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Consultative Group on International  
Agricultural Research (CGIAR) 1973

02



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CGIAR: Copies of US AID Records Related to the Consultative Group on International  
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*Mr. Kelley*

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT

19 July 1973

Dr. Hannah,

This memo was prepared and discussed with the Regions on the basis of the suggestion in my June 6 memo to you, viz., that AID propose to stay at the \$7.0 million total support level for the Centers through 1975, until or unless the IBRD support level reaches or exceeds ours. In the light of our discussions and yours with Mr. McNamara, I have now modified the proposed U.S. position to delete any reference to 1975. We will have to be definitive about 1974 and state probable intent for 1975 in the late October CG meeting. Meanwhile, I hope that further dialogue with Mr. McNamara will result in an informally agreed formula that will guide U.S. and IBRD pledging for the next several years.

Another reason that we need an early decision on our proposed 1975 action is that our estimates to OMB of the FY 1975 budget request need to reflect these same figures for the individual Centers.

*JRB*


Joel Bernstein, AA/TA

Attachment

*7-20-73*

ACTION MEMORANDUM FOR THE ADMINISTRATOR

THROUGH: EXSEC

FROM : AA/TA, Joel Bernstein 

SUBJECT: International Centers Week, Washington, D. C.  
July 25 - August 3, 1973

Problem: To confirm position to be taken by U.S. Representative at a meeting of the Consultative Group on International Agricultural Research (CG) during the subject sessions, on further AID financing for international agricultural research institutes.

Discussion: International Centers Week is an annual event during which Directors of the Centers present to CG highlights of program activities, and budget estimates for continuing Centers' requirements. This week is also used by the CG and the Technical Advisory Committee of CG (TAC) for separate as well as joint meetings. An associated Socio-Economic Seminar forms part of the Centers Week activities. (Information is attached as Tab A). This seminar, involving economists of the Centers, will focus on the socio-economic component of Centers' research. It will also address the subject of national capabilities in agricultural sector analysis and planning. Attachment A is a Schedule of Events for the Centers Week.

Currently the CG membership is made up of 29 representatives from governments and organizations concerned with support for international agricultural research. Seventeen of these members have indicated an intention to provide financial support for 1974 requirements.

The U.S. Delegation at this meeting, as previously, will be headed by AID's Assistant Administrator for Technical Assistance, and will include the Director of the Office of Agriculture, and representatives from the USDA, Treasury, and the Regional Bureaus, as observers.

The financial support provided would be applied to:

1. Six ongoing Centers -

- a. IRRI - The International Rice Research Institute  
(Philippines) (TAB)
- b. CIMMYT - The International Center for Corn and Wheat  
Improvement  
(Mexico) (TAB)



- c. CIAT - The International Center for Tropical Agriculture  
(Colombia) (LA)
- d. IITA - The International Institute for Tropical Agriculture  
(Nigeria) (AFRICA)
- e. CIP - The International Potato Center  
(Peru) (TAB)
- f. ICRISAT - The International Crops Research Institute for  
the Semi-Arid Tropics  
(India) (TAB)

2. A two-component research effort for livestock in Africa expected to become operational in 1974.

- a. ILRAD - The International Laboratory for Research on  
Animal Diseases  
(Kenya) (AFRICA)
- b. ILCA - The International Livestock Center for Africa  
(Ethiopia) (AFRICA)

3. One or more activities expected to enter an initial stage of development in 1974. Included might be an international program for collection, evaluation and maintenance of germplasm of important crops. Current indications are that this will be centered in FAO/Rome with additional support -- other than that expected from FAO -- to be provided by other CG donors. In earlier CG discussions it was generally agreed that centers with international responsibility for specific crops should also assume responsibility for collection and maintenance of germplasm of these crops. We take the position that FAO's role in this matter should be essentially one of coordination, with support for individual germplasm centers being handled largely on a bilateral funding basis.

Also, in accordance with the intent of TAC, a proposal will be considered by TAC for support of an International Soybean Resource Base (INTISOY) at the University of Illinois. AID currently is providing support for core operations with the anticipation that the Ford and Rockefeller Foundations might collaborate. Other donors will be encouraged to support INTISOY, particularly for its projected relay, outreach and training activities.

There is a growing pressure for establishment of an international center to meet the needs of the Middle East, or for some alternative arrangements that will substantially strengthen research support in that region. A proposal will be considered during the TAC meeting.

The latest estimated support for the Centers' 1973 budget is shown in Table A attached, along with fairly firm estimates for 1974 and provisional estimates of the next three years. Table B shows actual AID contributions for 1973, estimated contributions for 1974 and 1975, and figures on what 1974 and 1975 contributions would be if we were to provide 25% coverage of the latest estimate of the regular core and capital budget requirements for those years. It now appears likely that 1974 CG funding requirements for Centers will exceed \$28 million. Thus, keeping in mind our current ceiling of \$7.0 million for Center funding for any one year, our actual 1974 contribution is apt to be less than 25% of the total requirement. This same consideration would apply to 1975 and succeeding years, until our ceiling were raised. As you will recall in my Information Memorandum to you of June 6, 1973, it was suggested that we should pause at the present ceiling of \$7.0 until the IBRD level reaches ours before considering further expansion.

Attachment B provides for your information a list of issues expected to arise at the CG meetings and positions that we propose to take.

Attachment C contains corresponding information regarding the TAC meeting.

None of these positions require new U.S. or AID policy decisions at this time.

Recommendation: That the U.S. position be stated as follows: "At the June, 1971 organizing meeting of the CG, the U.S. representative said:

'A.I.D. is prepared in principle to provide up to 25% of the additional capital and future operating costs of the existing institutes and the two new institutes proposed (up to a maximum total contribution of \$7.0 million in any one year), provided that the remaining 75% is forthcoming from other sources. Specific pledges would, of course, be for individual institutes subject to our review and approval of fully developed proposals for each and to the provision by the Congress of adequate funds. The U.S. is convinced that the success of existing institutes has depended in large part on the effectiveness of the management supplied by the Foundations and our pledge is based on the assumption that additional institutes will be assured of management of comparable efficiency.'"



It was generally understood that the U.S. intent was to finance 1/4 of Center costs, if needed, subject to the stated caveats.

That remains the U.S. position on its financial support for core and capital costs of CG sponsored institutes. It appears that the total requirements will exceed \$28 million in 1974. We intend to stay at the \$7 million level in 1974. Beyond that we will consider possible further expansion in the light of the expansion occurring in support from other sources, including international organizations, and the prospects for availabilities from U.S. development assistance appropriations.

Attachments

- Attachment A - Schedule of Events
- Attachment B - Agenda and Issues Expected at CG Meetings
- Attachment C - Agenda and Issues Expected at TAC Meetings
- Tab A - Socio-Economic Seminar Information

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

TABLE A

INTERNATIONAL AGRICULTURAL RESEARCH CENTERS  
1973-1977 Estimated Financial Requirements<sup>1/</sup>  
(in millions)

	1973			1974			1975			1976			1977		
	Core	Capi- tal	Total	Core	Capi- tal	Total	Core	Capi- tal	Total	Core	Capi- tal	Total	Core	Capi- tal	Total
IRRI	2.7	.2	2.9	3.4	1.0	4.4	3.9	.7	4.6	4.2	.4	4.6	4.5	.4	4.9
CIMMYT	4.9	1.2	6.1	5.1	.4	5.5	5.4	.4	5.8	5.4	.2	5.6	5.8	---	5.8
IITA	4.9	.6	5.5	5.9	.5	6.4	6.8	.4	7.2	7.0	.1	7.1	7.0	.4	7.4
CIAT	3.6	.7	4.3	4.4	1.5	5.9	5.2	1.4	6.6	6.5	1.4	7.9	7.1	--	7.1
ICRISAT	1.2	1.8	3.0	2.6	3.0	5.6	3.6	6.0	9.6	4.2	2.0	6.2	4.2	0.5	4.7
CIP	1.1	.3	1.4	2.0	.3	2.3	2.0	.2	2.2	2.1	.2	2.3	2.2	.1	2.3
	18.5	4.8	23.3	23.4	6.7	30.1	26.9	9.1	36.0	29.4	4.3	33.7	30.8	1.4	32.2
<sup>2/</sup> ILRAD						1.0									
<sup>2/</sup> ILCA						.5									
<sup>3/</sup> Genetic Resources				.5	.1	.6									
						2.1									
						32.2									

<sup>1/</sup> Based on information obtained from centers and IBRD as of 7/16/73. More complete information is anticipated prior to Centers Week. Blank spaces indicate lack of figures at this time.

<sup>2/</sup> ILRAD - The International Laboratory on Animal Diseases (Kenya), and ILCA - International Livestock Center for Africa (Ethiopia) are expected to be initiated in the latter part of 1973.

<sup>3/</sup> This anticipates CG approval during Centers Week, or at the November meeting of a proposal for an international network of plant germplasm centers.



TABLE B

INTERNATIONAL RESEARCH CENTERS  
1973-1975 Financing by AID  
(estimates in \$ millions)

		<u>1/</u> 1973 (actual)	<u>3/</u> 1974	<u>3/</u> 1974	<u>3/</u> 1975	<u>3/</u> 1975
IRRI	(TAB)	.725 <sup>2/</sup>	1.100	(1.100)	1.100	(1.100)
CIMMYT	(TAB)	1.500	1.375	(1.375)	1.375	(1.450)
IITA	(AFR)	1.200	1.500	(1.600)	1.200	(1.800)
CIAT	(LA)	.875	1.150	(1.480)	1.150	(1.650)
ICRISAT	(TAB)	.745	1.000	(1.400)	1.000	(2.400)
CIP	(TAB)	.340	.575	(.575)	.575	(.550)
		5.385	6.700	(7.530)	6.400	(9.000)
ILRAD	(AFR)	---		(.250)		( ? )
ILCA	(AFR)	---	.300	(.125)	.600	( ? )
Genetic Resources		---		(.150)		( ? )
		5.385	7.000	(7.925)	7.000	( ? )

1/ In general these amounts were provided by FY 73 AID Funds.

2/ Our share for 1973 IRRI funding turned out to be only \$.725 million; \$25,000 of the \$750,000 we actually provided will be credited to our contribution to the 1974 budget.

3/ This distribution is on the assumption that the current ceiling of \$7.0 million per year AID contribution will apply. Figures in parentheses indicate the amount we would contribute with 25% of the Core and Capital Budgets as a basis. The figures in the fourth column show a notional breakdown which may be revised, if advised by IBRD, in order to balance actual needs of the various Centers.

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

ATTACHMENT A

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

July 9, 1973

TO: Participants in International Centers Week  
FROM: Executive Secretary  
SUBJECT: Revised Schedule of Events

1. Attached for the information of participants in International Centers Week is a schedule of events for that Week, and also for the week preceding, during which the Technical Advisory Committee (TAC) of the Consultative Group will begin its summer meeting and a seminar will be held on the subject of socio-economic research related to the work of the Centers. This schedule covers the period from July 25 to August 3, and replaces the schedule circulated on June 21.

2. Regarding attendance at the various meetings, please note:

a) Some TAC meetings are open to observers from the Consultative Group. The rules of TAC require, however, that no member of the Group have more than one observer present at any one time.

b) Attendance at the socio-economic seminar on July 27 and 28 is limited to those who have already received letters concerning their participation.

c) With respect to the meeting of the Consultative Group, space limitations make it desirable for members to limit their delegations to not more than three persons; international agricultural research centers are requested to limit observers to two each at any one time.

