development Center on Taiwan, which are not in the CGIAR budget.

Table II provides the best current estimate of financing that other donors will provide in 1975. A few of these are not yet confirmed and there may be some small increases or decreases. As noted, there is some flexibility in the IBRD total to expand if necessary to cover some increase in requirements not balanced by an increase in availabilities from other donors.

Estimating requirements for 1975 and the years beyond has been particularly difficult because of rapid, highly varied and difficult to predict price escalation, in addition to the many other uncertainties of efforts to expand research as rapidly as sound programs can be mounted on high priority problems. There has been much work by Center staffs and the CGIAR Secretariat and advisors on systematizing and improving the budgetary provisions for inflation, with good results. Further efforts in this direction are needed and will be made.

The October 30-31 meeting is not expected to carry the discussion of financing needs and intentions for the years beyond 1975 much beyond the consideration given at last summer's sessions (see ATTACHMENT B). The IBRD Chairman prefers to pursue for now the need to raise CGIAR sights for future levels of effort, stressed by the U.S. representative last summer, by individual explorations with prospective new donors (primarily OPEC countries) and with some present donors (such as Japan) rather than by further general exhortation at the CGIAR meeting. It is clear that the financial shoe

TABLE I

ESTIMATED 1975 REQUIREMENTS AND AID CONTRIBUTIONS
FOR CGIAR SUPPORTED ACTIVITIES

	<u>REQUIREMENTS</u> (millions of dollars)	<u>AID CONTRIBUTIONS</u> (millions of dollars)
CIAT	6.060	1.515
CIMMYT	7.245 ^{1/}	1.810
CIP	2.460	.615
ICRISAT	8.380 ^{2/}	2.095
IITA	7.115	1.775
IRRI	7.740 ^{3/}	1.935
ILCA	1.885	.470
IIRAD	2.170	.540
WARDA	.575	.140
IBPGR (Genetic Resources)	.555	.055 ^{5/}
Proposed Mid-East, N.Africa Center	<u>.300</u>	<u>.050 ^{5/}</u>
TOTAL	44.485 ^{4/}	11.000

^{1/} Triticale program component for 1975 may be reduced, but would be offsetting reduction in availabilities from IDRC.

^{2/} Requirement for peanuts program still subject adjustment: might be reduction.

^{3/} Requirements still under discussion.

^{4/} Total could change due to items in other footnotes or other changes. Although requirement was submitted for the CARIS project on research information, was in prior requirements estimates of CGIAR secretariat, and is on Oct.30-31 Agenda, we assume it will drop out per discussion in text.

^{5/} Full 25% not needed from AID due to other donor financing intentions.

TABLE II

ESTIMATED 1975 PLEDGES FOR CGIAR
SUPPORTED ACTIVITIES

	(millions of dollars)
U.S.	11.000
IBRD	4.365 ⁺ <u>1/</u>
Canada	4.205 <u>2/</u>
IDB	4.000 <u>3/</u>
Germany	3.200 <u>4/</u>
Rockefeller Foundation	2.800 <u>5/</u>
Ford Foundation	2.800 <u>5/</u>
United Kingdom	2.240
Sweden	2.130
UNDP	2.045
Australia	1.320 <u>6/</u>
IDRC (Canada)	1.100 <u>7/</u>
Netherlands	.850 <u>8/</u>
Norway	.730
Belgium	.555
Switzerland	.460
Kellogg Foundation	.290
Japan	.270 <u>9/</u>
Denmark	.250
France	<u>.175</u>
TOTAL	44.635 <u>10/</u>

(continued)

- 1/ Assume IBRD as residual financier will adjust total if called for by other changes in requirements and availabilities over next several weeks.
- 2/ Not certain re last .100, which understand available for IBPGR.
- 3/ Not certain re last .300, which understand available if needed.
- 4/ Unconfirmed. Secretariat hopes higher.
- 5/ Plus .200 allocated for proposed new International Food Policy Research Institute, not yet incorporated in overall CGIAR requirements.
- 6/ .150 reserved for TAC budget, which is financed thus far solely by CGIAR sponsors (IBRD/FAO/UNDP) and has not been included in overall CGIAR requirements.
- 7/ Plus about \$600,000 allocated for proposed new International Food Policy Research Institute. Might also be downward adjustment if timing of triticale project supported at CIMMYT changes.
- 8/ Unconfirmed.
- 9/ Japan has stated intent in principle to increase this, but that can't say amount and unlikely be able to say by Oct. 30-31 meeting. May go to .700.
- 10/ .150 over requirements reflects Australia set aside for TAC, in footnote 6 above. Total may also change due to exchange rate changes, as some donor pledges are in own currency whereas requirements are in U.S. dollars.

will begin to pinch in 1976 and more so in subsequent years, both from the effects of inflation and from the need to mount additional program efforts if the requirements for increased yields in LDC food production are to be met over the next decade and beyond.

I expect to call attention again, at the CGIAR meeting, to the need to raise sights for financing of international agricultural research -- referring to my statement on this need at last summer's meeting. The best time to stimulate further action may be after the World Food Conference in the context of endorsements that it is expected to provide for a stronger international research effort.

B. Other Business at the Meeting

Ongoing Initiatives

(1) Mid-East Center. The principal current issue for the CGIAR is how to proceed with its decision last summer, in response to a strong TAC recommendation and very positive donor response, to launch a new research center to deal primarily with the need for better cropping systems for the relatively dry areas of the Near East and North Africa, as well as to develop better varieties of barley and perhaps later of durum wheat. This initiative had been under consideration for a few years.

Dr. Hopper, President of IDRC and a member of TAC, was designated by the CGIAR Chairman to chair a CG Sub-Committee that was called on to work out how to proceed, explore possibilities for design and establishment of the Center, and also investigate donor interest. Sub-Committee members and potential donors include the IBRD, IDRC, Ford and Rockefeller Foundations, Netherlands, U.K., UNDP and U.S. Potential donors in the region (oil countries) will be approached to participate in the planning.

At a preparatory meeting of the Sub-Committee (London, October 1-2), plans were developed for getting on with the work. These were discussed further at an informal meeting of North America donors, Australia and Japan on October 9 (called to consider the balance of overall requirements and financing for 1975), were to be discussed further at a similar meeting the following week with European donors, and will be discussed further at the CGIAR meeting and then at the first regular meeting of the Sub-Committee next February. While the planning of how to get on with this initiative is still evolving and not fully agreed, the general intention is to proceed on two parallel tracks.

On one track, the Sub-Committee will explore with the interested user and financing countries and organizations how to structure the center and its program, using the CGIAR decisions on this and the evidence of widespread support in the CGIAR as a necessary positive context for discussing questions of location and support with countries in the region. If all goes well, the Sub-Committee later will get into more specifics preparatory to incorporation of a new Center. It will not negotiate on programs or changes of location in exchange for individual contributions, in order to avoid prejudice to the integrity and credibility with donors and LDCs of the overall CGIAR system or improper distortion of program interests. Some CGIAR members have stressed that care is needed also to avoid appearing to discriminate against the countries of this region, a concern on which the Arab countries are particularly sensitive, by establishing overt "conditions" for CGIAR support of a Center there that have not been applied anywhere else -- such as insistence on financing from particular types of LDCs.

On a separate track, exploration of financing interests will be left to the Chairman of the IBRD and other senior IBRD personnel or possibly similar non-IBRD persons. New sources of financing will be sought in the region for the CGIAR system as a whole, recognizing that the initial specific interest may be primarily in this particular center.

This type of two track approach is thought to have the best prospect of reconciling the need to obtain some financing from oil revenues with the management needs of a sound CGIAR system and current political realities. The results of work on both tracks will be reviewed by the Sub-Committee in February and pursued further in time for TAC and CGIAR consideration next summer. By then, it should be clear whether results obtained will merit and induce broad enough CGIAR support to enable establishment of the new Center.

At the preparatory meeting in London, members of the Sub-Committee were asked to state their willingness to contribute to an initial fund to finance the exploratory work during 1975. All agreed, providing a total of \$300,000. AID agreed to provide \$50,000, in accordance with the Action Memorandum approved by Mr. Murphy on September 27. Our representative indicated that (1) AID feels that a decision to establish the new Center should reflect a demonstrated willingness by countries in the region to provide financial support, (2) we hoped that availability of such support and that of other donors would reduce or perhaps obviate need for the usual proportion of AID financing, (3) we expected that the exploratory discussions should involve substantial participation of hoped-for regional supporters in the planning dialogue, (4) our support for the exploratory fund should not be taken as an indication of AID intent to contribute the usual 25% if and when the Center came into being. The extent of AID participation would be considered later, in the light of results during

the exploratory period. Similar views were expressed by the representatives of the IBRD and UK. Others felt it important to proceed in any case at a lower level, if regional funds were not available but other conditions were satisfactory, rather than foregoing a desirable new start. They argued that a good small operation could generate confidence and attract new support as it went along, on the basis of its record.

We do not expect new issues about this Center to surface at the next CGIAR meeting and foresee no need for new AID positions.

(2) WARDA. The West African Rice Development Association is a multi-country cooperative association supported by the Africa Bureau for some years. Part of its program was recently brought into the CGIAR program when it sponsored some supra-national R&D efforts that it agreed to put under sound professional management and supra-national control independent of the essentially national but cooperative structure governing the rest of the WARDA programs. This was essential to be eligible for CGIAR support.

WARDA has requested \$790,000 support for 1975 but the Secretariat proposal, reflecting TAC recommendations, is to support a more modest \$575,000 program level as an interim measure while WARDA proceeds to carry out TAC recommendations for strengthening the technical management and composition of the CGIAR supported activities. We support this and anticipate that the other WARDA donors will also at the CGIAR meeting. Continuing support in later years and the appropriate level will depend on further evaluation of progress in upgrading this program.

(3) Genetic Resources Program (IBPGR). The one prior AID concern about this program was that it not use scarce CGIAR resources to finance new institutional development, as distinct from assistance for strengthening of germ plasm collections at existing institutions and for activities to strengthen communication, coordination and information dissemination among researchers involved in and using the products of genetic resource collections. The 1975 budget proposal of \$555,000 is confined to the latter types of activities, which we believe provide a more efficient use of resources at this stage than new institutional development. In addition, Germany is expected to finance sub-centers for genetic resource collections at Turrialba and in Ethiopia, under its bilateral programs, and Sweden is expected to continue support for the Izmir center until July 1, 1976. The international managing board for this program is investigating the need for centers in India, Indonesia, and Italy (for the Mediterranean region).

We anticipate no issues at this time.

New Proposals

(1) CARIS. Several years ago, AID, Rockefeller, IDRC, France, UK, the European Community, FAO and Belgium funded a pilot project to develop an information system on LDC agricultural research, called Computerized Agricultural Research Information System (CARIS). The initial work was evaluated last summer and TAC recommended interim funding for the continuation of this work until it can be absorbed into the regular program activities of FAO during the 1967-77 biennium.

Since Centers Week a more specific two-year proposal and budget has been drawn up and will be presented to the CGIAR. It proposes the development of three worldwide research directories: (1) research institutions, (2) research workers, (3) main lines of ongoing research. No such directories currently exist. The estimated cost would be \$355,000 the first year and \$640,000 the second, for a total cost of \$995,000.

It now appears that there is insufficient donor interest in financing the proposed new interim activity as a bridge to absorption in FAO's budget to bring this into the CGIAR program. While we would like to see good informational activity in this sphere accelerated, we would not propose to support this unless unexpected support comes forward from other donors and we are assured that the activity would be picked up by FAO from 1976 on. If these conditions are met, we could allocate some of the \$11.0 million proposed U.S. contribution to this activity.

(2) International Food Policy Research Institute. At the CGIAR meeting last summer, TAC recommended establishment of this Institute, which would combine policy analysis on multi-country concerns, dissemination of findings in influential circuits, and training of LDC researchers. This partly reflected a positive report and recommendations by a consultant hired by the Ford Foundation to look into possible needs for and feasibility of strengthening research on food policy questions of international concern and its practical influence, and to recommend how to structure any effort that seemed called for. The Ford initiative in turn reflected discussions at Bellagio Conferences, in TAC and at the CGIAR sponsored seminar in the summer of 1973 on various needs for strengthening socio/economic research on food problems.

One question in these deliberations was whether the prospects for influence of such an Institute in LDCs and perhaps elsewhere would be enhanced if it were to forego financing by national aid agencies and rely on other sources. Thinking this might be so, but seeing also the advantages of close involvement of any new Institute with the other CGIAR-sponsored activities and the need for other CGIAR financing if the new Institute grew much, three particularly interested CGIAR members (Ford and Rockefeller Foundations and IDRC) have offered to finance a small Institute of the type

recommended for a trial period of five years (about \$1 million per year estimated cost). But they and TAC have recommended also that the Institute be endorsed and embraced by the CGIAR as a member of its "family" even though the other members are not being asked to find additional funding. They suggest that the question of support from developed country governments be re-examined later if the early years performance of the new Institute has established international confidence in its objectivity and independence and in the value of its continuation.

Because of negative reactions by some European donors at last summer's CGIAR meeting and by FAO privately, the sponsors are not now suggesting that the CGIAR include this new project in its overall budget. Following the summer meeting, a working group of interested parties met recently at Ottawa (AID attended as an observer) and agreed to recommend to the CGIAR that an Institute be established along the lines recommended by TAC. Possible locations favored tentatively were Rome, Washington or London: further checks are being made against agreed criteria.

It is not yet clear how the various CGIAR members will react to the proposals at the forthcoming meeting. FAO said at Ottawa that it now favored the proposals and welcomed cooperation with the proposed Institutes. i.e., it apparently has changed its position. IBRD and UNDP think the initiative desirable and probably would help finance it if asked and if the project were in the CGIAR budget. Whether European opposition voiced last summer is now muted remains to be seen.

AID has favored this type of activity, but has been passive in the CGIAR discussions of this proposal because the initiative was strongly carried elsewhere, its financial support is not being sought, and it is necessarily vocal on many other issues before the CGIAR and thus can benefit from standing back where this can be done without weakening U.S. interests. Unless some unforeseen need arises, we plan to follow this "outside the fray" stance at the forthcoming meeting, expecting that action of some type to establish the proposed Institute will be taken. If necessary to swing an issue in the balance, we will encourage CGIAR acceptance of the Institute into its "family", in some sense.

(3) Aquaculture. During Centers Week, TAC indicated that for several reasons it was not likely to be in a position to suggest an immediate and large research input in this area. Rather it suggested that a Sub-Committee be established which would identify a few promising research and training activities, not to cost over \$500,000, which might be recommended to the CGIAR.

However, further investigations under TAC sponsorship have caused the TAC Chairman to withdraw his proposal at least for 1975. This reflects feeling by several donors active in this field and by some TAC members that the current expansion of bilateral activities covers most of the types of action now perceived as feasible and having strong pay-off prospects. Thus this item has been dropped from the table of 1975 requirements.

Meanwhile, AID/TAB is continuing to look into the potentials and likely benefits of Agency program expansion in this field and to seek fuller coordination with activities supported by other agencies. This may in time lead to or provide support for some new CGIAR initiative.

Other Topics

Other Agenda topics will consider reports by the Secretariat on a number of questions of management of the CGIAR systems that the Consultative Group has previously considered. These involve marginal but useful improvements in definition of activities and in reporting, control, technical review and evaluation, and coordination procedures that have already been strengthened greatly over the past two years.

Apart from questions of management, a number of important issues are of continuing concern to the CGIAR and are being worked on in a variety of contexts, although they are not slated specifically for consideration during the meeting of the Group later this month. These include development of international agricultural research and development networks in which added attention must be given to strengthening of national research and production capabilities in the LDCs, and to more effective utilization of research institutions of the developed countries. Related to this is the continuing overall attention of the CGIAR system to development of technologies and related dissemination activities that do more to meet small farmer needs, expand employment opportunities and improve nutrition. AID initiatives have been important in stimulating and guiding effort on all of these subjects.

The CGIAR/TAC work on plant nutrition is not expected to come up, except perhaps mention by the Chairman of his letter to the Secretary General of the World Food Conference to inform him that the CGIAR is well seized with and is fostering broad action on this subject which it considers very important. This letter is Attachment C. It has been helpful in encouraging strong attention to this subject in the Conference papers.

The TAC Working Group on plant nutrition that was appointed in August, with Dr. Ruttan as Chairman, had a good organizing meeting September 23. It designated panels of experts to look into current

activities, the state of the art and "breakthrough" prospects in five inter-related topics having to do with plant nutrition in LDCs:

- 1) fertilizers for LDC,
- 2) biological sources of plant nutrition,
- 3) organic sources of plant nutrition,
- 4) diffusion of known technology
- and 5) tropical soils.

Sub-groups will prepare reports on these topics, and the working group will then consider how best to organize new international efforts to accelerate progress. It will report to the February meeting of TAC, and TAC in turn is expected to present its recommendations at Centers Week in the summer of 1975.

We are keeping the TAC Working Group informed of progress of the new International Fertilizer Development Center at Muscle Shoals.

Attachments

JBernstein:sad:10-18-74

→ File : IDB (CGIAR
Member)

JM 11/1

~~TIAER~~
~~R/Baul~~

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

OCT 29 1974

MEMORANDUM

TO : U.S. Executive Director, IDB - Mr. John Porges

FROM: AA/LA - Herman Kleine

The Consultative Group on International Agricultural Research will be meeting again on Wednesday. At that meeting A.I.D. will reaffirm its intentions, first expressed in August, to contribute to the centers' core and capital costs in 1975; and I hope very much that IDB will do the same.

Our reasons for supporting continued IDB contributions, using SPTF resources, are the same as those expressed in the talking points which we prepared for your use, and which Treasury passed on to you, for Board discussions of the use of SPTF funds for this purpose in 1974: the great development need, the good record of the centers, the logic of IDB support as a means of reinforcing IDB lending in agriculture, and consistency with the SPTF agreement. Since those points were drafted, estimates of financial requirements for the centers have escalated; and Congressional and Executive Branch concerns about unused SPTF accumulations are continuing.

Hence I would appreciate whatever you can do to help achieve a favorable outcome when the Coordinating Committee meets on Tuesday. Also please transmit to President Ortiz Mena the attached letter which I have written to him on this subject.

Attachment

cc: Treasury - Mr. John Bushnell



DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D. C. 20523

UNITED STATES COORDINATOR

ALLIANCE FOR PROGRESS

OCT 25 1974

Mr. Antonio Ortiz Mena
President
Inter-American Development Bank
808 - 17th Street, N.W.
Washington, D.C. 20577

Dear Mr. President:

As you know, the Consultative Group on International Agricultural Research will meet in Washington on October 30-31 so that the prospective donors to the network of international agricultural research centers might formally pledge their support of the centers in 1975.

At the last meeting of the Consultative Group, in August of this year, the representative of A.I.D. stated, inter alia, that A.I.D. would be prepared in principle to provide up to 25% of the core and capital budgets of the international centers, up to a maximum of \$13 million in any one year, provided that the remaining 75% would be forthcoming from other sources. (Specific pledges for individual institutes would, of course, be subject to the provision by Congress of adequate funds.) At the meeting next week, A.I.D.'s intentions on this matter will be reaffirmed.

We were pleased that the Bank's Board of Executive Directors approved the equivalent of \$2 million in Social Progress Trust Fund resources for the centers' core and capital costs in 1974, as well as \$2.0 million for training and outreach programs related to the centers. We hope that the Bank will continue this vital institution-building support in the future. Hence we noted with satisfaction the announcement by your representative to the August meeting of the Consultative Group that the Management of the Bank will propose to the Board of Executive Directors support of up to \$4,000,000 for 1975 from the national currency resources of the Social Progress Trust Fund, for capital and core budgets of the centers located in member countries of the Bank. Bank support of this magnitude, along with the contributions of other donors will make it possible to meet almost in full the capital and core requirements of the Latin American centers as well as those of centers located in other regions of the world.

Our support for the use of Social Progress Trust Fund resources for the international centers (and, where appropriate, the associated national agricultural centers) stems from a variety of considerations. Most compelling is the magnitude of the development need. Secretary Kissinger has given voice to the high priority which the United States attaches to assistance programs which help to increase the supply of food and fertilizer. Research is basic to this effort.

Moreover, the centers have already shown promise in addressing that need. They have won world-wide recognition for their work on development of more productive and nutritional crop varieties and of improved agronomic practices. Such regional institutions concentrate scarce skills and help to avoid duplication of effort in individual countries.

Support by the Bank is logical, given its interest in reinforcing the effectiveness of its substantial lending in the agricultural sector. Such support would be consistent with the Social Progress Trust Fund Agreement between the Bank and the United States.

In addition to our strong support for Bank participation in sharing costs for core and capital needs through the Consultative Group, we welcome your announced intention to assist suitable agricultural research programs and activities carried out by regional centers, such as the Center for Research and Training in Tropical Agriculture (CATIE) and upgrading of national institutions for agricultural research and extension. Your initiative in exploring the possibility of cooperative agricultural research programs among the countries of the Southern Cone of South America and currently in Central America is to be commended, and is consistent with the importance the Consultative Group places on national research efforts.

Although the Bank contributes only for support of international centers located in member countries of the Bank, which is appropriate, those familiar with the work of the centers, such as yourself, know that the results of agricultural research flow around the world and may have important results in places other than those where the research was carried out. The benefits India and Pakistan and the Middle East derived from the work of International Maize and Wheat Improvement Center (CIMMYT) are cases in point. Member countries of the Bank may be expected to benefit from research carried out in international centers in India, Africa and the Middle East, as they have already benefitted from research carried out on rice at the center in the Philippines.

Please accept assurances of our continued support and cooperation in this vital matter.

Sincerely yours,

Herman Kleine
Assistant Administrator
for Latin America and
Deputy U.S. Coordinator

UNITED STATES GOVERNMENT

Memorandum

TO : See Distribution

DATE: October 21, 1974

FROM : TA/AGR, Guy B. Baird *GBB*

SUBJECT: CGIAR Meeting (October 30-31, 1974)

Attached is a copy of a draft of the Information Memorandum for the Administrator on this meeting. No new AID positions are involved and, in general, the issues are those dealt with during Centers Week. The attachments mentioned in the memorandum are on file in this office. Any comments that you may have will be appreciated.

Attachment

a/s

Distribution

AA/TA, EJLong
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INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

THRU: EXSEC

FROM: Joel Bernstein

SUBJECT: Meeting of the Consultative Group on International Agricultural Research (CGIAR), October 30-31.

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Paralleling this change, the AID financing for 1975 is now estimated at \$11.0 million rather than the \$12 million estimated when the U.S. reconfirmed its past 25% support formula at the CGIAR meeting. This total is broken out in Table I. We proposed to refer to and reaffirm our prior general statement of financing intent, and to indicate the breakout shown in Table I, subject to final confirmation of the requirements for the individual research centers and of availability of the 75% needed from other donors.

If the net effect of last minute adjustments in the individual program requirements is to increase the total above the \$44.5 million estimated in Table I, we propose to keep the U.S. share at \$11.0 million and look to the IBRD (which has been the residual financier) or adjustments in other donors' contributions to provide for the needed increment. This will facilitate our making a prompt Congressional notification of the increase in the International Centers project from the \$10.5 million estimated in the Congressional Presentation. Within the \$11.0 million, we propose to sustain our past position of flexibility in shifting some funds between centers if needed to permit full use of funds potentially available from other donors, or to help the system adjust to last minute changes in particular requirements.

AID financing proposed is slightly below 25% overall because the program of support for strengthening international gene banks and the exploratory fund to carry forward work towards a new research center for the Mid-East and N. Africa do not need a full 25% from the U.S. during 1975.

Note that the \$11.0 million total does not include AID contributions to the International Fertilizer Development Center at Muscle Shoals, Alabama, or to the Asian Vegetable Research and Development Center on Taiwan, which are not in the CGIAR budget.

Table II provides the best current estimate of financing that other donors will provide in 1975. A few of these are not yet confirmed and there may be some small increases or decreases. As noted, there is some flexibility in the IBRD total to expand if necessary to cover some increase in requirements not balanced by an increase in availabilities from other donors.

Estimating requirements for 1975 and the years beyond has been particularly difficult because of rapid, highly varied and difficult to predict price escalation, in addition to the many other uncertainties of efforts to expand research as rapidly as sound programs can be mounted on high priority problems. There has been much work by Center staffs and the CGIAR Secretariat and advisors on systematizing and improving the budgetary provisions for inflation, with good results. Further efforts in this direction are needed and will be made.

The October 30-31 meeting is not expected to carry the discussion of financing needs and intentions for the years beyond 1975 much beyond the consideration given at last summer's sessions (see ATTACHMENT B). The IBRD Chairman prefers to pursue for now the need to raise CGIAR sights for future levels of effort, stressed by the U.S. representative last summer, by individual explorations with prospective new donors (primarily OPEC countries) and with some present donors (such as Japan) rather than by further general exhortation at the CGIAR meeting. It is clear that the financial shoe

will begin to pinch in 1976 and more so in subsequent years, both from the effects of inflation and from the need to mount additional program efforts if the requirements for increased yields in LDC food production are to be met over the next decade and beyond.

I expect to call attention again, at the CGIAR meeting, to the need to raise sights for financing of international agricultural research -- referring to my statement on this need at last summer's meeting. The best time to stimulate further action may be after the World Food Conference in the context of endorsements that it is expected to provide for a stronger international research effort.

B. Other Business at the Meeting

Ongoing Initiatives

(1) Mid-East Center. The principal current issue for the CGIAR is how to proceed with its decision last summer, in response to a strong TAC recommendation and very positive donor response, to launch a new research center to deal primarily with the need for better cropping systems for the relatively dry areas of the Near East and North Africa, as well as to develop better varieties of barley and perhaps later of durum wheat. This initiative had been under consideration for a few years.

Dr. Hopper, President of IDRC and a member of TAC, was designated by the CGIAR Chairman to chair a CG Sub-Committee that was called on to work out how to proceed, explore possibilities for design and establishment of the Center, and also investigate donor interest. Sub-Committee members and potential donors include the IBRD, IDRC, Ford and Rockefeller Foundations, Netherlands, U.K., UNDP and U.S. Potential donors in the region (oil countries) will be approached to participate in the planning.

At a preparatory meeting of the Sub-Committee (London, October 1-2), plans were developed for getting on with the work. These were discussed further at an informal meeting of North America donors, Australia and Japan on October 9 (called to consider the balance of overall requirements and financing for 1975), were to be discussed further at a similar meeting the following week with European donors, and will be discussed further at the CGIAR meeting and then at the first regular meeting of the Sub-Committee next February. While the planning of how to get on with this initiative is still evolving and not fully agreed, the general intention is to proceed on two parallel tracks.

On one track, the Sub-Committee will explore with the interested user and financing countries and organizations how to structure the center and its program, using the CGIAR decisions on this and the evidence of widespread support in the CGIAR as a necessary positive context for discussing questions of location and support with countries in the region. If all goes well, the Sub-Committee later will get into more specifics preparatory to incorporation of a new Center. It will not negotiate on programs or changes of location in exchange for individual contributions, in order to avoid prejudice to the integrity and credibility with donors and LDCs of the overall CGIAR system or improper distortion of program interests. Some CGIAR members have stressed that care is needed also to avoid appearing to discriminate against the countries of this region, a concern on which the Arab countries are particularly sensitive, by establishing overt "conditions" for CGIAR support of a Center there that have not been applied anywhere else -- such as insistence on financing from particular types of LDCs.

On a separate track, exploration of financing interests will be left to the Chairman of the IBRD and other senior IBRD personnel or possibly similar non-IBRD persons. New sources of financing will be sought in the region for the CGIAR system as a whole, recognizing that the initial specific interest may be primarily in this particular center.

This type of two track approach is thought to have the best prospect of reconciling the need to obtain some financing from oil revenues with the management needs of a sound CGIAR system and current political realities. The results of work on both tracks will be reviewed by the Sub-Committee in February and pursued further in time for TAC and CGIAR consideration next summer. By then, it should be clear whether results obtained will merit and induce broad enough CGIAR support to enable establishment of the new Center.

At the preparatory meeting in London, members of the Sub-Committee were asked to state their willingness to contribute to an initial fund to finance the exploratory work during 1975. All agreed, providing a total of \$300,000. AID agreed to provide \$50,000, in accordance with the Action Memorandum approved by Mr. Murphy on September 27. Our representative indicated that (1) AID feels that a decision to establish the new Center should reflect a demonstrated willingness by countries in the region to provide financial support, (2) we hoped that availability of such support and that of other donors would reduce or perhaps obviate need for the usual proportion of AID financing, (3) we expected that the exploratory discussions should involve substantial participation of hoped-for regional supporters in the planning dialogue, (4) our support for the exploratory fund should not be taken as an indication of AID intent to contribute the usual 25% if and when the Center came into being. The extent of AID participation would be considered later, in the light of results during

the exploratory period. Similar views were expressed by the representatives of the IBRD and UK. Others felt it important to proceed in any case at a lower level, if regional funds were not available but other conditions were satisfactory, rather than foregoing a desirable new start. They argued that a good small operation could generate confidence and attract new support as it went along, on the basis of its record.

We do not expect new issues about this Center to surface at the next CGIAR meeting and foresee no need for new AID positions.

(2) WARDA. The West African Rice Development Association is a multi-country cooperative association supported by the Africa Bureau for some years. Part of its program was recently brought into the CGIAR program when it sponsored some supra-national R&D efforts that it agreed to put under sound professional management and supra-national control independent of the essentially national but cooperative structure governing the rest of the WARDA programs. This was essential to be eligible for CGIAR support.

WARDA has requested \$790,000 support for 1975 but the Secretariat proposal, reflecting TAC recommendations, is to support a more modest \$575,000 program level as an interim measure while WARDA proceeds to carry out TAC recommendations for strengthening the technical management and composition of the CGIAR supported activities. We support this and anticipate that the other WARDA donors will also at the CGIAR meeting. Continuing support in later years and the appropriate level will depend on further evaluation of progress in upgrading this program.

(3) Genetic Resources Program (IBPGR). The one prior AID concern about this program was that it not use scarce CGIAR resources to finance new institutional development, as distinct from assistance for strengthening of germ plasm collections at existing institutions and for activities to strengthen communication, coordination and information dissemination among researchers involved in and using the products of genetic resource collections. The 1975 budget proposal of \$555,000 is confined to the latter types of activities, which we believe provide a more efficient use of resources at this stage than new institutional development. In addition, Germany is expected to finance sub-centers for genetic resource collections at Turrialba and in Ethiopia, under its bilateral programs, and Sweden is expected to continue support for the Izmir center until July 1, 1976. The international managing board for this program is investigating the need for centers in India, Indonesia, and Italy (for the Mediterranean region).

We anticipate no issues at this time.

New Proposals

(1) CARIS. Several years ago, AID, Rockefeller, IDRC, France, UK, the European Community, FAO and Belgium funded a pilot project to develop an information system on LDC agricultural research, called Computerized Agricultural Research Information System (CARIS). The initial work was evaluated last summer and TAC recommended interim funding for the continuation of this work until it can be absorbed into the regular program activities of FAO during the 1967-77 biennium.

Since Centers Week a more specific two-year proposal and budget has been drawn up and will be presented to the CGIAR. It proposes the development of three worldwide research directories: (1) research institutions, (2) research workers, (3) main lines of ongoing research. No such directories currently exist. The estimated cost would be \$355,000 the first year and \$640,000 the second, for a total cost of \$995,000.

It now appears that there is insufficient donor interest in financing the proposed new interim activity as a bridge to absorption in FAO's budget to bring this into the CGIAR program. While we would like to see good informational activity in this sphere accelerated, we would not propose to support this unless unexpected support comes forward from other donors and we are assured that the activity would be picked up by FAO from 1976 on. If these conditions are met, we could allocate some of the \$11.0 million proposed U.S. contribution to this activity.

(2) International Food Policy Research Institute. At the CGIAR meeting last summer, TAC recommended establishment of this Institute, which would combine policy analysis on multi-country concerns, dissemination of findings in influential circuits, and training of LDC researchers. This partly reflected a positive report and recommendations by a consultant hired by the Ford Foundation to look into possible needs for and feasibility of strengthening research on food policy questions of international concern and its practical influence, and to recommend how to structure any effort that seemed called for. The Ford initiative in turn reflected discussions at Bellagio Conferences, in TAC and at the CGIAR sponsored seminar in the summer of 1973 on various needs for strengthening socio/economic research on food problems.

One question in these deliberations was whether the prospects for influence of such an Institute in LDCs and perhaps elsewhere would be enhanced if it were to forego financing by national aid agencies and rely on other sources. Thinking this might be so, but seeing also the advantages of close involvement of any new Institute with the other CGIAR sponsored activities and the need for other CGIAR financing if the new Institute grew much, three particularly interested CGIAR members (Ford and Rockefeller Foundations and IDRC) have offered to finance a small Institute of the type

recommended for a trial period of five years (about \$1 million per year estimated cost). But they and TAC have recommended also that the Institute be endorsed and embraced by the CGIAR as a member of its "family" even though the other members are not being asked to find additional funding. They suggest that the question of support from developed country governments be re-examined later if the early years performance of the new Institute has established international confidence in its objectivity and independence and in the value of its continuation.

Because of negative reactions by some European donors at last summer's CGIAR meeting and by FAO privately, the sponsors are not now suggesting that the CGIAR include this new project in its overall budget. Following the summer meeting, a working group of interested parties met recently at Ottawa (AID attended as an observer) and agreed to recommend to the CGIAR that an Institute be established along the lines recommended by TAC. Possible locations favored tentatively were Rome, Washington or London: further checks are being made against agreed criteria.

It is not yet clear how the various CGIAR members will react to the proposals at the forthcoming meeting. FAO said at Ottawa that it now favored the proposals and welcomed cooperation with the proposed Institutes, i.e., it apparently has changed its position. IBRD and UNDP think the initiative desirable and probably would help finance it if asked and if the project were in the CGIAR budget. Whether European opposition voiced last summer is now muted remains to be seen.

AID has favored this type of activity, but has been passive in the CGIAR discussions of this proposal because the initiative was strongly carried elsewhere, its financial support is not being sought, and it is necessarily vocal on many other issues before the CGIAR and thus can benefit from standing back where this can be done without weakening U.S. interests. Unless some unforeseen need arises, we plan to follow this "outside the fray" stance at the forthcoming meeting, expecting that action of some type to establish the proposed Institute will be taken. If necessary to swing an issue in the balance, we will encourage CGIAR acceptance of the Institute into its "family", in some sense.

(3) Aquaculture. During Centers Week, TAC indicated that for several reasons it was not likely to be in a position to suggest an immediate and large research input in this area. Rather it suggested that a Sub-Committee be established which would identify a few promising research and training activities, not to cost over \$500,000, which might be recommended to the CGIAR.

WBG ARCHIVES

However, further investigations under TAC sponsorship have caused the TAC Chairman to withdraw his proposal at least for 1975. This reflects feeling by several donors active in this field and by some TAC members that the current expansion of bilateral activities covers most of the types of action now perceived as feasible and having strong pay-off prospects. Thus this item has been dropped from the table of 1975 requirements.

Meanwhile, AID/TAB is continuing to look into the potentials and likely benefits of Agency program expansion in this field and to seek fuller coordination with activities supported by other agencies. This may in time lead to or provide support for some new CGIAR initiative.

Other Topics

Other Agenda topics will consider reports by the Secretariat on a number of questions of management of the CGIAR systems that the Consultative Group has previously considered. These involve marginal but useful improvements in definition of activities and in reporting, control, technical review and evaluation, and coordination procedures that have already been strengthened greatly over the past two years.