3. Participants in International Centers Week and members of TAC and its secretariat, together with their wives, are invited to a reception being given by the Chairman of the Consultative Group on Tuesday, July 31, from 6 to 8 p.m. in the courtyard of the World Bank buildings. The courtyard is on the second floor, and is most easily reached through the Bank entrance at 1809 G Street, N. W. In the event of rain, the reception will be held in the Bank's Executive Dining Room, also on the second floor of the Bank building at 1809 G Street. In addition, luncheon will be provided in the Bank dining rooms on Monday, July 30, for all participants.



4. Please bring with you the various papers regarding the meetings which you will have received over the last few weeks. In addition, I look forward to receiving the names of your delegation in response to the letter of invitation from the Chairman, dated June 26, 1973.

Attachment

TAC MEETINGS, SOCIO-ECONOMIC SEMINAR ANDINTERNATIONAL CENTERS WEEKJULY - AUGUST, 1973REVISED SCHEDULE OF EVENTS

	<u>Room</u>
<u>July 25 - Wednesday</u> (9:00 a.m. - 6:00 p.m.)	C 1006
TAC -- all day (Closed)	
<u>July 26 - Thursday</u> (9:00 a.m. - 6:00 p.m.)	C 1006
TAC - Morning Session (Open)	
<ul style="list-style-type: none"> <li>a. Research Needs for Protein Production in Latin America. Discussion of Report of TAC Sub-Committee Mission.</li> <li>b. Research Needs of the Near East and North Africa. Discussion of Report of TAC Mission.</li> </ul>	
TAC - Afternoon Session (Closed)	
<u>July 27 - Friday</u>	
TAC - Morning Session (9:00 a.m. - 1:00 p.m.)	C 1006
(Closed until about 10:15 a.m.)	
<ul style="list-style-type: none"> <li>a. Research on Tropical Fruits. (Open)</li> <li>b. International Soya-bean Research. (Open)</li> </ul>	
Socio-Economic Seminar (see Agenda distributed April 13, 1973)	IBRD BOARD ROOM
9:00 a.m. - 1:00 p.m. - Topic I - Social Science Research Programs of the Existing Centers	
2:30 p.m. - 5:30 p.m. - Topic II - Expanding Usage of Centers' Research Findings	IBRD BOARD ROOM & C1006
<u>July 28 - Saturday</u>	
Socio-Economic Seminar (see Agenda)	IBRD BOARD ROOM
8:45 a.m. - 1:00 p.m. - Topic III - Socio-Economic Research Needed Outside the Centers	
TAC - Afternoon Session (Open) 2:30 p.m. - 5:30 p.m.	C 1006
<ul style="list-style-type: none"> <li>a. Research on Agricultural Mechanization in W. Africa.</li> <li>b. Research Programme on Trypanosomiasis.</li> <li>c. Research on Pest Control (FAO Proposals).</li> <li>d. Aquaculture - Progress Report.</li> </ul>	
Center Personnel (with other participants as invited by Center Directors) D 1156 (2:30p.m. - 5:30 p.m.)	



July 30 - Monday

Morning Plenary Session	Chairman: Mr. R. H. Demuth Chairman, Consultative Group	IBRD AUDITORIUM
9:30 - 9:45 a.m.	Opening Statement by the Chairman	
9:45 - 10:45	CIMMYT Presentation	
11:00 - 12:00	Discussion on CIMMYT	
12:00 - 1:00 p.m.	IRRI Presentation	
Afternoon Plenary Session	Chairman: Mr. J. F. Yriart Assistant Director- General, Development Department, FAO	IBRD AUDITORIUM
2:30 - 3:30 p.m.	Discussion on IRRI	
3:45 - 4:45	IITA Presentation	
4:45 - 5:45	Discussion on IITA	

July 31 - Tuesday

Morning Plenary Session	Chairman: Mr. I.G. Patel Deputy Administrator, United Nations Development Programme (UNDP)	IBRD AUDITORIUM
9:30 - 10:30 a.m.	CIAT Presentation	
10:30 - 11:30	Discussion on CIAT	
11:45 - 1:00 p.m.	CIP Presentation	
Afternoon Plenary Session	Chairman: Sir John Crawford Chairman of the Technical Advisory Committee of the Consultative Group	IBRD AUDITORIUM

July 31 - Tuesday (Cont.)

2:30 - 3:30 p.m.	Discussion on CIP	
3:45 - 4:45	ICRISAT Presentation	
4:45 - 5:30	Discussion on ICRISAT	
6:00 - 8:00	Reception by Consultative Group Chairman	IBRD PATIO

August 1 - WednesdayMorning (9:00 a.m. - 1:00 p.m.)

TAC - Meeting with Center Directors (Closed to Others)		C 1006
Consultative Group - African Livestock Subcommittee		IBRD BOARD ROOM

Afternoon (2:30 - 5:30 p.m.)

TAC - (Closed)

Consultative Group

- |   |  |                    |
|---|--|--------------------|
| - Adoption of the Agenda                                      |  | IBRD BOARD<br>ROOM |
| - Reports on the status of ILRAD and ILCA (African Livestock) |  |                    |
| - Asian Vegetable Center                                      |  |                    |
| - CG Position on UNCTAD Resolution on natural products        |  |                    |
| - Budget format and issues                                    |  |                    |
| - Center review procedures                                    |  |                    |

August 2 - Thursday (9:30 a.m. - 1:00 p.m.; and 2:30 p.m. to 5:30 p.m.,  
if needed)

Consultative Group (TAC and Center personnel invited)

- |  |  |                    |
|--|--|--------------------|
|  |  | IBRD<br>AUDITORIUM |
| 1. Statement by Chairman of TAC on Center Programs                               |  |                    |
| 2. Discussion of Center Programs   |  |                    |
| 3. Report by Chairman of TAC on status of other proposals<br>under consideration |  |                    |
| a. Conservation of genetic resources   |  |                    |
| b. Middle East Institute   |  |                    |
| c. Latin America - protein   |  |                    |
| d. Aquaculture   |  |                    |
| e. Other   |  |                    |

August 3 - FridayMorning (9:30 a.m. - 1:00 p.m.)IBRD BOARD  
ROOM

Consultative Group (TAC and Center personnel invited)

- Matters introduced by Center Directors
- Indication by Donors of Financial Support for Calendar Years 1974 and 1975
- Time and place of next meeting

Afternoon (2:30 p.m. - 5:30 p.m.)

TAC - Other business, if needed (Open)

C 1006

Center personnel - Other business, if needed.

D 1156

July 6, 1973



Agenda and Issues Expected at July 30-August 3 Meetings  
of the Consultative Group, and Proposed U. S. Positions

July 30, 31

Consultative Group Plenary Sessions - Presentation of  
Programs by Center Directors

These two days provide the CG - as well as the TAC and Observers - an opportunity to hear from each of the six ongoing centers about progress and plans. Presentations and associated discussion serve as a background against which CG later addresses itself to matters of concern on programs, and financial support required for 1974 and subsequent years.

While this matter will be discussed later during the week, A.I.D. is increasingly concerned by the tendency for proliferation in program of some of the Centers with an associated expansion in budgetary requirements. This concern was specifically expressed by A.I.D. observers at the recent Board Meetings of CIAT and IITA. We plan to voice our views during the CG discussion of Centers programs and financing. Later in this attachment (Budget Format and Issues) we call attention to the need for a ceiling on the anticipated budgets of Centers.

August 1

Reports on Status of ILRAD and ILCA (African Livestock)

Substantial progress has been made towards the establishment of ILRAD and ILCA. It has been decided that initially each will be organized separately from the other and have a provisional director and a provisional board of trustees. The African Livestock Subcommittee represents the CG in matters relating to the implementation of policies applicable to the establishment of ILRAD and ILCA.

ILRAD will be established at Kabete (adjacent to Nairobi) under an agreement with the Government of Kenya (GOK). It will be located close to the GOK Department of Veterinary Services and the Veterinary Faculty, University of Nairobi. The Laboratory's Provisional Board of Trustees will be limited to nine members including the Provisional Director who will be an ex officio member. The Provisional Director and four other members of the Board have been chosen by the Sub-committee. The Rockefeller Foundation is the executing agent on behalf of the CG responsible for working with the GOK in organizing ILRAD and placing it on operational basis. Current planning envisages the establishment of ILRAD by September 1973 and the initiation of construction activities as well as some research work during 1974.

The IBRD and the IDRC (International Development Center of Canada) are jointly representing the CG in the establishment of ILCA. Its administrative headquarters will be in Ethiopia, probably in or near Addis Ababa. Research activities will be conducted in Ethiopia and at field locations outside of the country. Initially a systems analysis will be carried out to determine the research policies and priorities which should be adopted in developing a livestock production research program for Africa. Representatives of the IBRD and IDRC are negotiating with representatives of the Imperial Government of Ethiopia concerning the establishment of ILCA. Present estimates indicate that this Center may be legally established by October 1973.

The United States position supports the merging of ILRAD with ILCA as soon as the operations of these organizations indicate that such action is feasible and desirable. The Consultative Group has approved the approach in principle, and the interim steps on ILRAD and ILCA are consistent with it, but it may remain an issue due to some contrary views.

#### CG Position on UNCTAD Resolution

This Resolution requests assistance from the CG for research to improve the competitiveness of commercial agricultural products (against synthetics and substitutes). The request would include processing and end use research as well as production research. The CG considered this item during its November 1-2, 1972 meeting and agreed to take no final decision until it had received the advice of TAC. Several CG members voiced reservation about diverting financial resources from the priority area of food crops (including livestock). On the other hand a representative of a developing region urged the CG to give serious consideration to the UNCTAD resolution.

While at this point we do not have the TAC recommendation, the subject was discussed during the January 30-February 2, 1973 meeting of that committee. Clearly first priority is accorded to the research directed toward food production. However, consideration was not ruled out on proposals for first class research programs on the so-called "non-food" crops (e.g., on cotton which has a food and feed significance). But it "... would want to reserve the right to express doubts that they should be supported at the expense of research on major food commodities."

In view of the competition for the available funds of CG, the already substantial national and commercial support for non-food agricultural commodity research and development, the high priority AID gives to the



balance between world food supply and population, we propose to try to sustain our position that the scope of CG financing should continue to be confined to food crops (including livestock).

#### Review Procedures

This subject was discussed last year by CG during Centers Week and again during the November meeting. It involves two kinds of reviews: one on examination of budgets for cost efficiency -- the stewardship of funds given by donors; the other covers program -- the research and related activities of the Centers. Based on a paper prepared by its Secretariat, CG agreed to try proposed review procedures on an experimental basis. Essentially it involves CG involvement, through its Secretariat (IBRD), in individual Centers annual program and budget reviews. While indirectly involved in recommending individuals to participate in reviews, TAC per se would not necessarily have a direct role in review of approved programs and budgets of the Centers.

Pursuant to the wishes of CG expressed last November, the Secretariat arranged for program and fiscal reviews of the six ongoing centers. These reports are not yet available, but will be distributed to CG members prior to Centers Week. A member of IBRD staff was responsible for the fiscal reviews. Dr. George Dion (CIDA-Canada) and Mr. James Evans (formerly Director of IBRD Agricultural Projects) each reviewed programs of three Centers.