Apart from questions of management, a number of important issues are of continuing concern to the CGIAR and are being worked on in a variety of contexts, although they are not slated specifically for consideration during the meeting of the Group later this month. These include development of international agricultural research and development networks in which added attention must be given to strengthening of national research and production capabilities in the LDCs, and to more effective utilization of research institutions of the developed countries. Related to this is the continuing overall attention of the CGIAR system to development of technologies and related dissemination activities that do more to meet small farmer needs, expand employment opportunities and improve nutrition. AID initiatives have been important in stimulating and guiding effort on all of these subjects.

The CGIAR/TAC work on plant nutrition is not expected to come up, except perhaps mention by the Chairman of his letter to the Secretary General of the World Food Conference to inform him that the GGIAR is well seized with and is fostering broad action on this subject which it considers very important. This letter is Attachment C. It has been helpful in encouraging strong attention to this subject in the Conference papers.

The TAC Working Group on plant nutrition that was appointed in August, with Dr. Ruttan as Chairman, had a good organizing meeting September 28. It designated panels of experts to look into current

activities, the state of the art and "breakthrough" prospects in five inter-related topics having to do with plant nutrition in LDCs:

1) fertilizers for LDC, 2) biological sources of plant nutrition, 3) organic sources of plant nutrition, 4) diffusion of known technology and 5) tropical soils. Sub-groups will prepare reports on these topics, and the working group will then consider how best to organize new international efforts to accelerate progress. It will report to the February meeting of TAC, and TAC in turn is expected to present its recommendations at Centers Week in the summer of 1975.

We are keeping the TAC Working Group informed of progress of the new International Fertilizer Development Center at Muscle Shoals.

Attachments

JBernstein/sad/10-17-74

12/13 IBRD-IDB-C/AT 10:30

Present: Graues, Groat, Cheek, ACM, Peice, Soto, van Haefke
Cainelli, Lewis

Proposed conditions

1.

2.

3.

4. Assurance that IDB is not substituted for
IBRD input - input of latter should
not be less in 1974 than it was
in 1973

Worldwide deficit for 1974 estimated
to be about \$5.5 billion -
or perhaps \$5.0 billion.

Poss. solution:

\$ 2.0 IDB

\$ 3.2 IBRD

CONTRIBUTIONS FOR SUPPORT OF THE CAPITAL AND CORE PROGRAMS OF
THE INTERNATIONAL AGRICULTURAL RESEARCH CENTERS IN LATIN
AMERICA FOR 1974.

I. BACKGROUND

The need for substantial increases of production in basic cereals, legumes and livestock, to feed an ever-increasing population, has resulted in the creation of a network of non-profit international agricultural research centers sponsored by private foundations and governments, located in different parts of the world. These international centers are administered and financed by the Consultative Group on International Agricultural Research, of which the Bank is a member. As a result, the Bank has been kept informed of the needs of developing countries for solutions to their agricultural production and nutritional problems in order to improve the health of their citizens and the economies of their countries. Three of the centers are located in IDB member countries:

- International Center for the Improvement of Maize and Wheat (CIMMYT), Mexico (Maize, Wheat, Barley and Triticale).
- International Center for Tropical Agriculture (CIAT), Colombia (Cassava, Field Beans and Livestock in tropical areas).
- International Potato Center (CIP), Peru (Potatoes)

As a member of the Consultative Group, the Bank has become aware of the important contributions which all centers, especially those located in Latin America, have made to improve the production and quality of particular crops in member countries. Although most of the improvements

have been in the coordination of varietal and agronomic research, they have also provided the training of national specialist from member countries. Through technical assistance grants to CIMMYT and CIAT, the Bank has contributed to finance some of the training. 1/

In discussing with the Secretariat of the Consultative Group, the staff of the Bank learned that financing the approved capital and core programs of the international centers in Latin America was encountering difficulties because contributions of donor governments and institutions, which have financed those centers in the past, would not be sufficient. This resulted from the fact that the requirements of the centers for overhead and necessary capital additions increase with cost-of-living and maturation of the centers, at the same time as new centers (such as CIP) are brought into being to meet recognized needs. Some of the new centers are elsewhere in the world where they attract donors interested in their particular programs. The combination of circumstances is such that the capital and core programs of the centers in Latin America will not be financed in full for 1974 by previous donors and may not be thereafter unless additional funds are forthcoming from present or new donor governments and institutions and/or this Bank makes a contribution toward the anticipated unmet requirements for financing the programs of those centers. Such contributions could be principally in the national currencies of those countries in which the centers are located resulting from earnings and repayment of SPTF loans.

1/ CIMMYT - ATN/TF-1037-CS, \$300,000. Approved Resolution DE-72-70, July 23, 1970.
CIAT - ATN/TF-1038-CS, \$300,000. Approved Resolution DE-71-70, July 23, 1970.

On November 1-2, 1973, the Consultative Group on International Agricultural Research met to learn the formal pledges of donor governments and institutions for support of the international centers for calendar 1974. In that meeting, the head of the Bank's delegation expressed the willingness of the Management to recommend to the Board to authorize the necessary contributions from resources of the Social Progress Trust Fund.

In their meeting on _____, the Board of Executive Directors took note of a recommendation of the Management to obligate the equivalent of ^{US\$2 million} _____ in currencies of member countries, to contribute to the unmet needs not satisfied from the core and capital programs of the three international centers in Latin America. The recommendation proposed that, to the extent possible, the Bank contribution to each of the three centers would be made in the currencies of the countries where they are located.

II. PROPOSAL

In this document, the Board is requested to approve the amounts to be disbursed to each of the Centers from the resources of the Social Progress Trust Fund for 1974 core and capital programs. Members of the staff of the Bank have discussed with the Centers the programs with high priority for our member countries which will be financed in part with the Bank contributions.

The cost of core and capital programs of international agricultural research centers in Latin America, as approved by the Consultative Group for 1974, amounted to \$13,280,000. Anticipated contributions

by donor institutions and governments to date, including those from USAID and the foundations are estimated in \$10.310.000, exclusive of those of the IBRD and the IDB. This indicates a potential deficit of \$2.970.000.

As a contributor of last resort, the IBRD has pledged contributions of 10% of the core and capital requirements of all centers and not in excess of \$3.2 million. The pledge of IBRD is distributed world-wide to ~~meet~~ ^{fund} unmet needs of all international centers. There is an special need for such resources on the part of new centers which are being initiated in other parts of the world. In 1973, IBRD contributed \$1.0 million to CIMMYT ^{\$210,000 to CIAT} to meet a potential budget deficit. For that year, no deficit in approved budgets existed for CIAT and CIP. | IBRD will Revise contribute to centers in Latin America at least as much as in 1973. The amount for each such center will be decided by the appropriate authorities of the IBRD. In proposing to the Board the amounts for each of the three ^{proposed} centers in Latin America, IBRD contributions to them have been taken fully into consideration. Capital programs include any long-term investments in buildings and equipment authorized for a particular year. The core programs include estimates of income and expenditure for a particular year for overhead and staff of an international center devoted to research, training and dissemination of information.

Proposed IDB contributions in 1974 in support of core and capital programs of the three centers in Latin America total the equivalent of \$2.0 million, distributed as follows: CIMMYT up to \$750.000; CIAT up to \$1.000.000,

and CIP up to \$250.000.

The programs to be partially financed by the Bank in 1974 are shown in this page. Those programs will be clearly identified in such a way that our contribution will be dedicated only for those purposes.

The Bank will contribute to the core and capital programs of CIMMYT, CIAT and CIP as indicated below, provided that such amounts will never exceed ^{75%} the total/budget approved for the calendar year 1974 for each one of the designated capital and core programs. As indicated previously, to the extent possible, such contributions will be made in the currencies of the countries where the centers are located, and/or of the countries where the programs are to be performed, in the equivalent of US dollars computed at the official rates of exchange when the disbursements are made. Distributions of the IDB's contribution is indicated as follows:

	<u>IDB Contributions</u>	<u>* Approved Budget</u>
a) <u>CIMMYT: up to \$750.000</u>		
Core programs		
Wheat	\$300.000	\$831.000
Maize	200.000	627.000
Plan Puebla and related		
activities	30.000	67.000
Economics	70.000, 100, 000	208.000
Conferences and training		
activities	150.000	492.000
b) <u>CIAT: up to \$1.000.000</u>		
Core programs		
Beef	350.000	743.000
Swine Rice	75-100.000	210.000
Field beans	175.000	356.000
Agricultural systems	125.000	221.000
Training and communications	175.000	801.000
Capital programs		
Field station in Carimagua		
(b beef)	100 150.000	200.000
c) <u>CIP: up to \$250.000</u>		
Core programs		
Basic research	200.000	896.000
Conferences and training	50.000	509.000

* These figures need to be increased to include direct costs

III. CONDITIONS

An agreement will be made with each of the three centers in which disbursement procedures will be clearly specified. Disbursements will be made to the particular center for each specific program. The amounts approved for each capital and core program will be disbursed as follows:

- a) upon the signature of the agreement, 50% of the contribution of the Bank for that program will be advanced;
- b) 25% of the contribution will be disbursed when the center certifies that at least 50% of the total approved budget of the program has been obligated; and
- c) the remaining 25% will be disbursed when the Center certifies that at least 70% of the total approved budget of the program has been obligated.

In addition, the following two conditions will be specified:

- a) within the first three months of calendar year 1975, the center will report to the Bank on the total obligations and disbursements made for each of the core and capital programs partially financed with IDB contributions, and;
- b) the center will reimburse the Bank, in the same currency, the amount by which IDB's contribution has exceeded 75% of the total cost of each particular program.

The agreement will also indicate that the centers will present to the Bank the following reports:

- a) a financial report on the use of the money for each particular program carried on in 1974 within 90 days after the last disbursement has been made

for that program year. This financial report should be certified by the external audit firm used by each Center to certify its financial statements;

- b) technical reports will be presented to the Bank, the first one 6 months after the first disbursement and the last one within 90 days after the completion of the program year. The Centers will provide any related information as requested by staff members of the Bank in Washington or its Representations in the countries.

7
One
report per
year.

IV. DRAFT RESOLUTION

Attached is a draft resolution for consideration by the Board of Executive Directors.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
FOR OFFICIAL USE ONLY

RESOLUTION _____

CONTRIBUTIONS TO THE INTERNATIONAL AGRICULTURAL
RESEARCH CENTERS IN LATIN AMERICA FOR 1974

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such agreements as may be necessary and to adopt such other measures as may be pertinent for the execution of the program referred to in Document _____ with respect to contributions for support of the capital and core programs of the International Agricultural Research Centers in Latin America for 1974, to be executed by (a) the International Center for the Improvement of Maize and Wheat (CIMMYT); (b) the International Center for Tropical Agriculture (CIAT); and (c) the International Potato Center (CIP).

2. That the sum of US\$2.0 million in local currencies is authorized for the purposes of this resolution, chargeable to the resources of the Social Progress Trust Fund for 1974.

(Approved Date _____)

File
CG

~~Robert~~
~~Holmes~~

OCT 30 1974

MEMORANDUM

DATE: October 29, 1974

TO : LEG/LPCS, Mr. Ronald D. Levin

THRU : TA/PM, Mr. Carl R. Fritz *CF*

FROM : TA/PM, Mary E. Mozynski *Mary E. Mozynski*

SUBJECT: Informal Notification to Congress - International Agricultural Research Centers

Attached are four copies of an "Informal Notification" notice to be forwarded to Congress on the International Agricultural Research Centers.

Attachment: a/s

Clearances: TA/AGR, L. Hesser (phone) *LH*
AA/TA, Mary Kilgour (phone)

cc: PPC/EB/PD, Glenn C. Cauvin
GC/LPC, Denis M. Neill
AA/TA, Curtis Farrar

INFORMAL NOTIFICATION

October 29, 1974

COUNTRY:	WORLDWIDE TECHNICAL ASSISTANCE AND RESEARCH
Project:	International Agricultural Research Centers
Project Number:	931-11-110-A03 - Interregional Programs, Page 13
Amt. Notified:	\$10,500,000
Revised Amt.:	\$11,000,000
Difference:	\$ 500,000

The increase is due primarily to unexpectedly rapid cost inflation since the FY 1975 budget estimates were prepared. A secondary factor is support for a small program for the collection of plant genetic resources and some continuing support for a cooperative rice research program in Africa.

STATE - A.I.D. - USIA ROUTING SLIP				DATE 10/28			
TO:	Name or Title	Urgen. Symbol	Room No.	Bldg.	Initials	Date	
1.	L. Hesse				<i>JM</i>	10/30	
2.	D. Hackett						
3.	S.C. Kitzberger				<i>[Signature]</i>	11/4	
4.	G. Davis - Lock						
5.	File - CG/AR - 1179						
Approval		For Your Information		Note and Return			
As Requested		Initial for Clearance		Per Conversation			
Comment		Investigate		Prepare Reply			
File		Justify		See Me			
For Correction		Necessary Action		Signature			
REMARKS OR ADDITIONAL ROUTING							
FROM: (Name and Org. Symbol) <i>G. Davis</i>				ROOM NO. & BLDG.	PHONE NO.		

m ① ~~D. Bernstein~~
② ~~Dr. Baum~~
Am 1/28

October 2, 1974

Dear Mr. Roupp:

Thank you for letting me know, in your letter of September 25, about the position of the Charles F. Kettering Foundation with respect to the activities of the Consultative Group on International Agricultural Research. While I am sorry that we are not to have the Foundation's financial participation, I am grateful to you for having taken the time to attend our meeting in July. Your remarks about the Foundation's involvement in nitrogen fixation research will be of interest to a number of donor agencies now consulting on various aspects of plant nutrition, as well as to the Consultative Group's Technical Advisory Committee, and I am taking the liberty of calling this part of your letter to their attention.

Sincerely yours,

Harold Graves
Executive Secretary

Dr. Phillips Roupp
Director
International Affairs
The Charles F. Kettering Foundation
Suite 300
5335 Fox Hills Drive
Dayton, Ohio 45429

cc: Sir John Crawford
Dr. Sterling Wortman
✓ Dr. Joel Bernstein
Mr. Peter Oram

Mr. Baum
Mr. Yudelman
Mr. Neylan

HG:mcj

8-20
L.C.
60

September 25, 1974

Mr. Harold Graves
Executive Secretary
Consultative Group on International
Agricultural Research
1818 H Street, N. W.
Washington, D. C. 20433

Dear Mr. Graves:

Before replying to your letter of August 28, I want to thank you for welcoming the Kettering Foundation's observers to your July meetings so cordially. Mr. Vause, Dr. Newton, and I found the experience informative. It helped us to add to our picture of the coordinated efforts in agricultural research being supported and guided by the Consultative Group. Alternative possibilities for the Kettering Foundation's relationship with the Consultative Group have been considered in the light of what we were able to learn through your generous cooperation.

Your letter detailed the budgetary requirements for ten programs supported by the Consultative Group and additional funds which are likely to be needed in 1975. We understand that the proposed International Plant Nutrient Institute is not being funded at this time but remains under study.

After careful consideration, we have had to conclude that our own budgetary constraints will not make it possible for us to contribute to the current programs of the Consultative Group.

The nitrogen fixation research of the Charles F. Kettering Research Laboratory represents a major, long-term commitment of the Foundation. For this reason, we see no way in which we can make a monetary contribution to the Consultative Group's present programs. Should the International Plant Nutrient Institute be created eventually,

Mr. Harold Graves
September 25, 1974


page two

we would like to consider ways to establish a working relationship between the Kettering Laboratory and the Institute.

We are of course eager to be kept informed regarding the status of the proposed Plant Nutrient Institute and to receive regular updatings on the Consultative Group's activities.

With renewed appreciation for the invitation to join you in July.

Yours sincerely,



Phillips Ruopp
Director
International Affairs

PR/pmc

1. Copy to Holmes
2. File: GBB's office
(per Shuler)

~~DeBened~~ IARC

OCT301974

MEMORANDUM

DATE: October 29, 1974

TO : LEG/LPCS, Mr. Ronald D. Levin

THRU : TA/PM, Mr. Carl R. Fritz *CF*

FROM : TA/PM, Mary E. Mozynski *Mary E. Mozynski*

SUBJECT: Informal Notification to Congress - International Agricultural Research Centers

Attached are four copies of an "Informal Notification" notice to be forwarded to Congress on the International Agricultural Research Centers.

Attachment: a/s

Clearances: TA/AGR, L. Hesser (phone) *✓*
AA/TA, Mary Kilgour (phone)

cc: PPC/RB/PD, Glenn C. Cauvin
GC/LPC, Denis M. Neill
AA/TA, Curtis Farrar

INFORMAL NOTIFICATION

October 29, 1974

COUNTRY: WORLDWIDE TECHNICAL ASSISTANCE AND RESEARCH

Project: International Agricultural Research Centers

Project Number: 931-11-110-A03 - Interregional Programs, Page 13

Amt. Notified: \$10,500,000

Revised Amt.: \$11,000,000

Difference: \$ 500,000

The increase is due primarily to unexpectedly rapid cost inflation since the FY 1975 budget estimates were prepared. A secondary factor is support for a small program for the collection of plant genetic resources and some continuing support for a cooperative rice research program in Africa.

DeBard

OCT 30 1974

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Shirley -
Please get for
Ethel The final
version of
attached. We
need for our
files on it
16 meet.

11/1

[Statement of U.S. Delegate on U.S. financing intentions for international agricultural research, 1975 and beyond: CGIAR, Oct. 31, 1974]

1975

Mr. Chairman, AID's financing intentions for 1975 are much as we stated them last summer. On the basis of our previously stated support formula of up to 25% and the latest estimates of financing requirements and availabilities that we had a few weeks ago, we decided to provide \$11 million for 1975.

This will break down into contributions of approximately 25% for most of the Consultative Group supported programs. A few deviations will occur due to last minute changes in requirements, or due to shifts of funds to accommodate the overall pattern of contributions by other donors, or where some program did not need 25%. We plan to work these small adjustments out with the Secretariat, and to be ready to make funds available promptly after January 1.