In our view IBRD should pursue vigorously the responsibility for the cost efficiency review of budgets and expenditures, reporting conclusions to Boards and to donors. We also agree with proposed arrangements for program review, but along with the Foundations, are in a better position than most donors to obtain evaluations of Center program adequacy.

#### Budget Format and Issues

A draft paper on "Budgeting and Accounting Procedures and Practices of International Agricultural Research Centers" has been prepared by the CG Secretariat. Quoting from the paper: "This paper proposes a common framework of budgeting and accounting procedures and practices for the international agricultural research centers supported by the Consultative Group on International Agricultural Research. Work on this framework started in New York in February 1972, at a Center workshop on budgeting and accounting practices sponsored by the Ford Foundation. During the past year, through correspondence among the



participants, progress has been made toward developing generally agreed upon budget terminology, concepts and formats, together with consistent accounting practices and standard financial reports." The practices and procedures set forth in the paper have been accepted by the Director of CIMMYT, CIAT, CIP, IITA, ICRISAT and IRRI, and were used by these Centers in preparing their 1974 budget proposals.

The importance of a standard format for preparation and presentation of Centers budget information is unquestioned. In general we have no objections to the paper, but feel that it should be more explicit in defining the core or mandated program of a Center and the implications in budget presentation. Support required for continuation of the long-term activities designed to progress toward the Centers' fundamental objectives of research and training, as described in a basic statement approved by the Centers' governing board, should be viewed as a basis for a ceiling budget. Of course this ceiling budget would have to be revised from time to time to reflect the effects of such things as inflation and salary adjustments. Proposals by a center for additional program activities, even if of a basic and related core program nature, would have to be clearly identified and separately budgeted. This would enable the board to then decide whether such additional program activity were to be accommodated within the core program -- at the expense of some of the ongoing core program activity; or, whether it would be presented as a separate request for CG funding. In turn, it would enable CG donors to look more objectively at the feasibility of providing support for a new area of work, which while perhaps very important, would be extra to a basic core program funded under a general ceiling budget. Finally, and perhaps most importantly, it would require Center directors to maintain a sharper focus on core program. During Centers Week last year we discussed the merit of a ceiling on core budgets, and expect to pursue the matter during the coming CG meeting.

We propose to continue to argue for a more sharply defined core program, and to establishment of a basic ceiling budget therefor.



Asian Vegetable Center (AVRDC)

Last year TAC recommended that CG provide the capital support required to complete its building and equipment needs program for which about \$1.4 million were needed. CG concluded at its November 1973 meeting that since TAC had not recommended core support for AVRDC at the present time, no issue was involved of a continuing long-term relationship between the CG and AVRDC. It was agreed that AVRDC should be considered as a kind of associate member of the network of international agricultural research institutes. To our knowledge, no donors have offered to help meet the capital budget needs, although a couple informally indicated some interest. However, since that meeting, the Kresge Foundation made a contribution of \$300,000, and a number of supporting nations in Asia paid their pledges. Further, since the last CG meeting, steps have been taken by the AVRDC Board to modify the Center Charter in order to make it more comparable to those of the six CG-supported Centers.

As we understand it, Dr. Chandler, Director of AVRDC, will again make a presentation to CG for support. AID (through SA) is supporting AVRDC. While not intending to increase AID support at this time, we propose to informally encourage support from other CG donors.

August 2

Statement by Chairman of TAC on Center Programs

Here TAC will make recommendations to CG on programs of the six ongoing international centers and probably include comments on ILRAD and ILCA (African Livestock). Of particular interest will be the views of TAC on IRRI and CIAT.

IRRI's 1974 proposal includes provision for substantially expanded work on research to improve cropping systems for rice growing areas of South and Southeast Asia. Since the per capita supply of land in South and Southeast Asia is rapidly decreasing, a technology is urgently needed that will greatly increase the productivity per unit of land and labor on small holdings. Rice, the staple food of the region will not by itself meet the demand for protein and vitamins required for a balanced diet. While rice is the dominant crop on the small farms, improved cropping systems (including high-protein legumes and vegetables) must be built around it as the main crop during the wet season.

Quoting from the proposal: "The scientific staff requested for this program consists of seven scientists in different research areas and support staff for them as well as for some of the existing departments of IRRI. The total operating budget for the expanded program is estimated at \$286,000 for 1974, increasing to \$656,000 per year in 1976 when the program would be fully staffed. The non-recurring capital requirements are estimated at \$1,061,000 to be spent over a period of three years."



An earlier version of the proposal was submitted by IRRI in 1972. In general TAC and CG supported the idea in principle, and encouraged IRRI to give further attention to the proposal. However, no support was agreed to for 1973.

In our view this proposed expanded program of IRRI is reasonable and desirable, and CG support should be sought.

The proposed program for CIAT substantially exceeds that proposed last year, and is reflected both in core program and capital needs budgets. Part of the expanded program and increased core cost is due to a new bean improvement project approved by the Board. While at this point CIAT seems to be the most logical nucleus for an international bean improvement network, consideration for its possible funding would have been much easier if it had been presented as a distinct program component as in the case of the proposed expanded work at IRRI on cropping systems.

It is our view that further consideration needs to be given by CG to the CIAT program and budget. In program, attention should be directed to the core program or mandated program of the Center. Budget-wise, additional information is needed to clarify both program and capital requests. Possibly the reports from reviews arranged by the CG Secretariat (IBRD) will be useful in this regard.

#### Discussion of Center Programs

Presumably under this agenda item points such as those mentioned under the immediately preceding item, will be discussed further.

#### Report by Chairman of TAC on status of other proposals under consideration

Listed under this agenda item are: Middle East Institute, Conservation of genetic resources, Latin America - protein, Aquaculture, and others. This is assumed to be considered by the CG as an information type report which would require no action during this meeting. However, quite possibly CG will need to take specific action on one or more of them at the November meeting.

Comments on each of these agenda sub-items are given under Attachment C (TAC Agenda and Issues).



TAC Strategy Paper

-7

We understand that TAC will be concerned largely with this subject during the first day of its meeting (July 25-Closed). Based on the meeting earlier this year, it seems probable that TAC will devote considerable attention to priorities. Reference has been made by TAC to ". . . a definite priority for food on grounds of human need, of population pressure on resources, and of the fragile base on which the food supplies of much of the world still rested." Decisions thus far have reflected within foods priority consideration to cereals, food legumes, and ruminant livestock. Positions are still to be considered and defined on attention that should be given by TAC to oil-seeds, sugar, fruits, vegetables, aquaculture, and pastures and fodders. TAC is also expected to define a clearer position on "non-food" crops, and to problems of socio-economic research.

Since a report on this paper, or the paper itself, are not anticipated until sometime during Centers Week, we are not in a position to comment on specifics at this time. Reference was made earlier to our position on research for "non-food" crops.

August 3

Matters Introduced by Centers Directors

We are not aware of specific items that will be brought up by Directors, and thus do not have any comment at this time.

Indication by donors of Financial Support for  
Calendar Years 1974 and 1975

Our statement essentially is that given January, 1971\* which probably means for 1974 an anticipated AID contribution of approximately \$7.0 million for center support. It also means that our contribution will be significantly less percentage-wise than the 25% contribution to Center core and capital budgets in 1973. This results from an anticipated Centers need in 1974 of about \$32 million and our annual ceiling of \$7.0 million. As noted in my Information Memorandum to you of June 6, 1973, we feel that AID should pause at the \$7.0 million level of Centers funding until IBRD increases its support to at least this level.

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

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

It was generally understood that the U.S. intent was to finance 1/4 of Center costs, if needed, subject to the stated caveats.

Financial Assumptions for Future Planning of TAC  
and Consultative Group

We share the growing concern of a number of CG donors about the escalating costs of the six ongoing centers; and the projected costs of planned African livestock research institution, as well as those of several other activities under consideration by TAC and/or CG. It is important to have some figures which reflect probable limits of funds that might reasonably be anticipated from donors over the next several years, and to relate these figures to needs for ongoing and planned CG supported activities. As part of such an exercise, it might be useful to determine what would seem to be reasonable levels of support to Centers and ask directors to develop programs accordingly.

In any case, we are dealing with a situation where international agricultural research needs far outstrip likely available donor support. This dictates a look at research priorities, and levels of funding for specific activities. It brings us back to the need to consider realistic budgetary ceilings for CG funded Centers. As mentioned earlier, we discussed with CG the merit of ceilings for core and capital budgets and expect to pursue this matter during the coming Centers Week.

At this time future AID support for Centers under the CG will have to be reviewed in the light of the January, 1971 statement mentioned earlier.



Agenda and Issues Expected at 1973 Centers Week  
Of The Technical Assistance Committee, and Proposed U.S. Positions

July 25

Closed TAC Meeting

Among other matters, TAC is expected to review a draft strategy paper referred to in Attachment B.

July 26

Research Needs For Protein Production in Latin America

This matter was discussed at considerable length at the TAC meeting earlier this year. A report was presented by a TAC Sub-Committee headed by Dr. Luis Marcano. In brief TAC felt that it should hinge its efforts toward the establishment of cooperative programs in the region (in particular on legumes and beef), quite firmly on the CIAT development, and shall insure that sufficient resources were available to permit CIAT to handle such programs. Further discussion of this Sub-Committee report is planned for this TAC meeting.

CIAT has beef production research as a major research thrust. It is also developing a soundly-based interdisciplinary bean program. Further, it is possible that CIAT would serve as a relay link for the proposed International Soybean Resource Base (INTSOY). Therefore, this Center should figure prominently in any plan for strengthening research directed toward protein production in Latin America. It does not necessarily mean that CG per se should provide additional funds for this purpose to CIAT, or to any other regional research institution in the area to strengthen soybean or beef-cattle research networks. The answer in part may well be support of a bi-lateral nature for national research programs dealing with these commodities, linked to CIAT's capabilities by donor financing of "outreach" linkages to help build LA country research capabilities. IDB is potentially a substantial source for the latter type of financing, and already is doing some. Further, we would not rule out consideration of support to research institutions in Latin America other than CIAT, such as IICA, which already have regional roles and potential for significant contributions in the area of food legume and beef research. Again this support may come from only certain donor members of CG without the CG itself making a commitment.

We plan to encourage strengthening of the food legume and beef research networks in Latin America recognizing a key role of CIAT, as well as important roles for institutions such as IICA and national research programs. We would expect the core program budget of CIAT to meet its own needs, and would urge support for other network elements to be met outside of the CG per se.

Research Needs of the Near East and North Africa

TAC and CG representatives from this area have urged, for some time, the establishment of an international center designed to meet the rather specific needs of that region. In response TAC constituted a Mission which made its study earlier this year. Presumably the Mission report will be available prior to or during the TAC meeting.

At this time we are not aware of the nature of the conclusions reached by the Mission. However, in briefing, the Mission was requested to take



cognizance of all possible linkage programs in the region including those of ALAD, CIMMYT, IRAT, etc.

Recently a number of interested supporting groups (AID, UNDP, FAO, CIMMYT and the Ford and Rockefeller Foundations) agreed to a collaborative effort directed toward strengthening of cereal improvement research and training in this region. Hopefully this kind of linking of inputs of donors to ongoing relevant activities in the region, together with a more effective linking of activities of research institutions in the same region and to international institutions (CIMMYT, ICRISAT, etc.) and appropriate strong national institutions, could result in the desired strengthening of research needs. Hopefully the need could thereby be circumvented for establishment of a CG-supported center specifically for that region.

Our position is to encourage these more effective linkages, and to encourage additional bilateral support where such seems required.

July 27

Research on Tropical Fruits

On more than one occasion, the CG regional representative from Thailand has urged consideration for the establishment of an international center dealing with tropical fruits. Apparently Thailand would be willing to serve as host country, and to provide needed land. Presumably a more comprehensive proposal has been developed for consideration by TAC at this meeting. The position of TAC may well be determined by the position it takes in the strategy paper (to be discussed earlier) on priorities for research according to various foods. At this point, we have little on which to judge their position.

We appreciate the importance of tropical fruits in the diets of people in those regions, as well as their importance for export, in certain instances. However, we accord lower priority to support for international research on tropical fruits than to cereals, grain legumes, and ruminant livestock production. In view of additional high priority needs for research on these most basic food crops, we would not be in favor of CG support for tropical fruit research at this time.

July 28

Research on Agricultural Mechanization in W. Africa

At this point we do not have any background on the matter. We are aware that FAO is carrying out some work on this subject centered at IITA.

Research Program on Trypanosomiasis

This proposal is presented by the Government of France. The research would cover control of the tsetse fly vector (through release of male sterile tsetse flies, and use of chrysalis parasites to control the flies); and a study of the phenomenon of trypanotolerance. In the latter case, the work would be with the African bos taurus which appear to have a high degree of tolerance.



The estimated overall cost of the proposed program over a five year period is \$2.8 million. About \$1.0 million of this would be for work on the tsetse fly; the remainder for trypano tolerance. Apparently France plans to fully fund the work on tsetse flies at the Institute for Tropical Countries Breeding and Veterinary Medicine in Upper Volta. It is also reported that Volta has "acknowledged international status" to the Institute and made available a 7,400 acre ranch. Presumably funding from the CG is desired for the part on trypanotolerance at the same location.

The proposed work on the release of male sterile tsetse flies (to be funded by France) appears to be closely related to the work supported by TAB in Tanzania through USDA, and, of course should be linked with it.

Further, in our view this is highly related to the proposed work at ILRAD and shall be considered accordingly. We would not encourage CG support at this time. We would encourage referral to ILRAD (and possibly also to the CG Livestock Subcommittee) as soon as possible, for advice on how useful linkages might be developed.

#### Research on Pest Control (FAO Proposals)

At the last TAC meeting a UNDP background paper was reviewed which related to FAO requests for support of research work of an international nature on pest control and pesticide residues. Essentially UNDP appeared to be seeking TAC views on the general question of what were the gaps in pesticide residues research in relation to management of the environment, and which if any, of those gaps might be subject to CG support and in what form.

In summing up a confused debate of inconclusive nature, the Chairman of TAC reported a "marked indication of skepticism about the need or scope for international research on pesticide residues. With regard to the broad question of integrated pest control research, there was a clear feeling that this research would be naturally associated with the primary commodity research centers but on the basis of information currently available and on a first debate, the Committee had been unable to identify gaps which might call for a special internationally supported thrust."

While recognizing the importance of international cooperation in research on pesticide residues and on integrated pest control, we do not feel that CG needs to provide financial support for a special and separate international research thrust. We do consider work in these areas to be integral and important parts of the core program of CG centers dealing with specific crops.

#### Aquaculture - Progress Report

TAC at its meeting in February 1973, considered the importance of aquaculture as a means of increasing food production. It decided to convene an ad hoc Working Group of Specialists to summarize the present importance of aquaculture and recommend needs that might be sponsored by the CG or other bodies. This Working Group is scheduled to meet in Spoleto, Italy July 10-19, 1973. A progress report is planned during this TAC meeting.

No AID position is called for at this time. A member of the Auburn fisheries group will meet with the Working Group.



August 1

TAC Meeting with Center Directors (Closed)

We do not have information on specific items to be discussed during this meeting.

August 2

Report by Chairman of TAC on Status of  
Other Proposals Under Consideration

Reference was made earlier in this Attachment to "Research Needs for Protein Production in Latin America", for "Research Needs of the Near East and North Africa", and "Aquaculture". At this time in the CG meeting, the Chairman of TAC is expected to also report on the "Conservation of Genetic Resources".

TAC made recommendations in 1972 to CG for the establishment of an international network of plant genetics centers. CG, while appearing to be generally supportive of the objective, did not commit support for the proposed program. Questions were raised about the role of international centers, and of FAO. It was generally agreed that International Centers responsible for specific crops would also assume responsibility for collection and maintenance of the germplasm of these crops. We take the position that FAO's role would be largely that of coordination, and that arrangements for strengthening germplasm centers would be handled by bilateral arrangements involving individual donors. It was decided that TAC would have a background paper prepared for the Centers Week meeting which would more specifically address the roles of FAO and the international centers, as well as gaps that remain which were not covered by other national and regional programs. Thus TAC is expected to make a more definitive statement with specific recommendations for this international network of germplasm centers. And, in view of general CG interest in this matter, probability is high for funding implications in 1974.

We support the proposition of the need for a comprehensive international network on germplasm centers for important agricultural crops, and feel that CG should seriously consider need for provision of limited financial support. But this support should be subject to recognition of, and additive to, the current and projected role of various national and international institutions in this matter, and of the current and anticipated support by individual donors.

The Chairman of TAC may also report on a number of other matters under consideration. These include: West African Rice Development Association (WARDA); water use and management; and tropical forestry. However, as we understand it, no action is required from us at this time, nor need for any stated position during Centers Week.

As background, it might be mentioned that a proposal from WARDA for CG support was submitted earlier to TAC. While recognizing the importance of strengthening WARDA research activities, TAC did not recommend that CG provide it -- at least at that time. WARDA was encouraged to meet with the Directors of IRRI, IITA and IRAT in order to determine how their institutions could link more effectively with WARDA, and to develop specific research proposals which might be reviewed by TAC. So far as we know, WARDA has not submitted such proposals. Earlier we expressed the view that additional funding needs of WARDA should be met through bilateral arrangements rather than by CG. We continue to maintain that position.



The importance of water use and management for agriculture has been recognized for some time by TAC and CG, but no case has been made to justify CG support of a separate program in this sphere. IDRC (Canada), at the request of TAC, commissioned Dr. Dean Peterson (Utah) to make a study on the subject. Peterson's report was reviewed by TAC earlier this year. Essentially Peterson proposed establishment of a center concerned with adaptation of available technology on water use, economics of the problem, and development of policies and institutions up to the national level and even impinging on the international level. TAC took note of his report but did not recommend implementation. As a further step in getting pertinent background, TAC decided to invite the existing international centers to prepare an account of their current work in water management in the applied sense and to give an indication of their views as to what further work needed to be undertaken and the extent to which their programs might be expanded. While recognizing the importance of water management in the developing countries, we feel that additional staff work is required to develop a reasonable proposal for possible CG funding.

We are aware of some interest in an international research institution on tropical forestry. Mr. Richard Lane, USDA Representative of its Far Eastern Regional Research Operation (FERRO) based in New Delhi, has discussed this subject with Indians and feels that considerable interest is present in that country. To our knowledge, no proposal for such an institute has been submitted officially to TAC. However, it might well be in the near future. Our reaction to such a proposal probably would be negative in view of pressing needs for additional resources for research of higher priority involving important food crops.

## CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

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April 13, 1973

TO: Members of the Consultative Group, Personnel of TAC  
and of International Agricultural Research Centers

FROM: Executive Secretary

SUBJECT: Socio-economic Seminar

1. As proposed at the November 1972 meeting of the Consultative Group, a seminar on socio-economic research needs in relation to the work of international agricultural research centers will be held in conjunction with the forthcoming International Centers Week (July 30 - August 3, 1973). The Seminar will include three half day sessions, beginning Friday morning, July 27 and ending at mid-day Saturday.

2. The seminar will be held at the headquarters of the World Bank, at 1818 H Street, N. W., Washington, D. C.

3. Attachments 1 and 2 give the Purpose and proposed Agenda of the seminar. To help focus the discussion and achieve productive interchanges -- recognizing the breadth of the agenda topics, the limited time available to discuss them, and the relatively large number of attendees -- participants in each session are being asked to address primarily the list of questions provided for each agenda topic. These are in Attachment 3.

4. Attendance will be limited to a total of 80 persons. The following are invited ex officio: for each international agricultural research center, the Board Chairman (or substitute Board member), Director and principal economist; and the members and secretariat of the Technical Advisory Committee (TAC). Each Consultative Group member can automatically send one representative for each session: this includes both representatives of each FAO region.

5. In addition, outside experts will be invited to attend and to participate in the special discussion panels.

6. A few more places may be available, depending on how many of the foregoing group attend. Consultative Group members who wish to have more than one attendee should send the extra name to the Executive Secretary of the Consultative Group when they notify him of their intention to attend. The principal attendees from each member will be notified when it is clear that extras can be accommodated. Members



intending to be represented should notify the Executive Secretary by May 10 as to who will come. Absence of notice by then will be taken as an indication of intention not to attend.

7. Center and TAC personnel are requested to indicate, also by May 10, whether or not they will attend.

8. A final Agenda, names of the panelists on the various topics, some preparatory readings, together with identification of the specific rooms for the various sessions, will be sent out in June. The seminar will be more enjoyable and productive for all participants if those attending absorb the materials sent out before they come to the sessions. This will avoid the need to use scarce session time to repeat background information provided in the advance papers, and should stimulate better communications among the attendees.

Attachments

Purpose of the Seminar

1. To increase awareness and understanding of present and potential roles of social science research and training in the international agricultural institutes and their significance.
2. To explore means for increasing the use of the Centers' research findings, and particularly the role in this regard of the Centers' social science staff.
3. (a) To identify important types of socio-economic research on LDC problems and associated training beyond the desirable scope of the Centers' work; and  
(b) To identify for further investigation some promising alternative means whereby such needed research and training work could be accelerated and improved.





- [14:40 - 15:20] Discussion, by selected panel of experts, of various ways to plan for increased usage of Center research results, and particularly of roles that Center socio-economic staff could best play in stimulating usage. Discussion will center around a paper distributed beforehand.
- [15:20 - 16:00] Comments and questions from rest of group and exchanges with panel members.
- [16:00 - 16:30] Coffee break
- [16:30 - 17:00] Open discussion continued
- [17:00 - 17:30] Round up comments or conclusions by panel members.

Saturday, July 28

- 08:45 - 11:45 Topic III. Socio-Economic Research Needed Outside the Centers  
Chairman and Moderator of Panel Discussion: Sir John Crawford
- [08:45 - 08:55] Chairman's introduction
- [08:55 - 10:00] Discussion, by selected panel of experts, of paper(s) distributed beforehand on what are the high priority types of socio-economic research to support LDC agricultural development that the Centers presumably will not be doing and how efforts to accelerate such research might be organized.
- [10:00 - 10:30] Coffee break
- [10:30 - 11:20] Comments and questions from rest of group and exchanges with panel members
- [11:20 - 11:45] Round up comments by panel members
- 11:45 - 12:15 Coffee break
- 12:15 - 13:00 Summation. Sir John will sum up main threads of seminar, especially Part III. If time permits, few final comments from floor.