We are also expanding our other support for research on LDC food problems in FY 1975. Our best estimate of the total, including grants to the international centers, is about \$45 million. This includes "outreach" projects of the international centers, activities such as the international soybean research program led by the University of Illinois and the new International Fertilizer Development Center at Muscle Shoals, Alabama, helping individual developing countries to strengthen their research capabilities and programs, and research on high priority LDC problems by U.S. centers of expertise on those problems. These U.S. centers in turn are working with networks of developing country research institutions and with other national and international research programs. Their programs. Their programs are reported in an AID publication made available at this and last summer's CGIAR meetings.

The U.S. is gratified that financing availabilities for the international centers for 1975 are greater than was anticipated last summer and that the

gap has been closed between availabilities and requirements. We congratulate all who contributed to that happy result.

Beyond 1975

However, it is hard to sit here on the eve of the World Food Conference, and in the midst of the constant stream of reports on current and prospective food problems of the developing countries, and not think beyond 1975. In doing so, we see no room for relaxation or complacency.

Last summer I noted:

- that yields in developing country food production will need roughly to double by the end of the century for minimal satisfaction of their food requirements;
- that this can not be achieved without much better farming technologies and systems;
- that this requires and can be expected to result from vigorous international action to strengthen the work on food production at all three echelons of the emerging international research networks and their working linkages,
 - . international centers,
 - . developing country research institutions,
 - . developed country research organizations working on developing country problems;
- that AID is planning to expand sharply its support for all of these types of work over the rest of this decade, assuming as we do that the current strong support for this thrust in the U.S. Congress and

Executive Branch will continue;

- that we hope the Consultative Group as a whole will raise its sights markedly in planning notional financing targets for the period to 1980, however informally this is done, rather than going along with the apparent current tendency to settle for a gradual leveling off of financing at about \$60 - 70 million per year.

The Secretary General of the World Food Conference has put forward a strong draft resolution on agricultural research for consideration by the Conference. Among other things, it recommends:

- "that the resources of the CGIAR be substantially enlarged to enable it to augment the number and scope of international centers."
- "that national and international expenditure on agricultural research in and for developing countries should be increased three to fourfold (in real terms) by 1985 to attain a level of at least \$1 $\frac{1}{4}$ ^{billions} million per annum."

We hope that the Conference will support this resolution.

We hope that the members of the Consultative Group will respond by declaring their intent to raise the CGIAR financing sights for the years immediately ahead well above previous projections.

We hope that all the delegates here can return from this meeting resolved to seek support in their countries and organizations for greatly expanded research financing as part of a broader effort to assist developing countries accelerate their food production.

We shall do our part. We are planning to give even greater stress to international agricultural research support than we have already in our legislative proposals to Congress next year.


10/29/74

UNITED STATES GOVERNMENT

Memorandum

TO : See Distribution

DATE: October 9, 1974

FROM : TA/AGR, Leon F. Hesser 

SUBJECT: Meeting of the Consultative Group on International Agricultural Research (CGIAR)

The CGIAR meets in Washington the end of this month at the World Bank. A draft copy of the Information Memorandum for the Administrator on this meeting is attached. It covers items expected to be discussed.

Prior to preparation of the final version of this Memorandum, we wish to have the benefit of any comments or suggestions that you may have. To facilitate this, we ask you to join us for a brief meeting on Wednesday, October 16 at 10:00 in Room 2884 NS. In the event you are unable to participate, please send a representative.

Attachment
a/s

Distribution

ASIA/TECH, O. L. Mimms
AFR/NARA, Woodrow W. Leake
LA/DR, Charles Stockman
Carl vanHaefte
SA/TD, Lane Holdcroft
PPC/PDA, Dana Dalrymple
TA/AGR, Guy B. Baird



INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

THRU: EXSEC

FROM: Joel Bernstein

SUBJECT: Consultative Group Meeting, Washington, D. C.
October 30-31, 1974

During the third annual International Centers Week (July 24-August 2, 1974), the Consultative Group on International Agricultural Research (CGIAR) and its Technical Advisory Committee dealt with a number of issues. The Agency position on these issues is covered in the Action Memorandum for the Administrator approved by you on July 26, 1974. After Centers Week an Information Memorandum for the Administrator (August 23, 1974) was submitted which reported on highlights of the several meetings which took place during the Week.

Although the official agenda has not yet been set, we have discussed the issues which are likely to arise with the Secretariat of the CGIAR. Most of the agenda will consist of items requiring further action and discussion which were raised by the CGIAR and for TAC during Centers Week. At this point we are not aware of any major new issues and do not envisage the need for the development of AID positions beyond those specified in the above-mentioned Action Memorandum.

As you realize, the main purpose of the October meeting is to firm up the preliminary pledges of financial support made during Centers Week. This year, the formal pledging was preceded by two regional meetings on financial matters: one for North American donors

in New York on October 9 which I attended and another for European donors in London on October 16. Australia, a new CGIAR donor, will attend each, and Japan will attend the one in New York. The remainder of this memorandum briefly outlines (I) recent program developments since Centers Week which are likely to emerge on the CGIAR agenda, and (II) the financial situation as it now appears for 1975^{1/}.

I. PROGRAM DEVELOPMENTS

A number of subcommittees of TAC and the CGIAR are expected to report at the meeting. The most important of these will have to do with proposed centers and programs.

1. International Center for Near East and North Africa

Pursuant to the positive TAC and CGIAR decisions made during Centers Week to move ahead with preliminary steps required to establish this new Center (reported in the AA/TA Information Memorandum to the Administrator of August 23, 1974), Dr. W. D. Hopper was asked by the sponsors of CGIAR to chair the concerned sub-committee. Dr. Hopper is President of the International Development and Research Center (Canada) and a member of TAC.

A preparatory meeting of this sub-committee was held in London on October 1-2, 1974 during which plans were made for the first regular meeting of the sub-committee in February, 1975. During the preparatory meeting, interested CGIAR donor representatives expressed willingness

to participate in supporting an initial fund needed to finance the activities of the sub-committee. The conditions under which we agreed to participate in subscribing this initial fund are in the AA/TA Action Memorandum approved by you on . Basically, we agreed to participate (our share is expected to be \$50,000 out of a total estimated requirement of \$300,000) with the understanding that: 1) a decision to establish new center should be based on a demonstrated desire for it by the governments in the region, and that this would involve substantial financial support by them; 2) funds should be forthcoming from the region which, together with those from other donors, would obviate or substantially reduce the need for funds from the U.S. Government; 3) the initial fund would be used in a way which would insure substantial involvement of potential regional financial backers; and 4) our support to this fund should not be taken as an indication of our intention to contribute subsequently the usual 25% of the capital and operating costs of the proposed center. The World Bank and U.K. expressed the same basic conditions to their support for the initial fund.

Prior to the February meeting of the sub-committee, it is expected that governments in the region will be contacted to determine their interest in the center -- to serve as hosts to the center and its associated substations. (This involves Lebanon, Syria, Iran and Algeria), and where appropriate, to provide financial backing (the OPEC countries of the region). Also, prior to the February meeting, a draft charter(s) will be prepared for the center, together with a plan of work and budgets. By February sufficient information should be available to determine the

feasibility of proceeding further with arrangements for establishment of the center

The official report of the preparatory meeting of the sub-committee will be available to CGIAR members prior to the late October meeting of the Group. We expect to affirm our position, as noted above, including willingness to participate in supporting the initial fund in the amount of \$50,000.

2. International Plant Nutrition Institute

During Centers Week, TAC suggested the establishment of a sub-committee or working party to

. . .examine the best ways and means of giving effect to the need to mobilize the experience of TVA and other bodies: how best to monitor work at the Centers and elsewhere in all relevant fields, and to stimulate further needed research.

The working group held its first meeting in Frankfort on September 28th . AID was represented by Donald Plucknett of TAB/AGR. At the meeting, it was decided that international collaboration was desirable and that the sub-committee would concentrate its efforts around five topics; 1) fertilizers for LDCs, 2) biological sources of plant nutrition, 3) organic sources of plant nutrition, 4) diffusion of known technology, and 5) tropical soils. Sub-groups will prepare reports on these topics, and the working group will report to the February meeting of TAC, and TAC in

turn is expected to present its recommendations at Centers Week in the summer of 1975.

In the interim, as you are aware, we are making steady progress toward the establishment of the International Fertilizer Development Center at (TVA).* The incorporation process is expected to be completed by October 8, and the first meeting of the initial members of the Board of Directors is to be held October 11. As you are aware, Dr. John Hannah has been selected Chairman, two of the Board members are Lynn Seever (General Manager of TVA) and Webster Pendergast (Vice President for Agriculture, University of Tennessee). Others will be added later. Within AID, the PROP for the initial planning grant of \$305,000 has been signed by Mr. Farrar and it has been sent to the contract office. It is hoped that it will be possible to make the first operating grant in early 1975. In a heartening development, the IDRC of Canada has made a pledge of \$50,000 toward initial planning and organizational activities.

The Chairman of the CGIAR has sent a letter to the Secretary General of the World Food Conference informing him of these activities.

3. International Food Policy Research Institute

TAC recommended the establishment of this Institute during Centers Week. It was not immediately proposed for CGIAR funding, however, because of the possibility that initial funding would be provided by three of the CGIAR members. A working group was set up to further study the question of establishment. A meeting of interested parties was held in Ottawa on

September 17. The groups represented, beside IDRC, which acted as host, were the Ford and Rockefeller Foundations, IBRD, FAO, TAC and AID (in the person of Lehman Fletcher, TAB/AGR).

The working group will recommend to the CGIAR that a Food Policy Research Institute be established along the lines suggested by TAC. The Institute's focus would be on intercountry types of policy studies -- on issues which extend beyond the boundary of one country.

While the Group will suggest that the Institute be considered a full member of the CGIAR family, the CGIAR will not be immediately asked to provide funding. Rather the Foundations and IDRC will provide initial annual funding, for up to five years, in roughly the following amounts:

Ford	\$ 200,000
Rockefeller	200,000
IDRC	600,000
<hr/> Total	<hr/> \$1,000,000

IDRC will evidently also cover increases due to inflation.

The staff would be rather small, consisting of five to six senior members and around eight staff associates. Some use would be made of consultants and contracts.

No decision has yet been made concerning a location. It was Fletcher's impression that Rome was the favorite followed by Washington or London as second choice. Other possible locations include Geneva, Paris, and

Copenhagen. A set of location criteria have been set up and each potential location is now being checked against them.

We are, of course, very pleased with the course of action to date and and anticipate that if the CGIAR accepts the proposal, and, if the trial period is successful, AID would join with other national donors in the support of the Institute

4. Aquaculture

During Centers Week, TAC indicated that for several reasons it was unlikely to suggest an immediate and large research input in this area. Rather it suggested that a sub-committee be established which would identify a few promising research and training areas, not to cost over \$500,000, which might be recommended to the CGIAR.

This activity has subsequently proved more difficult than anticipated. The sub-committee will meet in Washington on October 15, 1974; AID will be represented by Erven Long. While it is hoped that the meeting will lay the foundation for CGIAR-sponsored activity, it is not expected that the meeting will be able to come up with specific proposals by October 30.

Thus CGIAR funding for this area is not likely to come up for consideration until next summer.

5. Computerized Agricultural Research Information System (CARIS)

Several years ago, AID and Belgium funded a pilot project to develop an agricultural research information system. The initial work was evaluated

last summer and TAC recommended interim funding for the continuation of this work until it can be absorbed into the regular program activities of FAO during the 1976-77 biennium.

Since Centers Week a more specific two year proposal and budget has been drawn up and will be presented to the CGIAR. It basically proposes the development of three worldwide research directories: (1) research institutions, (2) research workers, (3) main lines of ongoing research. No such directories currently exist. The estimated cost would be \$355,000 the first year and \$640,000 the second, for a total cost of \$995,000.

We think that these directories are badly needed and that the project is an excellent idea. Our only concern is the role to be played by FAO. According to the proposals, the initial work and the initial set of directories would be completed by the time FAO took over responsibility. Therefore all they would seem to be taking on is the responsibility for keeping the materials up to date and presumably reissuing the directories from time to time. Also, it is not clear why FAO couldn't have taken on the work this year. We may need to discuss the matter further with FAO.

In any case, we think that the work should go on and are proposing that AID provide up to 25% of the cost. We are currently uncertain, however, of the interest of other donors.

6. Technical Advisory Committee (TAC)

It is anticipated that TAC may recommend that its membership be enlarged by four. In view of the increased responsibilities TAC is anticipating taking on in terms of reviews of Institute programs, this request is not unreasonable. We do not yet have a detailing of the expected professional breakdown of the added members.

Two related matters may be of interest. First, Dr. Dieter Bommer, the German member on TAC, is joining FAO so a replacement will be needed. Secondly, out of Australia's expected contribution of \$1.32 million to the CGIAR in 1975, about \$150,000 is to be set aside for TAC use. As TAC's review activities increase, there may be a need for additional funding beyond that available from its three current sponsors (IBRD, UNDP, FAO). We may want to consider a small allocation for this purpose in the future.

II. FINANCIAL DEVELOPMENTS

1. Current Tabulation of 1975 Needs and Funding

The most recent calculation of Center needs and funding available is summarized in Table 1. On the basis of the calculations contained therein, it would appear that overall funds "available" might exceed those needed by \$485,000. Of this, \$150,000 is earmarked for TAC. This leaves \$350,000. The calculations, however, have assumed a deduction of \$330,000 from the IRRI budget that the IRRI management might not agree with. If this is put back in, the "surplus" is reduced to \$5,000. The

TABLE 1. ANTICIPATED CGIAR FINANCING NEEDS AND AVAILABILITIES, 1975*

	<u>"Needed"</u> (millions	<u>"Available"</u> of	<u>Net</u> dollars)
CIAT	6.060	6.060	0
CIMMYT	7.245 ^{1/}	7.120	- .125
CIP	2.460	2.460	0
ICRISAT	8.380	8.080	- .300
IITA	7.115	7.115	0
IRRI	7.740 ^{2/}	7.705	- .035
Subtotal	39.000	38.540	- .460
ILCA	1.885	1.885	0
ILRAD	2.170	2.170	0
IBPGR	0.555	0.555	0
WARDA	0.575 ^{3/}	0.575	0
Subtotal	5.185	5.185	0
MIDEAST	0.300 ^{4/}	0.325 ^{5/}	+ .025
CARIS	0.360	0.030 ^{2/}	-0.330
Subtotal	0.660	0.355	-0.305 ^{5/}
Unallocated	-	1.250 ^{6/}	+1.250 ^{5/}
Total	44.845	45.330	+ .485 ^{5/}

* Slightly modified from CGIAR Secretariat table of October 1, 1974

^{1/} Includes \$0.175 for expected 15% inflation.

^{2/} Deducing \$0.330 from the original IRRI figure to allow for delays in staff appointments. Anticipates a donation of \$700 from Japan.

^{3/} A reduction from the original "requirement" of \$.980.

^{4/} Represents a reduction of \$.100 from the Secretariat figure "per sub-committee meeting."

^{5/} Full CGIAR interest not known. Figure represents only a stated contribution from Belgium. U.S. would presumably give 25% of total CGIAR commitment.

^{6/} Of this, \$.150 has been earmarked for TAB by the donor.

Japanese contribution has been entered as \$700,000; this is not yet confirmed and if it should actually be last year's figure of \$270,000, the net surplus changes to a deficit of \$425,000. Also, some of the Centers may come to this meeting with slightly larger budgets than they submitted last summer. On the other hand there is a possibility that the Germans may give more than indicated earlier. On balance, it appears that the overall budget situation for FY 1975 will be quite satisfactory.

Given roughly the configuration in Table 1, the potential AID contribution by Institute and activity is presented in Table 2. The total of \$11.2 million does not include AID's contributions to the International Fertilizer Development Center, to the Asian Vegetable Research and Development Center. Of the total of \$11.2 million, \$ 9.67 would go to the six original centers, \$1.27 million to Centers and programs under development, and the remainder to new activities and to unallocated. The total of \$11.2 million represents an increase of \$4.2 million or 60% over FY 1974.

The anticipated breakdown of contributions by donor is shown in Table 3. The figures may be further refined during the regional meetings. As noted, Australia is a new donor.

2. Comments on Selected Center on Program Budgets

a. CIMMYT

All the Centers face the problem of how to properly calculate the amount of inflation to build into their budget. The problem seems most acute in the case of CIMMYT, which estimates that it will need a 20% allowance. Bank economists think that a 15% rate would be adequate. There are

TABLE 2. BREAKDOWN OF AID CONTRIBUTIONS TO CGIAR ACTIVITIES
FY 1974 and 1975

	1974 (actual)	1975 (estimated)
	millions of dollars	
CIAT	0.95	1.515
CIMMYT	1.35	1.810
CIP	0.55	0.615
ICRISAT	1.00	2.020
IITA	1.50	1.715
IRRI	1.10	1.935
Subtotal	6.45	9.670
ILCA	0.10	0.470
IIRAD	0.342	0.540
IBPGR	-	0.140
WARDA	0.108	0.120
Subtotal	5.50	1.270
MIDEAST	-	0.50
CARIS	-	?
Subtotal	-	
Unallocated	-	0.210 ^{1/}
Total	7.0	11.200

TABLE 3. ESTIMATED PLEDGES FOR CGIAR RESEARCH, 1975

<u>Donor</u>	<u>Estimated Pledge</u> (millions of dollars)
United States	11.200
World Bank	4.570
Canada	4.105
IDB	3.700 ^{1/}
Germany	3.200 ^{2/}
Rockefeller Foundation	2.900 ^{2/}
Ford Foundation	2.800 ^{2/}
United Kingdom	2.240
Sweden	2.130
UNDP	2.045 ^{3/}
Australia	1.320 ^{2/}
IDRC (Canada)	1.100 ^{2/}
Netherlands	0.850
Norway	0.730
Japan	0.700 ^{4/}
Belgium	0.555
Switzerland	0.460
Kellogg Foundation	0.290
Denmark	0.250
France	0.175
<hr/>	
Total	45.320

^{1/} Could be higher

^{2/} Plus an additional amount for the International Food Policy Research Institute

^{3/} New Donor

^{4/} Unconfirmed. Could be lower.

several ways of handling this particular matter, but it does suggest the need to develop a more general procedure for taking inflation into account in establishing budgets.

b. ICRISAT

Two rather specialized matters may need to be answered in the case of ICRISAT. First, the donors to ICRISAT met in the spring of 1974 and basically allowed it \$8.08 million for core and construction in 1974. The construction bids which were subsequently received were too high, and they have been put out for bid again. Thus the construction process is being delayed and the construction budget might not be fully spent. The question will be whether some donors can permit a carryover of funds to 1976.