Questions to be Addressed under Topic I\*

Presentations of Centers' Socio-Economic Research Programs

1. What kinds of topics are included and excluded, and why, i.e., what are the criteria, e.g., usefulness (importance and timeliness) to Centers' management and biological scientists in deciding what research results they should seek and how they can obtain maximum usage of research findings, feasibility within resources and data likely to be attainable, what can be done as well or better outside the Centers, etc.?

2. In giving significant illustrations of analyses actually done, explain:

- how and why were decisions made to do the analysis in question?
- what results and impact are expected from the analysis and why?
- what has actually happened in this regard thus far?

3. To what extent and how do the social scientists at the Centers (or colleagues from elsewhere that they involve in their activities) work with the biological scientists at the Centers? To what extent has closely integrated socio-economic/biological research on particular problems been feasible and desirable, as distinguished from independent work on separate but related problems? Does the experience provide practical suggestions for strengthening this integration where called for?

4. How extensive and significant are the working linkages with (a) the other centers, (b) other organizations in the LDCs and elsewhere, and in what categories (e.g., joint research, information exchange, training, etc.)?

\* These questions all fall in areas of questioning raised in the Consultative Group discussions

Questions to be Addressed under Topic II

1. What are the specific types of interests in Center research findings of the major potential user groups (e.g., agricultural producers, agro-businesses, LDC development planners and policy makers, other researchers), and how should these affect the choice of biological/agronomic research topics and how the research is done? How can the socio-economic work at the Centers best contribute to this matching of user need and research response?
2. In what other ways can the Center socio-economic staff work contribute to increasing the usage of Center research findings, having in mind the existing experience with the causes of good and poor usage of research results? To what extent does this involve deliberate steps before, during and after the conduct of research?
3. What are some live examples of good and poor usage results on significant research findings and what are the likely causes?
4. To maximize the return from research investments, what rough proportions of effort are needed for interpretation/dissemination activities re findings compared to work on obtaining the findings? Are there roughly predictable differences, in this ratio of desirable distribution of effort, between types of agricultural research subjects? Is there reason to believe that the present balance is poor, or does it seem about right?



Questions to be Addressed under Topic III

1. What specific types of socio-economic research and training could best be done outside the Centers, e.g., part or all of the following:

- developing and applying agricultural sector analysis methodologies, i.e., overall analyses of dynamic interactions of the variables involved in the agricultural development of individual LDCs, including effects on the multiple LDC development goals of alternative policy or investment interventions?
- analyses of status or trends in worldwide supply and demand for various commodities?
- analysis of individual socio-economic problems that are important in LDCs and what might be done about them, e.g., unemployment/underemployment, malnutrition, inadequate rural credit or other services to farmers, poor local action or management capabilities in rural areas, etc.?
- others?

What are suitable criteria for deciding? [Note this is the obverse of much of the burden of questions for Topic I. Discussion might build on conclusions or viewpoints expressed during discussion of Topic I.]

2. What should Centers' role be in interpreting implications of Center micro-research findings for national policies? How could better use of these findings by assistance agencies be encouraged? [Note this may also receive partial coverage earlier, especially under Topic II.]

3. What are some alternative institutional developments that should be considered for accelerating the priority types of socio-economic research and training that the Centers' should not be doing themselves? [i.e., discussion should identify briefly some alternatives for consideration elsewhere, reasons for considering them, and possibly advance ready ideas on how to get on with this, rather than attempt to do any substantial development and critique of any of the possible alternatives. This is seen as a bridging discussion between Topics I and II, which are of primary concern to the programs of the Centers, and pursuit elsewhere of other related work that is important for agricultural development].

4. How should socio-economic work at the Centers feed into and draw from other types of socio-economic analysis done elsewhere? What has the experience been on this? [This may build on the discussion of question (4) under Topic I.]

UNITED STATES GOVERNMENT

# Memorandum

ACTION

*Dr. Hamilton Jr  
11 April*

TO : AA/TA, Joel Bernstein

DATE: July 17, 1973

FROM : TA/AGR, Omer J. Kelley

*O. J. Kelley*

SUBJECT: Action Memorandum to the Administrator Concerning International Centers Week

Attached is the Action Memorandum which we believe is ready for transmittal. It was revised in accordance with our recent meeting in your office, and further contains additional funding information on the Centers (Tables A and B).

We met with representatives of the Regional Bureaus (except for LA\*) and PPC yesterday. A copy of the summary of this meeting is attached. In our view, no specific change in the Action Memorandum is indicated as a result of the meeting.

Attachments:

1. Kelley Memorandum: Review of Related Action Memorandum
2. Action Memorandum to Administrator re International Centers Week

\*LA meetings on July 16 and 17 prevented participation in our meeting yesterday. We expect written comments on the Action Memorandum, but they have not been received.





UNITED STATES GOVERNMENT

# Memorandum

TO : See Distribution

DATE: July 17, 1973

FROM : TA/AGR, Omer J. Kelley



SUBJECT: International Centers Week; Review of Related Action Memorandum by Regional Bureaus and PPC

1. The following met on July 16, 1973 to review a draft of the Action Memorandum:

AFR/NARA, Blair Allen  
AFR/DS, John L. Cooper  
AFR/DS, Donald Atwell  
ASIA/TECH, Leon Hesser  
SA/PPB, James Cudney  
SA/TCD/AGR, Donald Yeaman

PPC/PDA, Frank Moore  
TA/N, Irwin Hornstein  
TA/AGR, Omer J. Kelley  
TA/AGR, Guy B. Baird

2. Considerable discussion was concerned with the level of AID funding for the International Centers. Hesser expressed the view that \$7.0 million a year by AID for this important worldwide activity was in reality a rather small amount, and saw no reason why we should stick with this ceiling. In general this point of view was supported by Moore, however, he felt that AID should not use this position unduly to exert pressure on other donors to increase their contributions.

Cooper differed by stating that the 25% formula was too arbitrary and did not encourage other donors to take the matter of contributions as seriously as they should. He felt that in some cases we may not need to give as much as 25%. He made it clear, however, that support of the International Centers was a matter of high priority. In the case of IITA, the Africa Bureau would prefer not to allocate funds for the capital budget.

Cudney felt that Japan should be strongly encouraged to substantially increase support to Centers. IBRD is aware of the need for Japan to be more supportive, and is optimistic that she will do so in the near future.

In response to a question, Dr. Kelley pointed out that considerable attention was being directed toward establishment of budget ceilings for the Centers. He also referred to the role of IBRD in monitoring the management and budgeting of the Centers. Dr. Kelley also discussed recent dialogue between AID and IBRD on funding of Centers.



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

Aside from a suggestion about AID support to the IITA budget and to ILRAD and ILCA (see attached memorandum from Africa) no specific comments were made about modifying the figures proposed in the tables attached to the draft Action Memorandum. It was mentioned that some adjustments might have to be made later in actual 1974 AID support to the individual Centers based on need, but keeping within the \$7.0 million ceiling.

3. Hesser expressed support for the proposed expanded program of IRRI in the area of farming systems, particularly involving upland rice. No dissent was voiced.

4. Cudney and Hornstein felt that Centers were not doing enough in nutrition. (This also is mentioned in the attached memo giving comments of the Africa Bureau). While several Centers are placing emphasis on the development of new varieties that not only yield better but have improved nutritional characteristics (e.g. better balanced protein), too little seems to be done to link the crop improvement results with end use research. It was agreed that this should be called to the attention of TAC. Perhaps a first measure would be for the Centers to fully document ongoing and planned work in the field of nutrition. This documentation could then be used as a basis to determine what additional research seemed needed.

Distribution

1. All listed under "1" above
2. AFR/NARA, Ullmont James  
AFR/DS, Princeton Lyman  
ASIA/TECH, Robert Ballantyne  
AA/TA, Joel Bernstein



UNITED STATES GOVERNMENT

# Memorandum

TO : TA/AGR, Mr. Milo Cox

DATE: July 13, 1973

FROM : AFR/NARA, <sup>17</sup>Arthur L. Howard

SUBJECT: International Centers Week draft memorandum from J. Bernstein to Dr. Hannah

With regard to the three international agriculture research centers managed by the Africa Bureau, we would like to note the following points:

1. We would like to reserve final judgment on IITA's 1974 budget until there has been an opportunity to examine the Bank's fiscal/budget analysis.

2. We would urge that whatever the final pledge made to IITA for 1974 it be confined to core costs only. All capital items are for construction which would be difficult to support.

*Don't want  
all Howard's*

3. We support the TAB position not to seek authority in FY 1974 and 1975 to change the ceiling of \$7 million which now limits A.I.D.'s contributions to the international research centers.

4. The proposed increase in A.I.D.'s contribution to IITA's budget in 1974 by \$300,000 over the levels of 1973 and 1975 is a matter of concern, in part because other donor support might best be attracted this year so as not to leave IITA with a shortfall next year. We recommend that \$1.2 million rather than \$1.5 million would be the more appropriate figure for this memorandum.

5. Though budget estimates are very provisional for ILCA and ILRAD, \$300,000 for them in 1974 seems low. We think \$600,000 more closely represents anticipated requirements. We are also concerned that the 1975 projections for ILRAD and ILCA are too modest. If present plans are implemented on schedule A.I.D.'s contribution might need to be several hundred thousand above the projected \$600,000.

6. We concur in the Budget Format and Issues recommendation in Annex B and urge additional effort to assure the earliest acceptance of the Consultative Group Secretariat of responsibility for review and analysis of the centers' annual budget submissions.

7. We believe a vigorous CG Secretariat/TAC role in developing or recommending budget ceilings for the centers is most desirable and should be actively sought at the meeting.



8. We feel that the proposed U.S. positions for the TAC meeting noted in Annex C, while otherwise appropriate, should be expanded to include the following:

*make note 5 x B*

a. The section on agricultural mechanization should recognize that information available to date indicates that conditions in the tropical zone call for some use of mechanization in the farming systems which IITA is charged with developing. Furthermore, that we consider it essential that these systems be conscientiously designed to provide for utilization of the factors of production appropriate to the LDC economies. Therefore, the objective should be one of determining systems using intermediate technologies that avoid, among other things, inappropriate capital-intensive, labor displacing practices.

b. A section should be added on nutrition calling for a study in the coming year of the means by which the international centers might be most effective in contributing to nutrition strategy. We have in mind going beyond present efforts of researchers to improve the protein quality and content in foods, with such measures as having professional nutritional representation on TAC, including nutrition training in the centers dissemination effort, and other methods of improving the nutritional effects of research such as timing the release of new varieties so as to give advantage to higher quality varieties for utilization.



File - CG

~~Kelley~~  
~~Baird~~  
~~↳ [unclear]~~  
~~UK~~

December 10, 1973

MEMORANDUM

TO: TA/AGR, Mr. Omer J. Kelley  
FROM: PPC/PDA, Robert Muscat *RM*  
SUBJECT: Persons to Review International Agricultural  
Research Centers

We lost track of your memo of August 28 on this subject due to personnel changes that occurred in our office. I want to recommend Dana Dalrymple and Paul Isenman from my office and also Herbert Turner (PPC/PME) or someone he would nominate. I would be interested in serving on such a team if time permits.