The second question revolves around the proposed groundnut (peanut) program. TAC has recommended a groundnut program but suggested that ICRISAT proceed cautiously. The question is whether to include an item for this in the 1975 budget. We think that work on groundnuts is very important and are inclined to think that it should be included in the 1975 budget if the Director of ICRISAT thinks they can handle it along with all of the distractions of their current building program.

c. IBPGR

The International Board for Plant Genetic Resources has proposed an initial budget of \$554,000 for 1975. Of this initial total, only \$100,000 would be for direct support for germplasm activities at genetic resource centers. Sub-centers at Turrialba and in Ethiopia are expected to be funded by Germany under the bilateral programs. The Swedish Government is expected to continue to support the Izmir center until

July 1, 1976. The Board is investigating the need for centers in India, Indonesia, and Italy (for the Mediterranean region).

d. WARDA

WARDA continues to be a question mark because of the level of management. Dr. John Coulter of the CGIAR staff has just returned from a technical evaluation of the WARDA program. His written report is not yet available but we hope to get it in a week or two. In the interim we are carrying its "needs" at somewhat less than it indicated during Centers Week.

3. Points of Continued Discussion

During Centers Week, there was considerable discussion of (a) the structure and funding of outreach programs within the Centers' core budgets, and (b) the procedure for handling unexpected variations in the budgets presented during Centers Week.

III. RELATED MATTERS AND MATERIALS

1. National and Bilateral Programs of Research

During Centers Week there was considerable interest in learning more about agricultural research programs conducted by donor nations on a bilateral basis with, or of value to developing nations. The AID/TAB summary of research work at American universities and elsewhere was pointed to as the type of information needed. Subsequently the CGIAR Secretariat asked other donor nations to provide similar information, hopefully by the end of October. This information could be of great value for an interna-

tional agricultural research network, particularly in facilitating more effective tapping of research institutions in the developed countries.

2. Consultative Group Brochure

While we were not very happy with the initial draft of the proposed brochure on the CGIAR research activities (it was more a detailed handbook), some improvements were made and it is planned to have the printed version available (in English, French, and Spanish) early in November for the World Food Conference. We have requested copies. Perhaps it will be possible to do a more popular illustrated brochure at a later date.

3. Review of Evenson Paper

The Statistics Division of the Ministry of Overseas Development in London has prepared a review of Professor Evenson's paper of a year ago on "Investment on Agricultural Research": Copies will be available at the meeting. While it raises some technical questions, it doesn't materially challenge most of his findings. It concludes that:

We believe that an information system that provides for all these needs will enable the better management of research programs. This should result in the selection of research projects with a greater probability of implementation which in its turn should result in greater social and economic benefits.

4. CGIAR Secretariat Change

Harold Graves of the CGIAR Secretariat is expected to retire by the end of the calendar year. He is to be replaced by Michael L. Lejeune, director of country programs for Eastern Africa. Mr. Lejeune shifted to the Secretariat in September and presumably will take over early in 1975. A bio-sheet on him is attached.

5. Asian Vegetable Research and Development Center (AVRDC)

AVRDC, because of political factors, is still only an associate member of the CGIAR. Its funding is still precarious. The initial AID five year grant which is providing \$600,000 annually, will run out at the end of 1975. Dr. T. H. Shen, Chairman of the Board of Directors of AVRDC was recently in Washington and met with Congressman Passman as well as us. Mr. Shen stated that Mr. Passman indicated that he would support continued U.S. contributions, but that this would be facilitated if the U.S. share were reduced some (it has been at 40%). In view of increasing Center budgets, a continuation of the U.S. donation of \$600,000 will soon represent only 25% of the overall budget. Subject to confirmation of the reportedly positive position of Mr. Passman, we would expect to continue support to AVRDC at the current level of \$600,000 per year. Accordingly, TAB (as agreed to by the SA and ASIA Bureaus) would handle the support beginning with FY 1976.

In the meantime, consideration is being given, at the initiation of TAB, to some mechanism that would make it feasible for other CGIAR donors to support the AVRDC. One possibility would be the establishment of an associate center in another country of Southeast Asia which would be closely linked with the center in Taiwan, but enjoy sufficient autonomy to receive support directly from donors, who could not contribute directly to the component in Taiwan.

6. International Soybean Resource Base (INTSOY)

While not scheduled for discussion during the CGIAR meeting, international research on soybeans is a matter of continuing interest to TAC and to the Group.

INTSOY currently consists of that soybean research conducted by the Universities of Illinois and Puerto Rico which is directed to the needs of the developing countries -- especially those in the tropics. This work is supported by AID except for a small grant made recently by the Rockefeller Foundation. It capitalizes on -- piggybacks on -- the large domestic soybean research programs of the University of Illinois and the contiguous USDA Regional Soybean Research Library.

In 1972, at the initiative of TAC, we explored the feasibility of using this U.S. soybean research resource in a way that would adequately meet the needs of the developing countries. It was an effort by TAC to tap existing resource institutions in the developed countries to meet international agricultural needs of the LDCs. The alternative

would be to establish an IRRI or CIMMYT-like center for this important food crop, or to build the research capability into one or more of the ongoing international centers. The tapping of existing strength seemed reasonable and economical in this case.

Unfortunately, despite strong recommendations by TAC, non-U.S. CGIAR donors were not prepared to provide support for core budget needs of an international resource base (INTSOY) which was based in the U.S. More broadly, this is interpreted to mean that CGIAR per se would not fund international centers, or center-like institutions in the developed world. As a result, the current INTSOY program -- which is substantial and growing -- is dependent (and likely to continue to be dependent) on AID support for the core or operating budget. There is reason to expect, in due course, support from other CGIAR donors for some of the outreach activities of INTSOY.

Our view is that the goals and program of INTSOY should be kept before the CGIAR and the TAC. Meanwhile, to mount the kind of international soybean research program needed, it may be necessary for AID to consider a substantially increased input to INTSOY for its core budget.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (WORLD BANK)
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)
Washington, D.C. 20433

MICHAEL L. LEJEUNE

Director
Country Programs
Eastern Africa

Born March 22, 1918, Manchester, England

United States citizen.

- 1932-1936 Cate School, Carpinteria, California
- 1936-1940 Yale University; A.B. Modern European History
- 1940-1941 Yale University Graduate School; American History and
Government.
- 1941 Teaching; St. Paul's School, Concord, New Hampshire
- 1942-1946 Military Service: Volunteer in King's Royal Rifle Corps,
British Army; Captain.
- 1946-present International Bank for Reconstruction and Development.

Began in the Administration Department, becoming head of the Personnel Division in 1948. Joined the Loan Department in 1950 as Assistant to the Loan Director and Secretary of the Staff Loan Committee. Became Chief of Division in the Europe, Africa and Australasia Department upon its organization in 1952. Appointed Assistant Director of this Department in 1957. Appointed Assistant Director of the Far East Department in February 1963. Appointed Director of Administration in October 1964, ex officio holding same position in the World Bank's affiliates, the International Development Association (IDA) and the International Finance Corporation (IFC). Appointed Director, Middle East and North Africa Department in June 1967; Director, Europe, Middle East and North Africa Department in November 1968; Director, Eastern Africa Department in January 1970; and Director, Country Programs, Eastern Africa in October 1972.

October 1972

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

1818 H St., N.W. Washington, D.C. 20433 U.S.A.
Telephone (Area Code 202) 477-3592
Cable Address - INTBAFRAD

SEP. 16 1974

September 11, 1974

TO: Consultative Group Donors Based in North America
FROM: Executive Secretariat
SUBJECT: Informal Meeting on Financial Allocations for 1975

This is to confirm that a meeting of donors will be held at the Ford Foundation, 320 East 43rd Street, New York, N.Y., at 10:30 a.m. on Wednesday, October 9, 1974, on the above subject. The meeting will be held in the 6th Floor Conference Room at the Foundation. It is intended to conclude the meeting by 3:30 p.m., following luncheon at the Ford Foundation. The donors concerned are Canada, Ford Foundation, Inter-American Development Bank, International Development Research Centre, Rockefeller Foundation, United Nations Development Programme, United States and the World Bank.

Agreement on such a meeting was reached at the Consultative Group discussions on August 1-2 regarding 1975 funding. The meeting is intended to be an informal discussion, along the lines of the one held at the Rockefeller Foundation in September 1973. It will cover total availabilities and requirements for 1975, as well as financial allocations between the various Group-sponsored centers and programs. Opportunity may also be taken to raise other subjects for discussion, including longer-term financial prospects. The meeting is intended to help provide a basis for the discussions on financing at the Consultative Group meetings in Washington on October 30 and 31.

A similar meeting is to be held with European-based donors on Wednesday, October 16, at the British Ministry of Overseas Development.

The Chairman of the Consultative Group, Mr. Warren C. Baum, will be accompanied by the Executive Secretary, Mr. Harold Graves, and his forthcoming successor, Mr. Michael Lejeune.

Would you please inform the Secretariat of the name of your representative at the meeting in New York.

Joel Bernstein
Guy Baird

Already informed,

Shilly - please inform Graves
office re last state mt. *Shilly*
9/17
CB

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Would you please inform the Secretariat of the name of your representative at the meeting in New York.

1-552

8

File - CGIAR 1974

UNITED STATES GOVERNMENT

Memorandum

TO : See Distribution below

DATE: September 23, 1974

FROM : TA/AGR/ESP, *LB* Lehman B. Fletcher

SUBJECT: International Food Policy Research Institute

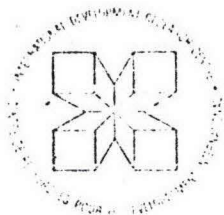
1. A meeting of a Working Group was held in Ottawa on 17 September. That Group will recommend to the CGIAR at its October meeting that an institute be established along the lines of the attached proposal.
2. Funding for an initial, probably 5-year, period will be provided by Ford, Rockefeller and the Canadian IDRC.
3. Location has not been decided. Rome seems to be the favorite with Washington or London as second choice.

Attachment:
Proposal

DISTRIBUTION:

AA/TA, Joel Bernstein
AA/TA, Curtis Farrar
AA/TA, Erven Long
TA/AGR, Leon Hesser
✓ TA/AGR, Guy Baird





INTERNATIONAL DEVELOPMENT RESEARCH CENTRE
CENTRE DE RECHERCHES POUR LE DÉVELOPPEMENT INTERNATIONAL

List of participants for International Food Policy Research
Meeting, IDRC Headquarters, 60 Queen Street, Ottawa (15th floor)
September 17, 1974

Mr. David Bell, Ford Foundation
Sir John Crawford
Mr. Ralph Cummings Jr., Rockefeller Foundation
Mr. R.K. Davidson, Rockefeller Foundation
Mr. Lehman B. Fletcher, USAID
Mr. Harold Graves, IBRD
Mr. Lowell S. Hardin, Ford Foundation
Mr. Dale Hathaway, Ford Foundation
Mr. W. David Hopper, IDRC
Mr. E. Ojala, FAO
Mr. Peter Oram, FAO
Mr. M. Yudelman, IBRD

Handwritten: 4115 P

PROPOSAL FOR A WORLD FOOD POLICY RESEARCH INSTITUTE

Proposal for a World Food Policy Research Institute

1. In considering the relevance of research in the social sciences to its mandate the TAC has explicitly recognized the importance of the work of the economists and sociologists at the International Centres in guiding the programme formulation of those Centres and in securing the successful application of the results of their technical research. TAC has also emphasized the need for strengthening national research efforts in the field of public policy related to agricultural development, and urged that suitable feed-in/feed-back mechanisms be established to transmit to government planners the findings of micro-economic research on the use and implications of new technology.

2. In addition to these aspects of socio-economic research in agriculture, attention was drawn at the seminar on socio-economic research for agricultural development held in Washington in July 1973 to the need for policy studies related to certain problems affecting groups of countries or even the overall pattern of world agriculture, hopefully leading to better management of the world's food and agricultural resources, and the avoidance or at least the alleviation of recurrent famines, scarcities of critical inputs, price fluctuations, and other crises. It was suggested that means of satisfying this need might also be examined by the Technical Advisory Committee.

3. At its seventh meeting, the TAC therefore discussed the research needs in this wider field of macro-economic problems and concluded that such research was both within its terms of reference and highly relevant to the objectives of the Consultative Group and the work of the International Centres as well as to national agricultural policy formulation. It considered that there might be merit in having selected aspects of research on global problems affecting agricultural development, with particular

reference to critical issues concerning food, undertaken at a specially created institute and it established a TAC Sub-Committee to study the matter further. The Sub-Committee met in Washington in May, and had the benefit of further talks with Dr. Wells, the author of a basic report on the subject prepared at the request of the Ford Foundation.

4. The Sub-Committee fully confirmed the views tentatively expressed by the full membership of TAC on the need for further research in this field and unanimously recommended the establishment of an institute with the independence, competence, and flexibility to undertake studies on key policy issues bearing on world agricultural development, particularly those which might have sensitive political or social connotations. It did not feel, however, that any single institute could deal adequately with all aspects of development studies related to agricultural and rural development.

3
In view of the likelihood of continuing difficulty and uncertainty over the world food situation it recommended that the task of the proposed institute should be restricted to research and related information and some research training activities bearing primarily on world food policy. This would also enable it to provide most useful guidance to the work of the TAC, Consultative Group, and commodity research centres.

5. Within this general mandate it considered that the institute should be given terms of reference broad enough to enable it both to keep in view the current problems and policies of major producing and consuming nations and their probable impact on the short-term food situation in the world with particular reference to the outlook for developing countries; and, through analysis of selected key policy issues, to offer guidance to national and international planners on the measures required to improve the management of agricultural production resources to increase world food supplies, and to achieve a more equitable distribution of available food.

6. The TAC notes and endorses the recommendations of its Sub-Committee and sees a clear need for the establishment of a World Food Policy Research Institute along the lines proposed. It stresses that the main tasks of the proposed Institute should be research and the dissemination of the results of this research to as wide and influential an audience as possible. While recognizing the importance of training, it does not consider that this should be a major aspect of this Institute's work, although it supports the Sub-Committee's view that a limited component of graduate research fellowships from developing countries to participate in the programme of the Institute would be a valuable means of combining training and research.

7. The TAC therefore proposes that the Institute should be established with the following mandate:

(i) To keep the global food and agricultural situation under continuous independent review and analysis (supply, demand, stocks, and short-term outlook for the major agricultural products, as well as fertilizer and other inputs, price and trade developments and prospects).

Its main source of intelligence for this purpose would be secondary data, drawn from FAO, IBRD, and other appropriate bodies, but utilizing both published and unpublished information.

(ii) To examine selected major and agricultural policy and trade problems related to food, particularly those involving sensitive relationships between and among countries, e.g. distribution of fertilizer or other inputs in short supply; food and other aid policies; export and other trade policies related to food, etc. A particular need is seen for an authoritative analysis of the whole question of existing policies and future needs for the production and distribution of fertilizers and other inputs in short supply. A particular objective would be to help national

planners identify the possible impact of problems or actions arising outside their countries on their internal economics and policies.

- (iii) To identify and research emerging and future problems of global concern likely to have an important bearing on food production and utilization (including competition between supplies for food and feed) in the longer term.

A main objective of these studies would be to indicate the actions needed in the next few years to gear up for better resource allocation and management and to improve productivity and food availability in the long run. A major analysis is needed of the world's available resources for food production, and the policy implications for developing the resource potential. This should involve an analysis of the requirements for bringing in new areas not previously used for food production, for example the Amazon, Congo, and Niger Basins, and the llanos of Colombia, to which the work of CIAT provides an encouraging pointer. It would also entail studying the redevelopment needs of old land in need of reclamation action, for example the saline areas of India and the Sahelian zone of Africa. [The TAC is of the opinion that resource-allocation problems in food production policy are currently receiving inadequate attention both vis-à-vis short-term emergency action and long-term perspective planning, and that the new Institute could make a significant contribution in this area of research.]

- (iv) To transmit up-to-date and relevant information derived from its research to policy-makers, through research monographs, seminars and workshops on selected topics, and specific devices such as an annual conference to discuss the main functions and implications of its most recent research, the results of which would be published in its annual report.

The TAC believes that in addition to improving current awareness of major changes in agricultural policy by important producing countries, or the introduction of new technologies which are likely to affect their own policy decisions, such meetings could provide opportunities for interchange of ideas with national planners and staff of International Centres and Agencies on critical issues of international agricultural policy and would thus also offer guidance to the Institute as to what additional research was needed and how it might be approached.

TAC was impressed with the analogy drawn by Mr. Wells between the role of the Institute of Strategic Studies and that of the World Food Policy Research Institute in its work and approaches, and would hope that through its analyses and its inter-relationships with other agencies and national authorities in the transmission of its results the latter would soon earn a similar degree of respect and authority.

8. The TAC welcomes the recent initiatives of the FAO Council and Conference in strengthening the Organization's work in data-gathering, food intelligence, and the establishment of an early-warning system, and also notes with satisfaction action by the United States and some other national agencies in this field. It does not therefore feel that such activities should form part of the work of the proposed new Institute, although it should draw on relevant data as a feed-in to its analytical work.

9. Both in this connection and in the conduct of its research programme, the TAC stresses the need for close and sensitive working relationships between the Institute and other agencies such as FAO and IBRD with major responsibilities in fields of food and agricultural policy analysis or socio-economic research bearing on the agricultural sector. To the fullest extent possible the Institute must

complement and reinforce rather than compete with their activities. One way in which it might do this would be to undertake independent and public analysis of controversial or politically sensitive issues, where the freedom of action or expression of other agencies dependent on government support might be inhibited, even if such issues are theoretically within their terms of reference.