12/10/73

See Distribution

August 28, 1973

TA/AGR, Cmer J. Kelley

Review of International Agricultural Research Centers - Suggestions  
of Persons to Participate

The U.S. (through AID) is one of the members of the Consultative Group on International Agriculture (CG) which provides the support for the several international centers (CIP, CIMMYT, CIAT, ICRISAT, IITA and INRI). At the request of its members, the CG, through its Secretariat at the World Bank, is assuming the responsibility for periodic reviews of these Centers. The reviews will be concerned with both program and management.

Anticipating requests from the CG Secretariat for suggestions of persons who might be well qualified to participate in such reviews, we would like to develop a list to have in readiness. In particular, we feel that the greatest review need is in the management area -- the effectiveness of use of financial resources at the disposal of the Centers. Accordingly, we would like for you to suggest persons who, in your estimation, could do a good job on Center reviews, keeping in mind the emphasis on management.

Your prompt assistance will be appreciated.

Distribution:

AA/TA, Erven Long  
TA/RIG, James K. McDermott  
TA/EM, David G. Mathiasen  
AFR/DC, Princeton Lyman  
AFR/NARA, Ullmont L. James  
ASIA/TECH, Robert J. Ballantyne  
SA/RD, Kenneth M. Rabin  
LA/DR/RD, Carl F. VanHaeften  
FPC/PDA, Robert J. Muscat  
TA/AGR, Milo Cox  
Guy Baird  
Michael Galli  
Division Chiefs



See Distribution

August 23, 1973

TA/AGR, Omer J. Kelley

Review of International Agricultural Research Centers - Suggestions  
of Persons to Participate

The U.S. (through AID) is one of the members of the Consultative Group on International Agriculture (CG) which provides the support for the several international centers (CIP, CIMMYT, CIAT, ICRISAT, IITA and IRRI). At the request of its members, the CG, through its Secretariat at the World Bank, is assuming the responsibility for periodic reviews of these Centers. The reviews will be concerned with both program and management.

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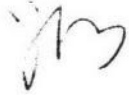
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AFR/CS, Princeton Lyman  
AFR/WARA, Ullmont L. James  
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SA/AD, Kenneth M. Rabin  
LA/OR/AD, Carl F. VanKloften  
EPC/PDA, Robert J. Muscat  
TA/AGR, Milo Cox  
Guy Baird  
Michael Galli  
Division Chiefs

TA/AGR/GBBaird/sad/8-28-73

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

NOV 20 1973

THROUGH: EXSEC

FROM : AA/TA, Joel Bernstein 

SUBJECT: Meeting of the Consultative Group on International  
Agricultural Research, November 1-2, 1973

The Consultative Group on International Agricultural Research (CGIAR) met at the IBRD to address a number of issues concerning: the six ongoing international centers; the two in the formative stages on livestock in Africa; and, several proposed activities to be supported by the Group. The Agenda of the meeting is attached.

The subject of primary concern was the 1974 funding requirements of the Centers and other related activities for which the CGIAR assumes financial responsibility. Happily, funding intents expressed by the donor members (\$32-33 million) appear at this point to be adequate, despite the substantially higher budget requirements in 1974 (\$32-33 million in 1974 vs. \$23.3 million in 1973).<sup>1/</sup> This encouraging result is a continuing international vote of confidence in the importance of this approach to agricultural research directed to the needs of the LDCs.

Our financing of the Centers for 1974 is expected to be at the level of \$7 million. Table A shows actual support for 1973, estimates of our support for 1974 provided at the CGIAR meeting, and tentative

<sup>1/</sup> CGIAR donors (19) that expressed intent to support Centers' needs for 1974 are: UNDP, Sweden, IDB (subject to Board approval), Denmark, Norway, Netherlands, Germany, Ford Foundation, Canada, Belgium, Switzerland, U.K., IDRC (Canada), Australia, Japan, Rockefeller Foundation, U.S., IBRD and France.



TABLE A

INTERNATIONAL RESEARCH CENTERS  
1973-1975 Financing by AID  
(estimates in \$ millions)

		1973 (actual)	1974 <sup>2/</sup>	1975 <sup>3/</sup>
IRRI	(TAB)	.725 <sup>1/</sup>	1.100	1.150
CIMMYT	(TAB)	1.500	1.350	1.450
IITA	(AFR)	1.200	1.500	1.800
CIAT	(LA)	.875	.950	1.600
ICRISAT	(TAB)	.745	1.000	2.400
CIP	(TAB)	.340	.550	.550
		5.385	6.450	8.950
ILRAD	(AFR)	---	.550	
ILCA	(AFR)	---		2.170
Genetic Resources		---		
<sup>4/</sup> WARDA				
<sup>5/</sup> Others				
		5.385	7.000	11.120

1/ Our share for 1973 IRRI funding turned out to be only \$.725 million; \$25,000 of the \$750,000 we actually provided will be credited to our contribution to the 1974 budget.

2/ Planned allocation presented by U.S. representative. Indicated AID flexible in shifting funds from IITA to other African centers, if helps in meeting overall financing needs, or possibly in shifting part of the allocations between other centers if necessary.

3/ Based on U.S. adhering to formula of 25% of the core and capital budgets, and on best estimates available of requirements in 1975.

4/ A portion of the WARDA program (already supported by AFR) may be included in the CG's budget for at least a part of 1974 if supporting funds are forthcoming.

5/ These could include for 1975 support for strengthened research in the mid-East, and relay links for ICRISAT in Africa.

estimates for 1975 based on adherence to support amounting to 25% of the core and capital fund estimates.<sup>1/</sup>

Other issues dealt with during the meeting, as shown in the Agenda, will be commented on briefly in the following paragraphs:

1. CIAT Capital Requirements

At the meeting during International Centers Week (July 25-August 3, 1973), reservation was expressed about the capital budget of the International Center for Tropical Agriculture (CIAT). The \$1.5 million proposal by CIAT for 1974 included funds that would be attributed to Phase I of capital development (this phase is being met in large part by the Rockefeller Foundation as planned, and without AID support) and a \$500,000 request for an airplane. The Rockefeller Foundation volunteered to further review the CIAT budget and to make available a report to CGIAR members before the November meeting. The study by the Rockefeller Foundation recommends a revised sum for capital funds for new and expanded programs at Palmira (\$749,000 instead of the \$1.0 million earlier proposed by CIAT). It also recommends \$200,000 in the 1974 CIAT budget (earlier requested for 1975) for the equipment necessary for the research program at the Carimagua Experiment Station in the Llanos. This support would enable CIAT to implement the program endorsed by the July 1973 External Review Team for Beef Production Systems. The Team recommended that CIAT shift its emphasis from the coastal plains to the Llanos and Campo Cerrado areas.

The CIAT Board of Trustees approved a revised capital budget (\$994,000) based on the report of the Rockefeller Foundation, together with a core budget amended to include an additional \$100,000 (total of \$9.5 million). The CGIAR accepted the revised submission without dissent.

<sup>1/</sup> On September 24, 1973 the Administrator approved the position, stated at the CGIAR meeting, that: "AID is prepared in principle to provide up to 25% of the core and capital budget costs of the international institutes, up to a maximum total of \$13 million in any one year, provided that the remaining 75% is forthcoming from other sources. If it becomes possible to make Social Progress Trust Fund repayments available for regular institute budgets through the Inter-American Development Bank, these would be included in the total. Specific pledges would continue to be for individual institutes, subject to our review and approval of fully developed proposals for each and to the provision by Congress of adequate funds. Our pledge continues to be based on the assumption that the institutes will continue to be assured of management of comparable quality to that supplied in the past by the sponsoring Foundations."



## 2. African Livestock Projects

The sponsoring organizations, Rockefeller Foundation for ILRAD and the IBRD and IDRC jointly for ILCA, presented oral progress reports. These are summarized below:

a. International Laboratory for Research on Animal Diseases - (ILRAD) - Ten of the 12 members on the ILRAD Board of Trustees have been appointed. These are: Sir Alexander Robertson (UK); H. C. Goodman (US, presently with WHO); J. Pino (US, Rockefeller Foundation); M. Cohen (US, retired Deputy to Paul Hoffman at UNDP); Prof. Zwart (Netherlands); J. Mburu (Dir. Agri., Kenya); I. E. Muriithi (Dir. Vet. Services, Kenya); S. Toure (Senegal); E. H. Sadun (US), ex officio member. (Note: In June 1973 Dr. Sadun was appointed by the CGIAR African Livestock Subcommittee to be the Director of ILRAD.). On September 21, 1973, a Memorandum of Agreement defining the conditions under which ILRAD will be established and conduct its future operations in Kenya was finalized with the Government of Kenya. The ILRAD Board will hold its first meeting in Nairobi, Kenya on November 26 and 27, 1973. The ILRAD Director is on duty in Kenya. It is expected that ILRAD will be legally established in November and will initiate limited research activities in early 1974. Temporary office and laboratory facilities will be used until permanent quarters are available. Personnel, commodity procurement, and construction activities will receive priority emphasis in 1974 and 1975.

b. International Livestock Center for Africa (ILCA) - Nine of ILCA's 12 members of the Board of Trustees have been appointed. These are: R. Hodgson (US); J. Pagot (France); D. Tribe (Australia); W. Shaefer Kehnert (Germany); E. Knutsson (Sweden); D. Pratt (UK); M. C. Mensha (Dahomey); D. T.W. Mariam (Minister of Agriculture, Ethiopia); and A. T. Gedamu, Planning Commissioner, Ethiopia.

The IBRD and the International Development Research Center (IDRC) as the sponsoring agencies for ILCA convened a briefing meeting of the members of the Board of Trustees in London on October 26 and 27, 1973. At this conference the members informally agreed that Mr. Hodgson should be Chairman of the Board and Mr. Mensha Vice Chairman. Also, Mr. Pagot was chosen as Director General designate. It is anticipated that these actions will be confirmed when the Board holds its first official meeting. Messrs. Hodgson and Pagot are presently serving as consultants with responsibilities associated with getting ILCA formally organized and in operation. Its headquarters will be in Addis Ababa, Ethiopia and one research installation will be located in Ethiopia. It is contemplated that a Memorandum of Agreement covering the terms of ILCA's

establishment and operation in Ethiopia will be executed during November and that the Center will be legally organized during December 1973.

Prior to the opening of the afternoon session of the CGIAR on November 1, Dr. Samuel C. Adams, Jr., AA/AFR joined with representatives of Germany, Netherlands, International Development Association (IDA), UNDP, and IDRC in signing documentation providing for a start-up fund for ILRAD. This account will be administered by the IBRD and the amount of that U.S. grant will be \$100,000.

### 3. Genetic Resources Network

At the CGIAR meeting during Centers Week, because of inability of members to fully agree on the TAC recommendations, a subcommittee was set to study the subject further, and to report to the CGIAR during its early November meeting. This subcommittee, with AID participation, met at FAO Headquarters in Rome on October 1-2, 1973.

It recommended, to govern the CGIAR sponsored activities, the establishment of an International Board for Plant Genetic Resources consisting of 14 members of which 13 would be selected by the CGIAR directly or through its Genetic Resources Subcommittee. FAO would appoint one ex officio, non-voting members to the Board. No less than four members would be nationals of developing countries, and not less than six will be scientists. The headquarters and the Secretariat of the Board would be at FAO in Rome. The Chairman of the Board would be elected by members of the Board in consultation with the Director General of FAO.

The Board would recommend (to CGIAR or other supporting groups) financing for appropriate institutions and organizations (national, regional and international, including FAO) for the furtherance of its priority programs and projects. It would have at its disposal a special fund, contributed by members of the CGIAR, both to meet its budgetary expenses and to help carry out programs which it had recommended. It would make appropriate arrangements with an international organization, e.g., FAO, for the administration of such a fund. FAO would be expected to provide the secretariat and other central services to the Board.

The Subcommittee report recommends financing for 1974 to provide a start up budget for the Board. The amount requested was \$300,000 as a minimum. This would be expected to cover costs of meetings, consultants for technical advice and exploration, documentation, training, and possibly some support to the FAO Secretariat.



The CGIAR accepted the Subcommittee report with the provision that the Board will be subject to the reporting and review arrangements applicable to the international centers. Several donors expressed intent to support the program envisaged under the aegis of the Board's interest, and the following said they would contribute to the specific needs for 1974 (\$300,000): Sweden, Netherlands, Germany, U.K., and the Rockefeller Foundation. We do not expect to contribute to this in 1974 since there is no apparent need for additional funds. However, we do accord high priority to this endeavor and anticipate selective support starting perhaps in 1975.

#### 4. INTSOY

At Centers Week a proposal from the University of Illinois and University of Puerto Rico for the establishment of an International Soybean Resource Base (INTSOY) was recommended by TAC for CG support, with certain provisos. After some discussion by the CG, it was decided that the Secretariats of CGIAR and TAC should consult with the University of Illinois and with AID on how best to organize the proposed INTSOY program so that the interests of all parties concerned (LDCs, CGIAR members, and the University of Illinois on behalf of INTSOY) were satisfied.

On September 12, 1973, the IBRD held a meeting with representatives from Illinois and AID. It was assumed that the core budget of INTSOY, covering research activities conducted in the U.S. (including Puerto Rico), would be financed by the University with funds from AID and interested U.S. foundations, and that CGIAR would not be asked to mobilize funds for the core budget. It was recognized that the soybean work at the other international centers that would be backstopped by INTSOY would be covered in their regular program budgets. It was further recognized that outreach activities are normally financed either by the beneficiary government or organization out of its own funds, or else out of bilateral aid funds which the donor and recipient agree should be used for this purpose. It was agreed in the consultations that INTSOY outreach activities should be similarly financed and that there should be no need for CG to seek to mobilize funds directly for INTSOY outreach activities.

Despite the fact that INTSOY would not be looking primarily to the CGIAR for its financing, it was agreed that there would be substantial advantages, both to INTSOY and to the CGIAR, for INTSOY to be accepted formally by the CGIAR as the recognized International Resource Base for research, training and outreach activities designed to increase and improve soybean production and utilization in the LDCs,

and, as such, to become part of the network of international agricultural research activities sponsored by the CGIAR. Accordingly, the report recommended to CGIAR that the Director of INTSOY meet with Center Directors in their annual meetings; that INTSOY submit reports and conform to review procedures consistent with those affecting other Centers; that INTSOY participate in Centers Week; and that INTSOY have an international advisory board constituted in consultation with CGIAR and TAC.

The report recommended the desirability of INTSOY having a small working fund of a revolving nature to facilitate the formation of a pool of travel staff for outreach programs (including training). A limited fund of \$300,000 was mentioned, and it was hoped that some CGIAR members would contribute to establishment of such a fund.

At the CGIAR meeting, the Chairman sought an indication that sufficient members would finance INTSOY outreach activities bilaterally, and would contribute to the proposed revolving fund, to justify the University of Illinois efforts to conform to the requirements of CGIAR sponsorship. A number of members recognized the need for international agricultural research networks to be able to effectively tap strong resource institutions such as those represented by INTSOY. Yet, despite strong support for the overall proposal from the CGIAR Chairman and the TAC Chairman for this "test case" of an important new approach on a high priority commodity, it was apparent that no suitable way had yet been found to enable non-U.S. members of CGIAR to make funds available to the University of Illinois or Puerto Rico per se. There was also some feeling that CGIAR members had not had adequate time to consider the proposals and alternatives.

After much discussion, it was concluded that the subject was of such importance that a solution should be further pursued. In the first place, the report by the IBRD will be referred to TAC for review and advice. Secondly, availing of an offer made by IBRD, further attention will be given to other mechanisms that might serve to enable non-US donors to avail of INTSOY resources for the needs of the LDCs.

##### 5. WARDA

TAC has recommended conditional CGIAR support for some of the activities in the proposal submitted by the West African Rice Development Association program. Essentially these conditions called for an international management free of national constraints -- corresponding to that of the CGIAR supported international research centers -- for that activity of WARDA which would be supported by CGIAR funds. Just prior to the meeting, WARDA indicated acceptance of the conditions.



Several CGIAR members expressed approval in principle of the recommendation for financial support, but (aside from the U.S.) this was not followed by statements of willingness to actually provide financial support. In part, this might have resulted from lack of time by donor institutions to give sufficient attention to this matter, since this proposal (like INTSOY) was finalized probably after their 1974 financing decisions had been reached. The impression was gained that the Netherlands, Belgium and Canada might be prepared to look further into the prospect. It is understood that the IBRD will follow up with prospective donors in the hope that some CGIAR support might be made available to WARDA in 1974.

#### 6. A Brochure on International Agricultural Research

At the last CGIAR meeting the Chairman asked UNDP, FAO and IBRD (the three co-sponsors of CGIAR) to develop specific recommendations for consideration at the November meeting. The recommendations included: a proposed outline of contents; editions in French, English and Spanish; first printing of 15,000 copies (total); drafting by the Ford and Rockefeller Foundations; and, that it should be a publication of the CGIAR.

In general CGIAR members supported the need for such a publication although some voiced reservation about inclusion of interpretative information on subjects such as placing the "Green Revolution" in perspective. It was agreed to ask the Foundations to proceed with the draft which will be circulated to CGIAR members for review.

#### 7. Data Requirements of the CGIAR

In the preceding meeting it was agreed that there was a need for an improved data base for the CGIAR's work. Such information would not only help determine priorities for international agricultural research, but would also indicate potential returns from such research and help donors justify their contributions to that research. The staffs of FAO and IBRD were asked to consider the matter and make recommendations to the CGIAR.

The two agencies recommended that a working committee be established to carry further the investigation and development of this subject. The committee would be composed of representatives of the three co-sponsors of the CGIAR: FAO, UNDP and IBRD. It was also recommended that in view of the extent of material and experience available to AID, that it would be invited to participate, as would representatives of any other Group members with special interest.

As part of the interim documentation, some very useful information was assembled by Dr. Robert Evenson of Yale University. Also, Dr. Dana Dalrymple (USDA/ERS-AID/PPC) had available one of his publications on spread of high yielding varieties in the LDCs. Both commented on their data.

The CGIAR endorsed the recommendations of the FAO-UNDP-Bank group. AID has designated Dr. Dalrymple to work with the committee.

#### 8. TAC Priority Paper

A paper on this subject, made available shortly before Centers Week, was revised as a result of the review by TAC and after taking into consideration suggestions made by CGIAR members. The revised version still lists the first order of priority as research on major food sources -- cereals, legumes, starchy products (roots and tubers) and ruminant livestock. Need is recognized to more effectively address some high priority input problems (e.g., water management), but as a starting point strengthened work in these areas is encouraged as part of the international center activities. Stress is placed on the need to strengthen the national capabilities for agricultural research.

As a result of the Socio-Economic Seminar held during Centers Week, TAC reflects more specifically in its priority paper, need for socio-economic research both as an integral part of Center programs as well as in a broader context. Likewise, as a consequence of a statement by the U.S. member of CGIAR, TAC reflects the importance of the nutrition dimension of food requirements in its priority paper and plans to consider further strengthening of this dimension of CGIAR work at its next meeting.

The TAC priority paper contains financial projections for the current and planned CGIAR-supported activities. Estimates show a total need (recurrent costs and capital costs) of about \$54 million in 1977 and \$70 million in 1980. Corresponding figures for outreach programs (bilaterally funded) are \$11.4 million and \$17.3 million.

In general the CGIAR members were complimentary of this report. The Chairman of TAC mentioned a number of further revisions which, for the most part, were explanatory or of a modifying nature rather than representing any major changes. Several members expressed the view that CGIAR support for research should be limited to food as opposed to non-food crops.

It was concluded that, following further review of this paper by TAC, it should be published and distributed by FAO.



A related matter was a letter from the Secretary General of UNCTAD asking the CGIAR to consider support for research on cotton, jute, hides and skins, and rubber. In view of the preoccupation of TAC with food related research, he also suggested the establishment of a parallel TAC that would deal with research on the processing and utilization of non-food crops.

It was agreed by the CGIAR that no second TAC was called for, and that the Chairman would respond to the Secretary General reiterating the continuing highest priority it accords to research directed toward food.

#### 9. Center Review Procedure

At the CGIAR meeting during Centers Week, a subcommittee was set up to further study this subject. This subcommittee met in Washington on September 14, 1973 with the AA/TA as U.S. representative.

The report recommends on three types of reviewing and reporting of Centers work: (1) periodic scientific assessments of the content, progress, goals, prospects, etc., of Center programs; (2) annual budget and financial management analyses; (3) annual integrative overview assessment of the total CG supported activities, current and prospective, projecting financial costs and availabilities and identifying program and financial issues that should be addressed by the CGIAR. The draft report of the subcommittee is attached as Appendix 1.

The subcommittee report reflects a CGIAR desire to reconcile the need to preserve the management integrity of Center Directors and Boards and the working morale of the scientific staff, which are essential bases for donor support, with the donors' need for assurance that their funds are being used effectively for the purposes intended. A number of innovations are proposed. The result is consistent with AID views on the subject, and provides a rational basis for review procedures which should meet the basic needs of all CGIAR donors.

The subject was discussed at considerable length and a number of suggestions were made, but in general the report was considered basically acceptable. It was agreed that Mr. Bell would revise the draft of the report in light of the discussion, and circulate to CGIAR members for comment.

A sub-item in the Agenda "Projection of Medium-term Global Financial Requirements; and Identification of Program and Financial Issues" is a part of the area covered by the subcommittee report on Review Procedures.

10. Indication of Financial Support of Group-Endorsed Activities, 1974 and 1975.

This was commented on in part at the beginning of this memorandum. This year, to a greater extent than in former years, CGIAR donors provided more specific information in the allocation of their intended contribution for 1974. This will be useful to IBRD in assessing the likely adequacy or deficit of support for individual centers. While not all donors were explicit, most expressed an intent to continue 1975 support at levels not less than -- and hopefully larger than -- those proposed for 1974.

IDB reported that the management had proposed for 1974 \$4 million to support international agricultural research in LA. Of this, \$2 million would be in support of capital and core budgets (depending on deficits) of the three centers in LA (CIMMYT, CIAT and CIP). This contribution would come from loan reflows (local currency) into the Social Progress Trust Fund made available to IDB by the U.S. This proposal is expected to go to the IDB Board promptly, and a reaction is anticipated before the end of the year. If accepted, this would provide the first IDB support of the regular budgets of Centers, although it has been financing special Center training projects for Latin American researchers.