10. The TAC envisages that much of the research of the Institute, including the kind of studies indicated above, would either have to be undertaken on a task force basis by teams of research fellows and associates, and/or by sub-contracting to appropriate universities or other research institutions. The "core" staff of the Institute would be relatively small, and in addition to participation in task forces where feasible, would have an important conceptual role in identifying researchable topics, screening for priority, and working out methodology in collaboration with members of the task forces. A clear need is foreseen to associate staff of the International Research Centres, and of the agencies of the UN system in such studies, both to give the broad input of inter-disciplinary expertise and experience of developing countries required to supplement the background of the Institute's staff, and because the output of the Institute, if it has its feet firmly on the ground, ought to be highly relevant to their own policies and programmes.

11. However, while recognizing the important two-way benefits which ought to accrue from close links between the Food Policy Research Institute and other international as well as national agencies, the TAC considers that a pre-requisite for its success in exerting a useful and effective influence on critical issues related to world food policy must be ability to speak and publish freely and authoritatively in a way which governments will listen to. This implies not only a highly competent multi-disciplinary staff, but a structure and degree of autonomy in the exercise of its functions comparable to that of the International Agricultural Research Centres.

12. The TAC believes the latter to be of paramount importance and has therefore given very careful consideration to the type of model most likely to ensure the necessary degree of freedom, including those of the privately funded Institute of Strategic Studies (IISS), the International Centres, and the International Plant Genetic Resources Board. While leaning towards the Centre model it does not wish to foreclose the options at this time, nor does it necessarily see them as mutually exclusive.

13. A sufficient basis of solid financial support is considered indispensable to launch the Institute and to guarantee its continuance for a sufficient period to attract high quality staff.

14. A closely related matter to which the TAC has also devoted considerable attention is the location of the Institute. Bearing in mind the advantages of strong working links with other agricultural development agencies, members see merit in basing it in Rome in close association with FAO as the principal agency responsible for food and nutrition policy; provided adequate autonomy and flexibility for the Institute can be guaranteed. In this respect it welcomes the wish expressed by the Director-General in para. 2 of his letter to the Chairman for such an association, and recognizes the need for the Institute to avoid any substantive duplication with FAO's functions.

15. Similar advantages are also seen for Washington and possibly Geneva as sites. Clearly the advantages and disadvantages of each will have to be weighed further once agreement has been reached in principle to establish the Institute.

16. Regardless of location, however, we again emphasize the importance of linkages between the Institute, major international bodies such as FAO, IERD, and UNDP, and national agencies such as the USDA. The TAC assumes that a form of international board appropriate to the nature of its work and location will be set up for the governance of the Institute and one way of ensuring the necessary close relations and access to their documents, library and other facilities would be representation of appropriate agencies on this governing body.

17. The TAC commends the proposal for a World Food Policy Research Institute to the Consultative Group as a worthwhile undertaking; and suggests that once funding is available, whether through a consortium of private donors or the Consultative Group itself, a steering committee be set up to examine questions of staffing and location further, and to open negotiations for the Institute's establishment and the appointment of the Board. It hopes that the World Food Research Policy Institute could be part of the Consultative Group system for the sake of ensuring the best links with the socio-economic implications of the centres' work, and conversely that the centres could profit fully from the work of the new institute.

ATTACHMENT C

September 27, 1974

Mr. Sayed Marei
Secretary-General
World Food Conference
Food and Agriculture Organization
Via delle Terme di Caracalla
Rome 00100, Italy

Dear Mr. Marei:

The forthcoming World Food Conference promises to be an important step towards the improvement of food supplies and food production in the developing countries. The documents of the Preparatory Committee make it quite clear that fertilizers play a key role in any strategy to help developing countries feed their people. Moreover, the attention of the Conference has been called to the need for research which could lead to improved types of plant nutrients and non-energy alternatives for stimulating plant growth. It therefore seems opportune to write to you about the work of the Consultative Group on International Agricultural Research with respect to plant nutrients, including the proposals which the Group and its Technical Advisory Committee (TAC) have under consideration.

At the August 1-2, 1974, meeting of the Consultative Group in Washington, special attention was given to a report from the TAC on its consideration of how to approach the question of stimulating research on the application of chemical fertilizers to developing country conditions, biological fixation of nitrogen, and organic fertilizers, and to a proposal by the United States to help develop research on the chemical fertilizer part of this problem. The latter proposal was intended to fall within the context of any overall Consultative Group effort on plant nutrition; it would be based on the extensive facilities of the Tennessee Valley Authority (TVA).

The existing international agricultural research centers have a substantial interest in plant nutrition: the International Rice Research Institute (IRRI), the International Institute of Tropical Agriculture (IITA) and the Centro Internacional de Agricultura Tropical (CIAT) have programs on the biological fixation of nitrogen by leguminous and non-leguminous plants. Moreover, work on conventional chemical fertilizers is under way at all the centers, including research into improving efficiency in the use of fertilizers in tropical conditions. An important aspect of this work, in view of the fertilizer shortage, is that the new varieties of wheat and rice, while responding best under controlled fertilizer use, are not dependent exclusively on fertilizers to be superior in yield to traditional local strains. At the same time, the need is recognized to strengthen these programs so as to increase the efficiency of presently available conventional fertilizers and to help define needs for new types of fertilizers.

Accordingly, the Consultative Group's Technical Advisory Committee has recently established a subcommittee to examine the best ways and means of giving effect to the need to mobilize the experience of TVA and other bodies: how best to monitor work at the centers and elsewhere in all relevant fields, and to stimulate further research in each of the three main elements of chemical, microbiological and organic aspects of plant nutrition. The subcommittee will report to TAC at its next meeting in Rome in February 1975. The Consultative Group and TAC have also welcomed the U.S. proposal to establish a non-profit corporation with a multi-national board and staff which would have access to the staff and facilities of the Tennessee Valley Authority and would help develop chemical fertilizer research for tropical conditions. Further plans are awaited by the Group and will be examined by TAC.

In sum, the Consultative Group is seized with the problem of promoting research on more effective means of nourishing the major crops that are practical for small as well as large farmers in developing countries. We hope and expect that this will make an important contribution to the solution of world food problems.

More generally, it is good to note the emphasis which the documents of the Preparatory Committee for the World Food Conference have given to increased agricultural research, including that sponsored by the Consultative Group. It is the hope of the members of the Group that this matter of strengthening international and national agricultural research will receive strong support at the Conference when it meets in Rome in November.

Sincerely yours,

Warren C. Baum
Chairman

UNITED STATES GOVERNMENT

Memorandum

Halmes
File
CG

TO : See Distribution

Thru : TA/AGR, Dr. Leon F. Hesser *LH*

FROM : TA/AGR, Guy B. Baird *GB*

SUBJECT: Report on International Centers Week

DATE: September 5, 1974

Attached is a copy of the Information Memorandum to the Administrator on the subject. The Secretariats of the CGIAR and TAC will prepare and make available soon more detailed reports on the Week's activities. Please let me know if you would like a copy of them.

Attachment
a/s

Distribution

AA/TA, Curtis Farrar
AA/TA, Erven J. Long
AA/TA, Samuel H. Butterfield
AA/TA, Raymond Kitchell
TA/PM, Carl Fritz
TA/PM, Alfred Bisset
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TA/OST, Henry A. Arnold
TA/DA, Jack Koteen
TA/N, Martin Forman
TA/AGR, Leon F. Hesser
Michael Galli
Division Chiefs
AFR/NARA, Woodrow Leake
ASIA/TECH, O. L. Mimms
Charles Antholt
SA/TD/RD, Donald L. Yeaman
LA/DR, Carl F. van Haeften
PPC/PDA, Dana C. Dalrymple

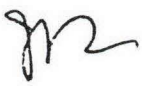
USDA/ERS, Lyle Schertz
State/IO/AGR, John L. Mills
Treasury, Ernest F. Chase



AUG 23 1974

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

THRU: EXSEC

FROM: AA/TA, Joel Bernstein 

SUBJECT: Report on the July 29 - August 2, 1974 International Centers Week

The Action Memorandum to you which was approved on July 26, 1974, presented the background on Centers Week along with the issues and the AID positions. The purpose here is to brief you on the highlights. A little later the Secretariats of the Consultative Group on International Agricultural Research (CGIAR) and of its Technical Advisory Committee (TAC) will make available official reports containing detailed information on all of the Centers Week activities, and which will be distributed to the Regional Bureaus and PPC. Meanwhile, Attachment A. provides further detail on the major issues.

Four points were of general note or interest. First, the quality of the documentation on proposed programs and budgets was much improved this year; this was due to the efforts of the CG Secretariat which prepared: (a) a concise analytical summary for each institute and program, and (b) a draft integrative paper which highlighted both specific points and general trends or issues. Secondly, the effects of inflation on center budgets was pronounced (and will be noted in greater detail in a following section). Thirdly, considerable attention was given to the related issues of how to finance and improve outreach and national research programs in the future. Fourth, the great importance of expanding research programs in the light of the current world food situation was recognized and it was thought that the matter would be of prime concern at the forthcoming World Food Conference.

More specific highlights follow:

Financing

The proposed budgets for 1975 for existing centers and activities for both core and capital items, totaled \$47 million, including \$34.1 million for core budgets and \$12.9 million for capital projects. This total would place AID's contribution (at 25% of the total) at \$11.75 million. Total preliminary pledges, however, appeared to total about \$44 million (see Table A.) which would bring AID's total down to about \$11 million.

The situation, however, is still in flux and will remain so until firmer pledges are made at the next meeting at the end of October. There is still a possibility that some donors will increase their pledges, or that other donors (including Iran) will join the group. If a gap of \$3 million continues for 1975, some proposed Center programs will have to be curtailed, postponed, or phased. The amount involved, however, is not expected to lead to serious program difficulties.

The proposed budgets represent a substantial increase over 1974 - about \$13.4 million or 40%. The core budget would expand by \$9 million and the capital budget by \$4.4 million. The case of the six original centers, the core budgets would rise by nearly \$6.2 million or 25.6%. Of this, nearly half is due to price increase (\$2.9 million or 12.1%), while the remainder is due to new or expanded activities.

In addition to expenditures on existing centers or programs, some funding may be needed for new projects. The proposed Near East/North Africa Center (to be noted below) could come up for some initial funding in 1975. The International Plant Nutrition Institute (or some mechanism to accomplish the results envisaged) and aquaculture, however, are not likely to be proposed for CG funding until next summer, and the latter project would involve only modest funding.

These increases will, of course, affect the amount of AID funding involved. Last year we expected that the AID input for 1975 would be around \$10.5 million. This year, as noted, it would range from \$11 to \$11.75 million for existing centers, plus an as yet undetermined amount for new projects. Prospective needs for AID funding in future years, exclusive of the new projects, are outlined in Table B.

In my comments (Attachment B), I noted that the budget tables presented to date suggest a gradual leveling off of overall requirements to about \$60 - \$70 million (exclusive of inflation) by 1980, and raised the question of whether the group shouldn't raise its sights to about \$100 million by the end of the decade.

Proposed Centers

TAC presented its views on three proposed centers.

1. International Center for Agricultural Research in the Near East and North Africa. TAC proposes that a full-scale center be established, subject to confirmation of availability of suitable land, in the Bekaa Valley of Lebanon. Two associate centers would also be established, one possibly in Iran, and the other in the Maghreb (perhaps Algeria). Main emphasis would be on the improvement of rainfed agriculture. The proposal appeared to be well received by the CG but several members pointed out that they would have difficulty in making grants unless some local funding were also obtained from oil-rich nations. A subcommittee was established to study technical, administrative, and financial matters. It will report to the next CG meeting in late October.

2. International Plant Nutrition Institute. I outlined the U.S. proposal to a meeting of TAC, at which other aspects of the plant nutrition issue were reviewed. The Chairman, Sir John Crawford, affirmed there and to the CGIAR the high priority which he and the members of TAC gave to the proposal. The AID proposal concerning the International Fertilizer Development Center at TVA was also welcomed (this Center is intended by us as a component of IPNI if and when the latter comes into being and wants to absorb it). TAC felt that it needed to do further study of the scope and potentials for work on plant nutrition before presenting its views on the best way to tackle the overall problem. A subcommittee will be established to report back to TAC next February. The issue will presumably come before the CG again next summer. (A full report of the TAC and CGIAR discussions and TAC report on this subject is available in TAB, and is attached to the formal project proposal for a new center at TVA that is coming forward for your approval.)

3. Food Policy Research Institute. TAC proposed that this institute be established. It would be relatively small and would make extensive use of contracts. Initially, it appears, the Institute will be funded as a private corporation for five years by three donors (Ford, Rockefeller, and IDRC). Then, if the preliminary effort is successful, it would be proposed for CG funding. This process may be just as well for several CG donors had some initial doubts about the Institute. A steering committee is to be set up to study technical and administrative details further.

4. Other Proposals. TAC commented on several other proposals, none of which were considered to be of major importance at this time. Their review of aquaculture indicates that a major effort is not in immediate prospect and that total annual funding may be only in the \$500,000 range.

Existing and Proposed Center Developments

1. IRRI. TAC reviewed AID's proposal to shift funding of the farm machinery project to the core budget, and approved an interim move to restricted core. They wish to study the issue further.

2. ICRISAT. TAC approved the inclusion of groundnuts (peanuts) among the crops covered by ICRISAT, but recommended that the Center move slowly until its other programs and the building effort is in hand. Bids were received for the permanent structures during Centers Week and were, we understand, higher than projected.

3. ILRAD and ILCA. The two African livestock centers appear to be well underway. ILRAD (the International Laboratory for Research on Animal Diseases), to be located in Nairobi, plans to start construction of facilities September 1975. ILCA (the International Livestock Center for Africa), to be located in Addis Ababa, is completing negotiations with the Ethiopian Government; a Director has been hired.

4. IBPGR. The International Board for Plant Genetic Resources has been organized and a formal budget is expected to be submitted to the next CG meeting.

5. WARDA. TAC expressed concern with the scientific level of work being done by the West African Rice Development Association.

6. AVRDC. The Asian Vegetable Research and Development Center has still been unable to obtain funding from outside the Asian region (aside from AID and Rockefeller). Unless Japan should come through, the Center may be \$500,000 short of needs in 1975.

Other

TAC proposes to review in detail the technical program of each Center every five years. The process will be initiated with a review of IRRI late in 1975.

This year, Centers Week was presided over by Warren C. Baum, Vice President, Projects Staff, of the IBRD. He did an extraordinary job and his presence augurs well for the future of the CG.

A scientific advisor has been added to the staff of the CG Secretariat.

Attachments:

- A. Summary of International Centers Week
- B. Statement of U.S. Delegate for Agenda Item 5

TA/AGR:GBaird:cg:8-16-74 for HR

Table A. PRELIMINARY PLEDGES FOR INTERNATIONAL AGRICULTURAL RESEARCH IN 1975, August 2, 1974

<u>Donor</u> ^{1/}	<u>Preliminary Pledge</u> - millions of dollars -
United States	up to \$ 11.75 (or 25% of the total)
Canada (CIDA and IDRC)	4.8+ ^{2/}
IBRD	up to 4.8 (or 10% of the total)
IADB	4.0 ^{3/}
Ford Foundation	3.0
Rockefeller Foundation	3.0
Germany	3.0
Sweden	2.5 ^{3/}
United Kingdom	2.3+ ^{2/}
UNDP	1.8
Netherlands	0.85 ^{3/}
Norway	0.7 ^{3/}
Switzerland	0.45 ^{3/}
Japan	0.3+ ^{2/}
Denmark	0.25
Australia	0.18+

-
- ^{1/} No specific pledges were stated by Belgium and France, but both are expected to give at least as much as they did in 1974 (\$440,000 and \$125,000 respectively). The Kellogg Foundation also did not indicate a pledge (it gave \$280,000 in 1974).
- ^{2/} Figures marked with a plus sign may give more; Japan indicated that it planned to give "substantially" more (to IRRI).
- ^{3/} This pledge is a substantial increase over 1974. In total dollars it is most significant in the case if IADB, representing a \$2 million increase.

Table B. AID PORTION OF PROSPECTIVE BUDGETS OF EXISTING INTERNATIONAL RESEARCH CENTERS, 1974 to 1978 ^{1/}

	<u>Total Core and Capital Budget</u>			
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
	- millions of dollars -			
CIAT	1.500	1.700	2.050	2.250
CIMMYT	1.725	2.100	2.225	2.475
CIP	0.600	0.700	0.825	0.975
ICRISAT	2.100	2.500	1.800	1.275
IITA	1.775	1.900	1.950	2.075
IRRI	<u>2.075</u>	<u>1.750</u>	<u>2.025</u>	<u>2.375</u>
Sub Total	9.775	10.650	10.875	11.425
IBPGR	0.250	0.300	0.325	0.350
ILCA	0.725	1.175	1.775	1.550
ILRAD	0.800	1.100	0.850	0.900
WARDA	<u>0.200</u>	<u>0.200</u>	<u>0.200</u>	<u>0.225</u>
Sub Total	<u>1.975</u>	<u>2.775</u>	<u>3.150</u>	<u>3.025</u>
TOTAL	11.750	13.425	14.025	14.450

^{1/} Excludes proposed new activities such as the Near East/North Africa Center, the International Plant Nutrition Institute, and Aquaculture.

Source: AID portion calculated as 25% of program requests summarized in the "Draft Integrative Paper", Consultative Group Secretariat, July 24, 1974, p. 15, Table VII.

SUMMARY OF INTERNATIONAL CENTERS WEEK, 1974

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PREFACE

This summary is primarily based on notes taken and materials gathered during the all the "open" sessions of International Centers Week, and on written materials prepared by the CG secretariat immediately before the meetings. A few post-Centers Week developments are included. 1/

I. INTRODUCTION

The third annual International Agricultural Research Centers Week was held at the World Bank from July 29 to August 2. As usual, it was composed of two main and overlapping components:

- meetings of the Technical Advisory Committee (TAC) of the Consultative Group on International Agricultural Research (CGIAR);
- meetings of the members of CGIAR (the donors); noted here simply as CG.

The TAC meetings actually began on Wednesday, July 24 so that the group could prepare recommendations to be presented to the CG the following week.

The CG meetings had two main components: (1) presentations by Center directors which occupied the first 2 1/2 days, and (2) discussion of proposed programs and budgets, occupying the last 2 days. The Center presentations were followed by questions by TAC and CGIAR members. The discussion section this year focused on three main areas: (1) the 1975 programs and budgets of the international centers (as summarized in a draft integrative paper prepared by the CG secretariat), (2) presentation and review of TAC comments, and (3) preliminary indications fo financial support for 1975.

1/ Bruce Cheek of the CG Secretariat was of help on several points.

The composition of the TAC and the CG differs. TAC consists of 13 internationally known agricultural scientists and economists (from as many countries). The CG is basically composed of donors and consisted of the three sponsoring agencies (IBRD, FAO, UNDP), thirteen countries, ^{2/} three American foundations, and the Inter-American Development Bank. Observers and potential members included the United Nations Environment Programme and the Kettering Foundation. Iran has indicated its interest in becoming a member. In addition, developing nations are represented on a regional basis.

II. PRINCIPAL RESULTS

The principal results may be grouped under six headings. The most important are the first two: financing and proposed centers.

A. Financing

1. Proposed Budgets for 1975 ^{3/}

The proposed budgets for 1975 for existing centers and activities, including both core and capital items, totaled \$47 million. This represents an increase of \$13.4 million or 40% over 1974. The breakdown by activity, together with comparative data for 1974, is provided in Table 1. The core budget would jump by \$9 million, from \$25.1 to 34.1 million, while the capital budget would expand by

^{2/} Australia, Belgium, **Canada**, Denmark, France, **Germany** (W), Japan, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and the United States. These were not necessarily the same 13 countries represented on TAC.

^{3/} This section is almost entirely based on the "Draft Integrative Paper" prepared by the CG secretariat and issued on July 24, 1974.

Table 1. BUDGET FOR CGIAR SPONSORED RESEARCH
INSTITUTES AND ACTIVITIES, 1974 and 1975. *

Program	1974 (Preliminary)			1975 (Proposed)		
	Core	Capital	Total	Core	Capital	Total
	- millions of dollars -					
CIAT 1/	4.4	1.4	5.8	5.2	0.8	6.0
CIMMYT 2/	5.2	0.4	5.6	6.6	0.3	6.9
CIP 3/	1.8	0.5	2.3	2.2	0.2	2.4
ICRISAT 4/	2.6	3.6	6.2	3.8	4.6	8.4
IITA 5/	5.2	0.4	5.6	6.4	0.7	7.1
IRRI 6/	3.3	1.4	4.7	4.9	3.4	8.3
Subtotal	22.5	7.7	30.2	29.1	10.0	39.1
ILCA 7/	1.0	0.3	1.3	2.3	0.6	2.9
ILRAD 8/	0.6	0.5	1.1	0.9	2.3	3.2
IBPGR 9/	0.3	---	0.3	1.0	---	1.0
WARDA 10/	0.7	---	0.7	0.8	---	0.8
Subtotal	2.6	0.8	3.4	5.0	2.9	7.9
Total	25.1	8.5	33.6	34.1	12.9	47.0

* As of July 24, 1974. Does not include projects currently under study.

- 1/ International Center for Tropical Agriculture.
- 2/ International Maize and Wheat Improvement Center.
- 3/ International Potato Center.
- 4/ International Center for Research in the Semi-Arid Tropics.
- 5/ International Institute for Tropical Agriculture.
- 6/ International Rice Research Institute.
- 7/ International Laboratory for Research on Animal Diseases.
- 8/ International Livestock Center for Africa.
- 9/ International Board for Plant Genetic Resources.
- 10/ West African Rice Development Association.

\$4.4 million, from \$8.5 to \$12.9 million. Altogether, the core budget would represent 72.6% of the 1975 total, while capital would account for 27.4%.

Among individual programs, the proposed expansions (core and capital) would be:

<u>Program</u>	<u>Increase Over 1975</u>	
	<u>Millions of Dollars</u>	<u>Percent</u>
CIAT	+0.2	+3.4
CIMMYT	+1.3	+23.2
CIP	+0.1	+4.3
ICRISAT	+2.4	+35.5
IITA	+1.5	+26.8
IRRI	+3.6	+76.6
Subtotal	+8.9	+29.5
ILCA	+1.6	+123.1
ILRAD	+2.1	+190.9
IBPGR	+0.7	+233.3
WARDA	+0.1	+25.0
Subtotal	+4.5	+132.4
Total	+13.4	+39.9

Some of the increase is accounted for by inflation. In the case of the core budgets of the six original institutes, this averaged 12.1% and ranged from 4 to 21%.

The remainder of the increase represents (1) contingency of original building programs and growth (ICRISAT, ILCA, ILRAD, IBPGR); (2) core costs associated with new or expanded programs (particularly CIAT ^{4/} ICRISAT, IITA and IRRI); and/or (3) additional buildings (particularly IRRI ^{5/}).

^{4/}In CIAT's case the proposed increase in the core budget from \$4.4 to \$5.2 million is partly offset by a decline in the capital budget (due to completion of the building program) from \$1.4 to \$0.8 million.

^{5/}IRRI has proposed the construction of a new laboratory for its multiple cropping program as well as some other buildings.

The proposed core budgets for the six oldest centers would be broken down as follows in 1975:

<u>Activity</u>	<u>Percent</u>
Research	46
Research support	7
Conferences/training	12
Library/documentation	5
General operations	14
General administration	13
Other	3
<hr/> Total	<hr/> 100

Many of the outreach activities are covered by special projects which are outside of the core budget.

In terms of commodities and programs, the breakdown of the research budget for the six centers would be:

	<u>Percent</u>
Cereals	47
Roots and tubers	13
Grain legumes	12
Livestock	8
Farming systems	17
Other	3
<hr/> Total	<hr/> 100

The budget proposals are, of course, subject to modification depending on funds available. THE ICRISAT capital budget may well be modified by bids received at the time of the meeting.

2. Preliminary Pledges for 1975

As is customary, CG members try to make a preliminary indication of their funding for core and capital budgets 1975. A more formal and more precise indication will be made again in early November 1974.

Because of the preliminary nature of the pledges, their frequent flexibility in their use, and other factors, it is

difficult to make a very precise listing of funds available for each center or program. ^{6/} Preliminary pledges by donor at this point, however, appear to be roughly as follows:

Donor	Millions of Dollars
United States	up to 11.75 (or 25% of the total)
Canada (CIDA and IDRC)	4.8+
World Bank	up to 4.8 (or 10% of the total)
IADB*	4.0
Ford Foundation	3.0
Rockefeller Foundation	3.0
Germany	3.0
Sweden*	2.5
United Kingdom	2.3+
UNDP	1.8
Netherlands*	0.85
Norway*	0.7
Switzerland*	0.45
Japan	0.3+
Denmark	0.25

*This pledge represents a substantial increase over 1974.

Those nations marked with a plus sign may give more; Japan indicated that it planned to give "substantially more" (to IRRI). No specific pledges were indicated by Belgium and France, but both are expected to give at least as much as they did in 1974 (\$440,000 and \$125,000 respectively). Kellogg also did not indicate a pledge (it provided \$280,000 in 1974). Australia has, over several years, given about \$1 million toward the cost of a phytotron at IRRI; it will be giving \$180,000 in 1975 to finish it up and for related projects. Altogether, the CG secretariat is tentatively calculating total donations of about \$44 million.

Three additional donors are in prospect: Iran, the United Nations Environment Program (UNEP), and the Charles F. Kettering Foundation. It is not known at this point, however, whether they

^{6/} UNDP, for instance, has made its pledges over a three to five year period, but is flexible as to the exact amount spent; it has also been making adjustments for inflation.

will be making any donations in 1975 (the strongest prospect would seem to be a modest donation from UNEP for plant genetic resources).

On balance there would appear to be a budget shortfall of about \$3 million at this point. Some cuts are possible in the budget proposals and certain projects could be postponed or phased in. On the other hand, some additional funds might be forthcoming by the November meeting. The financial situation in 1975 may, therefore, work out satisfactorily.

3. Future Prospects

The longer-run financial situation is, of course, less clear. Preliminary figures prepared by the CG Secretariat point to budget increases for the present institutes and programs of the following nature:

	<u>Millions of Dollars</u>
1976	53.7
1977	56.1
1978	57.8

Thus a severe crunch may come in 1976 unless new sources of funding are forthcoming.^{7/}

The difficulty will be exacerbated by several new projects - to be discussed in the next section - one of which involves a new center in Lebanon. Several donors made it clear that they would have difficulty in funding such a center unless local funds were provided. Another proposed initiative would concentrate on improved technologies for plant nutrition under LDC conditions.

^{7/} Among the developed nations not presently participating (outside of the Communist countries) are: Finland, Austria, Italy, South Africa and New Zealand.

B. Proposed Centers and Programs

TAC has been reviewing several proposals for international agricultural research. Its recommendations and comments were presented to the CG on Thursday, August 1.

1. International Center for Agricultural Research
in the Near East and North Africa

It has been recognized for several years that this region has special and difficult agricultural problems not adequately covered by the work of existing centers. Therefore, more than a year ago, TAC mounted a study mission which spent six weeks in the area. The Mission recommended the establishment of such a center. TAC in turn decided to establish a Working Group to study the matter in further detail. The conclusions of this group were reviewed by TAC which in turn presented its recommendations to the CG.

Briefly, they were as follows: that a full-scale center be established, subject to confirmation of availability of suitable lands, in the Bekaa Valley of Lebanon, a semi-arid winter rainfall zone. Two associate centers would also be established one in a country "representative of the high plateau areas with a semi-Continental climate", and a second in the Maghreb (Iran and Algeria, respectively, are two prospects). Some land for field work might also be sought in Syria.

The main emphasis would be on the improvement of rainfed agriculture. Main program components would include (1) crop improvement (wheat, barley, and grain legumes), (2) soil and water management, and (3) sheep husbandry. All would be components of improved farming systems.

Close relations would be maintained with other centers, particularly ICRISAT and CIMMYT. The principal responsibility for barley would gradually be transferred from CIMMYT and it might eventually take up the main thrust of the durum wheat work. The sheep and other work presently conducted by ALAD (the Arid Lands Agricultural Program ^{8/}) would be absorbed by the new center.

The proposal seemed to be well received by the CG. The main problem may be one of funding. While the area includes many poor countries (such as Jordan, Sudan, Pakistan, Afghanistan) it also includes some oil-rich countries. Several donors, as noted previously, indicated that they might not be able to contribute unless some local funding is arranged.

It was recommended that a CG subcommittee be established to further study various unsettled technical, administrative and financial arrangements. Such a committee was subsequently established, headed by David Hopper of Canada and composed of potential donors. The group will meet in London early in October and will report to the fall CG meeting.

The Near East Center probably would be the last of the major regional centers.

2. International Plant Nutrition Institute (IPNI)

TAC became concerned with the world fertilizer situation at its seventh meeting in February 1974. At that time it noted a suggestion that further research was required on fertilizer formulation for tropical conditions and asked that a more definitive proposal

^{8/} ALAD was established by the Ford Foundation in 1968. From that point through early 1974, the Foundation put about \$3 million into the project. In the spring of 1974, Ford announced a new grant of \$1.37 million for 18 months.

be prepared for consideration this summer. It concurrently noted that chemical fertilizer should not be considered in isolation but as part of a wider effort which would try to integrate research on all potential sources of plant nutrients.

Following this, TAC received the specific suggestion from AID that an International Plant Nutrition Institute be established. At its meeting on July 26, much of a morning was devoted to the subject. Dr. Bernstein presented the U.S. proposal for IPNI and discussed the establishment of an international chemical fertilizer center at TVA by AID. Another portion of the session was spent reviewing plant nutrition research requirements, including (1) biological fixation of nitrogen, and (2) organic manures, nutrient recycling and integrated approaches to plant nutrition.

The chairman of TAC affirmed the high priority given by TAC to the areas covered by the IPNI proposal. Other TAC members indicated their own appreciation of the importance of the matter. The unique capability of TVA to do research on chemical fertilizer was recognized. Beyond this, however, there was no immediate general consensus as to the appropriate mechanism to carry this work out.

At the CG meeting, the TAC chairman reaffirmed the above views and stated that TAC:

...particularly welcomes the offer of the United States Government to examine ways and means of capitalizing on the research and production engineering facilities of TVA for the benefit of the developing countries. TAC encourages the Government to table a definite proposal for its early consideration.

The TAC Chairman explained afterwards this meant that they hoped AID would move ahead without any holdup to bring the new center at Muscle Shoals into being so that it would move into its program planning phase. TAC could, however, like to vet whatever program proposals emerged and advise on their integration with its broader thinking on work in plant nutrition. Mr. Bernstein welcomed this TAC role and invited TAC representation at a TVA conference Aug. 27-28 on desirable lines of research on chemical fertilizers for LDC conditions. TAC is sending a representative, as is IDRC which indicated a desire to contribute to the planning grant for the Muscle Shoals center and to work out means for continuing support.

In terms of IPNI as such, TAC suggested that further study was needed before a specific recommendation is offered. It therefore recommended the establishment of a subcommittee or working party to:

...examine the best ways and means of giving effect to the need to mobilize the experience of TVA and other bodies: how best to monitor work at the Centers and elsewhere in all relevant fields, and to stimulate further needed research...

The CG reaction appeared to be favorable. The subcommittee will report back to TAC next February, by which time the program proposals for the chemical fertilizer work should also be ready for TAC review. Presumably the matter will come before CG again next summer. (TAC will also take up the emerging pesticide problem at its February meeting.)

Fuller reports on the TAC and CG sessions on this subject are available in TAC and have been attached to the PROP for the proposed International Fertilizer Development Center at Muscle Shoals.

3. Food Policy Research Institute

TAC and the CG has for several years been concerned with the question of how to provide an improved social science input to the international research effort. Each institute contains an economics unit, but their work has been largely oriented to the production economics of the particular crops handled by the institute. This leaves two major gaps: (a) through analysis of crop and crop system characteristics that would induce wide use of improved technologies by the mass of poor LDC farmers, and (b) broader agricultural policy issues of international scope. A CGIAR sponsored seminar, urged and largely organized by AID staff, was held just before Centers Week in July 1973. It was largely devoted to question (a), but question (b) was flagged. TAC has pursued both questions and during early 1973 the Ford Foundation engaged a consultant (Oris Wells) to prepare a report on question (b), which was submitted to a TAC subcommittee.

Following review of the subcommittee report, TAC proposed that such a center be established, based on a somewhat modified form of the Wells report. Four goals were outlined:

1. To keep the global food and agricultural situation under continuous independent review and analysis.
2. To examine selected major and related agricultural policy and trade problems, particularly those involving sensitive relationships between and among countries.
3. To identify and research emerging and future problems of global concern likely to have an important bearing on food production and utilization in the longer run.
4. To transmit up-to-date and relevant information derived from its research to policy makers in a variety of ways.

The core staff of the institute would be relatively small and much of the work would be done on a task force basis, by teams of research fellows and associates, and/or by subcontracting to appropriate universities or other research institutions. It would utilize statistical and other data currently compiled by FAO and other international and national agencies. Close working relationships would be established with FAO and IBRD. Possible institute sites include Rome, Geneva, and Washington.

While TAC recommended the institute to the CG, it may not necessarily have to be initially funded by the CG. Evidently three groups (Ford, Rockefeller, and IDRC) may be willing to set it up as a private corporation for the first five years. Then, if the preliminary effort is successful, it would be proposed for CG funding.

This approach may be just as well, for several CG members did not immediately take to the idea; feeling it was something that perhaps FAO should do or that perhaps existing institutions could be "beefed up." Some others thought that it might be well to await the outcome of the World Food Conference before moving very far (but the wisdom of this was questioned by others). FAO indicated its support for the institute, providing it (FAO) was involved in establishment of the institute.

A steering committee will be set up to study technical and administrative details further. It has been suggested that it be headed by Sir John Crawford, but this is not at all certain.

4. Other Proposals

Four other relatively minor project proposals were considered by TAC.

a. Aquaculture. TAC reviewed a report on "Aquaculture Research Program" prepared by a sub-committee of experts. While TAC thinks that aquaculture has the potential to make a significant contribution to food production, the present dearth of research workers and certain scientific bottlenecks have constrained TAC from suggesting a large research input. Rather it proposed that a subcommittee be established which would, with the benefit of scientific advice, identify one or two research and training opportunities in South East Asia. TAC in turn might then recommend funding of up to \$500,000.

b. CARIS (Current Agricultural Research Information System). This project has involved the preparation of several prototype directories of agricultural research. TAC recommends interim funding for continuation of this work until it can be absorbed into the regular program activities of FAO during the 1976-77 biennium. Items recognized as suitable components of such a project include:

- a directory of research stations and establishments;
- a directory of research scientists;
- an indication of the main lines of ongoing work at each station recorded.

c. Tropical Fruits and Water Buffalo. TAC did not have an adequate opportunity to complete its review of these topics. They will be considered at the next meeting.

C. Proposed Program Changes at Existing Centers

TAC also reviewed proposed program or administrative changes at existing institutes. The following four items seem to have been of most significance.

1. IRRI.

In the 1975 IRRI budget it is proposed to switch funding of the agricultural machinery project from special AID funds to the core budget. TAC didn't have time to evaluate fully this action but did express some initial reservations about it. Such a shift, in TAC's opinion, might suggest institutionalization of a type of work which could conceptually be handled in other institutional ways (an Asian Institute for farm machinery has, for example, been discussed). TAC did, however think it appropriate for the switch to be made to restricted core budget on an interim basis (at least until the 5-year review, to be noted later, is made).

2. ICRISAT.

ICRISAT has proposed to add groundnuts (peanuts) to the range of crops under its purview. It thinks that it can do this at no capital cost and with modest staffing costs. TAC agreed with the logic and importance of this addition. It suggested, however, that ICRISAT proceed slowly until it has the other aspects of its staffing pattern and building program in hand. It suggested the acquisition of a collection of germplasm for immediate consideration.

3. CIAT.

It is agreed that CIAT will act as a coordinating center for a bean program in Latin America. A submission setting forth the structure and cost of this program is yet to be received by TAC.

4. WARDA.

The West African Rice Development Association is a test case aimed at strengthening national research programs through CG support to a regional organization. TAC is not satisfied that the research program is of sufficiently high caliber. If conditions do not improve, TAC would reluctantly suggest withdrawing support for the program. Dr. John Coulter, recently appointed scientific advisor to the CG secretariat, will be visiting WARDA soon to analyze the situation.

D. Current Center or Program Developments

As 2 1/2 days were spent summarizing center accomplishments it would take considerable space to report them. All of the centers had newly printed annual reports available. Suffice it to say that it was highly productive. A few developments, however, might be noted.

1. ICRISAT.

Bids for ICRISAT's building program were received during Centers Week. It was subsequently learned that they were substantially higher than anticipated. This may necessitate modification in architectural plans for more modest facilities, followed by re-submission of documents for new bids.

2. ILRAD and ILCA.

The African livestock centers, The International Laboratory for Research on Animal Diseases and the International Livestock Center for Africa, appeared to be well underway.

a. ILRAD. A 180 acre site has been allotted in Kabate, a suburb of Nairobi by the Government of Kenya. It neighbors on the veterinary school of the University of Nairobi and the Veterinary services of the Government. Architectural work is under way and construction is to begin in September 1975 and be completed in September 1977. The estimated total capital cost is \$6 million, \$4.5 million for buildings and \$1.5 million for equipment. ILRAD suffered a serious loss in the death of its director in April 1974; Dr. John Pino of the Rockefeller Foundation, Chairman of the Board, is carrying out administrative duties on an interim basis.

b. ILCA. The Memorandum of Agreement on the establishment of ILCA was signed in Addis Ababa by representatives of the World Bank (acting for the CG) and the Government of Ethiopia in July. The Memorandum is now being submitted to the Ethiopian Parliament for approval. Dr. Jean Pagot has been chosen Project Development Officer and will become Director when the Center is formally established. Sites have been chosen for a headquarters and a sub station. A brief for the design of the physical facilities, expected to cost \$3.55 million, has been drawn up.

Program planning has begun. Initial research will focus on:

- the relation between drought, the seasonal movement of livestock, and nomadism;
- the state of knowledge about the adaptation of foreign breeds of cattle in Africa.

A documentation service is to be one of the main activities. The staffing pattern calls for an economics unit.

3. IBPGR

The International Board for Plant Genetic Resources has been organized. A board of directors has been established and the first meeting held in Rome in June. Richard Demuth, former chairman of the CG, has been named chairman of the Board. Initial funding has been provided by five CG members. A formal program and budget will be presented in November. Several CG members expressed concern over the rather limited security currently provided for germ plasm collections.

4. AVRDC.

While the Asian Vegetable Research and Development Center continues to make good progress on the six crops it has taken up for study (mungbeans, soybeans, tomatoes, sweet potatoes, white potatoes, and Chinese cabbage), and has largely completed its building program. It has been unable to attract any funding from outside the Asian region and the Rockefeller Foundation. ^{9/} except for AID/ The problem is partly political due to its location in Taiwan; because of the objections of several members of the CG. (particularly Sweden) it has not been allowed full membership. AVRDC currently expects 1975 income to be \$500,000 short of needs. Further funding may be obtained from Japan but otherwise the financial outlook is not bright. The possibility of establishing a branch station outside of Taiwan was again suggested to get around the political problem. Dr. J.C. Moomaw, Director of Outreach at IITA, will replace Dr. Chandler as director next June.

9/ Rockefeller pays the salary of the Director.

5. CIAT & ICRISAT

Dr. John Nickel, Associate Director General of IITA, has been appointed director of CIAT to replace Dr. U.J. Grant who will rejoin the Rockefeller Foundation in New York. This, together with Dr. Albrecht's scheduled retirement from IITA next June and Dr. Moomaw's departure for AVRDC, leave a number of key positions to fill.

E. Administrative and Procedural Matters

1. Budget and Accounting Practices

The CGIAR Secretariat has prepared a revised paper on "Budgeting and Accounting Procedures and Practices of International Agricultural Research Centers". It describes use of funds, preparation of budget requests, and the accounting for funds by Centers. Comments on the draft are desired by September 25.

2. Annual CG Review Procedures

This year for the first time the CG Secretariat prepared individual commentaries on the 1975 programs and budgets of each institute and program. The commentaries were divided into three parts: introduction, program and budget, and issues. These were then combined into a "draft integrative paper" which followed the same general outline. The papers were extraordinarily well done and were of great help in evaluating the 1975 proposals.

During discussion of points raised in the integrative paper, the distinctions between outreach, collaborative research, and special projects were debated. This was tied into the question of whether outreach should be covered to a greater degree of core funding. The consensus seemed to be that a small outreach staff (say up to three)

might well be covered by core funds. Several donors indicated that they have bilateral funds which could be used for outreach activities and which could be more closely tied to center outreach programs.

Other matters discussed included (a) the problem of computing real rather than official rates of inflation, (b) the procedures for planning and financing capital expenditures, and (c) accounting for variations in planned expenditures.

3. TAC Review Procedures

TAC has prepared a paper on "Review Procedures" which proposes a comprehensive scientific review of each Center's program at least every five years. The **review** team would not be composed entirely of TAC members; some would be drawn from the broader scientific community in consultation with the center involved. The process will be initiated with a review of IRRI late in 1975.

4. Reporting of Related Bilateral Programs

Although not a program item, the question of related national and bilateral research programs arose. It was suggested that CG members prepare lists of such programs and have them available prior to the next CG meeting. AID/TAB has already made such a compilation in its recent Summary of Ongoing Research and Technical Assistance Projects in Agriculture, June 1974.

F. Other Matters

1. CG Brochure

A draft manuscript on the international agricultural research network has been prepared by UNDP. It was rather disappointing and

further work will be needed. The original hope was to get it out for the World Food Conference, but it is questionable that this will be possible given the present state of the manuscript.

2. Changes in CG Leadership and Secretariat

This year's CG meeting was presided over, for the first time, by Warren C. Baum, Vice President, Projects Staff of the World Bank. He did an exceptional job. In addition to being a first-rate parliamentarian, he has the facility to be able to summarize complex and occasionally prolix discussions in brief and actionable form. His participation augurs well for the future of the CG.

The Secretariat staff did its usual fine job, and as noted, their comments on the proposed programs were especially useful. Also, as noted, Dr. John Coulter of the Rothamsted Experiment Station in England, will be joining the staff as Scientific Advisor.

The Secretariat has made plans to obtain a larger room for the Centers presentation portion of the program next year. Space constraints made it necessary to limit attendance this year. This development is to be welcomed and we hopefully will make it possible for more AID and USDA members to attend in the future. 10/

III. GENERAL POINTS OF INTEREST

There was a heightened recognition among the group of the increased importance of agricultural research under the current tight world food situation. Joel Bernstein pointed out the challenges and opportunities facing the international agricultural research network.

10/ This development was not announced but was learned in discussions with the CG secretariat.

The forthcoming World Food Conference was suggested as an appropriate forum for discussion of the issue. It was noted that research will provide the theme of the 1975 FAO Biennial Conference.

The need to strengthen national research programs was a point of recurring note. The subject was discussed at the meeting of TAC and it expects to prepare a statement of the subject in the future. (TAC expects that once the current rush of new centers is over to spend more time on issues of this nature as well as in reviewing current research.)

The concurrent need to think of and orient activities to benefit small farmers also was mentioned regularly.

The fall meeting of the CG is scheduled to be held on October 30 and 31 (and will run over to November 1, if necessary).

Statement of U.S. Delegate for Agenda Item 5, Consultative Group,
August 1, 1974 "Financial Assumptions for Future Planning of CG/TAC"

Mr. Chairman, we congratulate the Secretariat on the very useful draft "Integrative Paper" they have produced on the status and issues of overall financial and program management for the Centers, and on the work done with the individual research centers. We are very appreciative of the efforts involved. They will be of great service to all concern -- both Consultative Group members and center managements.

The Integrative Paper is clear, succinct and we believe perceptive. It notes quite a few significant overall issues that need further consideration at this and later sessions. We certainly support the general thrust of the recommendations and suggestions for strengthening financial and budget management and maintenance of adequate communication between the centers and the Consultative Group. On a few points, we may be inclined a little differently, but we would like to hear the views of others here before expressing ourselves further on such particulars.

However, Mr. Chairman, I would like to speak now about a crucial aspect of the report -- the overall financing prospects for the future. This must influence our thinking on how to treat all of the other business before us.

We have learned from the Secretariat's analysis of overall financial requirements and prospects for the International Centers that, in 1975, financial availabilities are likely to fall short of requirements for the first time since CGIAR was formed -- unless some additional financing appears in the next several months. This gap threatens to widen seriously in the years after 1975. I seek your forbearance to reflect on this situation in a wider context, supporting some of your earlier comments.

In November, just after our next meeting, the World Food Conference will convene in Rome. The main facts of world food supply faced by that Conference are well known. An unprecedented rise in world food production over the remainder of this century is indispensable if widespread hunger and suffering are to be avoided. This may require a production increase of 125% or more. Most of this increase must occur where the need is greatest -- in the developing countries. At most, food shipments from the high income countries can supply only a small percentage of developing country needs.

It is also clear that most of the additional food production must result from a more rapid acceleration of yields per hectare rather than from farming additional land as in the past. While there are many factors involved in actually getting enough food produced and consumed by those who need it, there is no doubt that availability of much better farming technologies and systems is indispensable in achieving the needed acceleration of yields. Moreover, we have seen from the dramatic example of new rice and wheat technology that technological breakthroughs can provide a powerful stimulus to taking the other measures needed to increase output.

There has recently been some very interesting marshalling of portions of the evidence on the astounding power of agricultural research to generate production increases, particularly if well linked to worldwide research networks. I am referring to recent studies by Professor Evenson of Yale, extending work that he began for the World Bank about a year ago. This work suggests that an average dollar spent on agricultural research for developing countries has produced an annual output increase building up to about \$60 - \$80 after 8 - 10 years. It also suggests that extension systems and other operational programs do not increase output substantially unless they are supported by good research systems that feed in a continuing stream of improved technology, and that international research linkages greatly multiply the power of the research streams. These conclusions are supported by other recent studies by distinguished agricultural economists.

In other words, Mr. Chairman, there is no achievable route to a satisfactory world food supply situation over the rest of this century that does not depend heavily on accelerated research to uncover new farming technologies and systems that will give much higher yields in actual developing country situations.

A good start has been made towards meeting this need. Expenditures are rising on the key research problems. Particularly significant is the great progress in the organization of production oriented research systems. The concept of worldwide networks of research institutions working together on common production problems is becoming a more powerful reality, month by month.

The more developed networks -- for example, on key crops like corn, wheat and rice -- involve wide-ranging collaboration among international and national research institutions all over the world. The reports here at Centers Week have identified collaboration on joint research, exchanges of information and materials, technical assistance and training arrangements among the participating institutions, joint planning and analysis of research needs and program responses, and so forth. This permits pooling of the world's scientific talent and accumulated knowledge, as well as use of a great variety of developing country ecological situations, for concerted research attacks on major problems impeding growth of food production in developing countries -- with potential applications of results in the more developed countries as well. It permits individual developing countries to draw on a much more powerful array of technical and financial resources and experience for application to their individual production problems than they could possibly hope to mobilize by themselves.

The components of each of the emerging research networks make up an organic whole.

We have seen that the international centers play a "nerve center" role, providing the highly focused concentrations of outstanding scientific resources needed to feed high technology inputs into the creation of improved farming systems, and also providing some international program coordination, storage and dissemination of research products, training and advisory and information services.

Participating developed country centers perform some of these same roles and may be able to attack particular scientific dimensions of common production problems in greater depth than the international centers can handle efficiently.

The developing countries' own research establishments provide the critical and often weak operating links between the international research system and national problem-solving and service systems for helping their farmers. Their ability to contribute to the international research programs is of great importance for the success of these programs, while their ability to draw on the results of the international research and adapt it effectively for use by their farmers is crucial to achievement of agricultural development goals.

My point, Mr. Chairman, is that the organic interrelationships of the work of all three of these components of the international research systems means that their strengthening needs to move ahead in appropriate balance in order to gain the fullest results for developing country farmers. Each of the three components is playing a critical role in making the total system more effective. We believe that each needs strengthening.

AID is acting on that belief. We have been steadily expanding our support for all three elements of the international research networks. For 1975, we are asking Congress for about \$45 million for agricultural research supporting activities.

There seems to be a growing international consensus that, as we look ahead to the rest of this decade, all of the development assistance agencies need to do two things. One is to raise their sights markedly in considering their plans for financing agricultural research and building agricultural research capabilities. The other is to direct their financing so that it helps to build the linkages throughout the international research networks, expanding them to countries not now include and strengthening those already established. It has also been made clear that, to make such efforts fully effective, the developing countries need to give higher priority in their own development budgeting to their adaptive research institutions and to the working linkages these institutions have with operating ministries and with the international systems.

The principal concern of this Consultative Group is the financing of the international research centers. The budget tables before us suggest a gradual levelling off of overall requirements to about \$60 - \$70 million by 1980, assuming fruition of one or two new initiatives proposed by the TAC. This rate of increase is scarcely enough to accommodate current rates of of inflation without any increase in the level of research activity -- indeed it may not do so. The expectation that funds will not be available in turn is tending increasingly to forestall serious consideration by TAC and the Consultative Group members of major new opportunities that may exist to reduce bottlenecks to expanded food production in the developing countries.

It is understandable that, faced with budget stringencies and the desire to assure adequate financing for research programs already sponsored by the Consultative Group, we tend to set an approximate ceiling in our minds for the overall budget and to be increasingly reluctant about new initiatives. I believe the effort to stay within notional levels of effort is desirable. However, the stark facts of the world food situation and of inflation suggest that we need to think again about the levels of support for the international centers at which we should be aiming.

Perhaps we should raise our sights to about \$100 million by the end of the decade. This seems barely adequate to take advantage of opportunities to gain badly needed research leverage on food production problems and to protect the billions of dollars that are being invested annually in agriculture in the developing countries. How can we do less in the face of the immense problem of doubling overall agricultural yields of the developing countries in this century? What is involved is a small reordering of investment priorities. In such an endeavor, we need to look to the World Bank, as the largest development assistance investor, for leadership and example.

Between now and November, we could consult with our Governments or governing authorities on this matter of raising our individual and collective research financing sights. A firm resolve on this may be one of the more effective contributions that the Consultative Group can make to the World Food Conference. Hopefully our deliberations in November will permit our Chairman to report such a resolve to that Conference, and to thereby encourage complementary action by developing countries and other participants. I believe that AID will want to sustain its 25% formula for financing of center budgets and that it will be encouraged to increase its absolute contribution over the ceiling stated last year if, when we reconvene in the fall, other Consultative Group members indicate an intent or effort to raise their financing level substantially over the rest of the decade.

As this decade and the next two unfold, the battle to forestall massive hunger in the world will be determined primarily by what happens to production yields in developing countries rather than by measures to expand international food transfer and stockpiles -- important as these may be. This puts a special responsibility on our Consultative Group, as possibly the best international forum for taking practical measures on this central problem of our day.

MEMORANDUM

September 30, 1975

TO: See Distribution

FROM: AA/TA, Curtis Farrar

SUBJECT: Meeting of North American Donors of the CGIAR

In anticipation of the regular CGIAR meeting on October 30 and 31, the North American-based donor members of the CGIAR (plus the representative for Australia and New Zealand) met in New York on September 26. The primary purpose was to get a better fix on availability of funds for CGIAR activities for 1976. A corresponding meeting of other donors is being held in London this week.

The best current estimate indicates a possible deficit of \$2.0-2.5 million considering the stated needs of the centers (about \$67.7 million) against the likely availability of support from the donors. However, the figures may change further because of uncertainties on the part of some donors as to their final figures, coupled with the possibility of a substantial downward adjustment in the CIMMYT core budget based on the possibility of part being reclassified as "Special Project" with separate and additional support for it by Canada.

In the event of an actual deficit, ways were discussed to make cuts in the Centers' budgets. While some specific areas for reduction were discussed (e.g., part of the capital budget of IITA), it was agreed that Centers should be asked to provide fall-back positions anticipating the prospects of an overall deficit. This would appropriately place responsibility on Centers' boards and management to make the necessary adjustments to a reduced budget.

An important uncertainty at this time is the support for 1976 by the IDB. A work group has been set up in the Bank to make recommendations on support to Centers. The group is expected to have its final report in the hands of Bank management prior to the late October CGIAR meeting. According to Clarence Pierce, who represented IDB at the meeting, the report (if accepted) would substantially increase support to the LA centers over 1975. Important provisions in the draft report are: provision for support based on a specific percentage (25% being discussed) of the Centers' core and capital budget; a 1:4 funding ratio of support to Centers in relation to other agricultural research activities (support to national and regional projects -- including loans); and development of a rolling 3-year program of support. The latter is not expected to become operative until 1977. Thus, if the report as it now stands is accepted, IDB could contribute about \$5.7 million to the Centers in 1976 as against \$4.0 million this year.

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I reconfirmed our earlier statement of intent to provide \$15.1 million for Centers support in 1976. Mention was made of our inquiry to determine the feasibility of using some U.S.-owned P. L. 480 rupees for the building program of ICRISAT.

The participants also discussed a draft paper prepared by the CGIAR Secretariat on the planned overall review of the CGIAR system. This is pursuant to a decision made by the Group during Centers Week to set up a body that would provide a perspective on the growth and development of the CGIAR network over the next several years. A firm proposal will be submitted to the Group by its Secretariat at the late October meeting.

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