Australia and France are new donor members of the CGIAR, starting in 1974. France expects to provide \$100,000 to the starter fund of ILCA, and Australia said \$100,000 would be given to the core budget of IRRI for 1975 with the understanding that it could be made available in 1974. Japan's contribution continues to be disappointingly small.

11. Role of CG Representatives of Developing Areas

The LDCs are represented on the CGIAR by one person and his alternate from each of the five FAO regions covering developing countries. The representative for LA from Argentina wrote to the Secretariat asking that the above-noted subject be discussed at the CGIAR meeting. He



suggested that one of the responsibilities of the members from the Developing Areas "might be to act as a liaison in the outreach activities between the National Agencies of Agricultural Research of the countries which areas of influence are located in these regions, and the Consultative Group."

A number of donor members commented on the opportunity of the members from the LDCs to inform their regions about the CGIAR -- what it is, what it does. It was suggested that these members might well report CGIAR activities more fully through the Regional Conferences of FAO, and that FAO should consider development of supplemental opportunities. All seemed to agree on the need for greater LDC awareness of CGIAR activities.

12. Other

Special recognition was accorded by the CGIAR members to the outgoing Chairman, Mr. Richard Demuth. He is succeeded by Mr. Warren C. Baum, one of the Vice Presidents of the IBRD. Mr. Michael L. Hoffman, Director of the International Relations Department of the Bank has been named as Vice Chairman.

No objection was expressed to a proposal to change the TAC tenure provisions to a calendar year basis.

The next CGIAR meeting will be held during International Centers Week which begins July 29, 1974.

Attachment

## 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

October 16, 1973

CONSULTATIVE GROUP MEETINGNovember 1-2, 1973

IBRD Board Room

PROVISIONAL AGENDA

1. Adoption of the agenda
2. Progress reports
  - a. CIAT capital requirements  
(Document distributed by Group Secretariat, September 25, 1973)  
(Document CG 73/2a)
  - b. African livestock projects
  - c. Genetic resources  
(Document being distributed by TAC Secretariat)
  - d. INTSOY  
(Document CG 73/2d)
  - e. WARDA  
(Documents CG 73/2e.1 and CG 73/2e.2)
3. Preparation and publication of brochure  
(Document CG 73/3)
4. Data requirements of Consultative Group  
(Documents CG 73/4, CG 73/4.1 and CG 73/4.2)
5. TAC priorities paper  
(Document distributed by Group Secretariat, October 8, 1973)
  - a. UNCTAD letter  
(Documents CG 73/5a.1 and CG 73/5a.2)
6. Report of the Bell Subcommittee  
(Document distributed by Group Secretariat, October 5, 1973)
  - a. Center review procedures (pp. 1-6)
  - b. Projection of medium-term global financial requirements; and  
identification of program and financial issues (p. 7)
7. Indication of financial support of Group-endorsed activities,  
1974 and 1975
8. Role of representatives of developing areas<sup>a/</sup>  
(Document CG 73/8)
9. Other
10. Press release
11. Date and place of next meeting

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<sup>a/</sup> Introduced at the request of a Latin American regional representative.



## Draft Report

### Sub-Committee on Review Procedures Consultative Group on International Agricultural Research

The terms of reference for this sub-committee, as stated by Chairman Demuth on August 2, 1973, were:

1. To examine and specify the review and information requirements of the Consultative Group
2. To bring forward a report to the CG suggesting how these requirements should be met.

#### Requirements

1. With respect to the current and prospective work of each agricultural Center (or CG-endorsed activity), the members of the CG need:
  - a. Accurate, current information on the programs of the Center, in a form which permits non-scientists to understand the objectives and significance of the programs, the progress that has been achieved and is anticipated, and the costs of each program;
  - b. Assurance from reliable external reviewers that the scientific and technical aspects of the Centers' work, both current and prospective, are soundly based; and
  - c. Assurance from reliable external reviewers that funds made available to the Center are being used for the purposes intended and with reasonable efficiency, that its future budget proposals are a prudent financial expression of well-planned programs, and that current and projected expenditure patterns reflect the stated program priorities.
2. With respect to the system of Centers to which the CG contributes financial support (the word system is used here to mean the Centers as a group and their relations to each other and to the national agricultural programs which they serve), the members of the CG need, in addition to material concerning each Center, analytical information placing the present and proposed work of each Center in context of the system as a whole, setting forth forward estimates of financial requirements and availabilities, and identifying issues and alternatives for consideration.

Recommendations for Meeting these Requirements

The sub-committee considers that it is important to meet these requirements in ways which will place the least possible burdens on the Centers and run the least possible risk of intruding on the responsibilities of their boards and management. Fortunately, in the sub-committee's view, many of the Centers' own requirements for information and review coincide with those of the CG, and we have designed our recommendations in ways which we believe will minimize the establishment of additional or separate reporting and review processes.

1. With regard to Requirement 1-a above, (accurate information on each Center's program) we believe CG requirements will be satisfied if each Center furnishes before Centers' Week three documents: (i) an adequate annual program-budget submission, (ii) adequate annual reports on its research, training, and outreach activities, and (iii) an independent financial audit. It is our impression that each Center intends to follow these practices.

We recommend that the CG Secretariat review the adequacy of the information provided in annual program-budget submissions, in annual published reports by each Center, and in the annual independent audited accounts, and suggest improvements (and offer continuing technical assistance) where warranted.

1. With regard to Requirement 1-b above, (external review of the scientific and technical soundness of each Center's program), we believe CG requirements are quite similar to those of each Center's board and management.
  - a. The CG needs an independent assessment of any major change proposed in the research program of any Center, in the year in which the change is proposed (as for example the proposal made by IRRI in the current year to embark on a substantial increase next year in its research on rain-fed rice). Before putting such a proposal forward in its annual program budget, a Center will necessarily have considered it carefully, including reviews by its senior staff, by its board of trustees, and quite possibly by external experts. The CG looks to the TAC to provide recommendations on such a proposal, and the TAC's review can normally be accomplished by assigning one or more of its members or consultants to visit the Center,



quite possibly in conjunction with some stage of the Center's own consideration of the proposal. If a more elaborate review process is desired by the TAC, that can be laid on to fit the circumstances of a particular case.

We recommend that the TAC establish a regular procedure for reviewing major changes proposed by any Center in the annual program budget, this procedure is to include advance notification by the Center to TAC, visits (if necessary) to the Center on TAC's behalf, and any other steps deemed necessary by TAC to permit it to make sound recommendations to the CG.

- b. The CG also needs periodic independent external assessments of the overall scientific quality and effectiveness of each Center, and of the continuing need for its work. Such assessments are not appropriate on an annual basis, but should be scheduled no less frequently than five years. Such assessments are equally needed by the Centers themselves, and it is the practice of the Centers to organize them (sometimes separately for major segments of the research program, rather than for a Center as a whole). The CG looks to the TAC to assure that such periodic external assessments are made on its behalf; it would seem feasible for the TAC to meet its responsibilities in most cases by (1) assuring itself that the Center's own assessment process is adequate, and (2) participating in the Center's assessment process by mutual agreement with the Center's Director. If the TAC considers it necessary, it can lay on a special assessment process separate from that organized by the Center for its own purposes.

We recommend that (1) the TAC and the Centers develop an agreed forward schedule, and agreed standards and methods, for conducting such periodic external scientific assessments; (2) the TAC adopt a regular procedure for participating in such assessments, reviewing their results, making any independent assessments it may consider necessary, and reporting its judgments to the CG.

We recognize that meeting these requirements will place increased demands on the TAC in terms of professional talent, time, and resources.

3. With regard to Requirement 1-c above, the sub-committee feels on somewhat less secure ground, and believes that some experimentation will be necessary. It is clear that the CG needs the results of an external independent budget and financial review of each Center, each year (as long as budgeting and financing are handled by the CG on an annual basis). We think the logical locus of responsibility for making such a review is the Secretariat of the CG. The review should be based on all information available in annual reports, budgets, etc. It should focus on the relationship of program to expenditures, examining for the last completed year the extent to which actual manpower and costs of program components have differed from those budgeted, and for the future the relationship of the proposed distribution of expenditures to stated program goals and priorities and distinguishing real program increases from cost increases resulting from salary changes, inflation, and currency revaluations. Discussion of real program increases should distinguish new program components from expansion of existing programs.

The review should reach judgments on the extent to which proposed budget costs are reasonable and result in a tight but workable financial plan, and should identify weaknesses and issues concerning the budget which should be brought to the attention of the CG. It is clear that the better the annual programming and budgeting process of each Center is, the simpler and easier it will be to conduct a useful annual review on behalf of the CG. There is also a question of timing which leads the sub-committee to suggest that Center budgets should be made available at least in preliminary draft form each year no later than March 31, so that reviews on behalf of the CG can be completed well in advance of Centers Week at the beginning of August.

We recommend that (1) the Centers be asked to submit preliminary draft budgets to the CG no later than March 31st; (2) the Secretariat of the CG conduct a continuing process of advice and technical assistance intended to help the Centers improve their processes for programming and budgeting; and (3) the Secretariat of the CG conduct annual reviews of the financial statements and program/budget proposals of each Center. The Secretariat reports should be discussed in draft form with Center Directors while the Centers are continuing to review and revise their own draft proposed program and budget submissions. When the Centers have finished such submissions, the Secretariat should complete its reports which would be circulated to CG members in advance of Centers Week, along with any comments the Directors wish to make on the reviews of their institutions.



4. With regard to Requirement 2 above (integrative analysis of the system of Centers), the sub-committee finds itself on even more uncertain ground. We think the need of the CG is unmistakable for a single analytical paper, prepared annually in advance of Centers' Week, which sets out the global financial requirements and availabilities for ongoing and proposed programs for some years to come, and identifies issues which the CG should address. We think it is clear that the paper should be prepared by the Secretariat of the CG, drawing on information and advice from Center submissions, TAC program reviews, Secretariat financial and budget reviews, and other sources. We consider that it will be necessary to move in this direction step by step; to begin with, for example, the paper may not be able to say much about future availabilities of financial resources. Moreover, progress in preparing such an analytical paper may be slow since it will place substantially increased demands on the Secretariat in terms of professional talent, time, and resources. The important first step is to recognize the need and place responsibility for meeting it.

We recommend that the Secretariat of the CG prepare each year in advance of Centers' Week, an integrative paper placing the programs and budgets of the several Centers as well as activities under consideration in a single framework, projecting financial costs and availabilities, and identifying program and financial issues which should be addressed by the CG. We suggest that the paper be prepared in draft form for Centers' Week, and revised and brought up to date prior to the CG meeting in November.


(The sub-committee has noted the probability that in the future CG will need periodically - perhaps every five years - an overall assessment of the usefulness, accomplishments, and deficiencies of the system of Centers in the context of the worldwide problems to which the Centers' work is addressed. Such an overall assessment should presumably be prepared by, or commissioned by, the TAC. In view of the more immediate needs addressed in the present report, and the amount of work needed to meet them, it seems best to defer for the time being consideration of this additional requirement.)

UNITED STATES GOVERNMENT

# Memorandum

TO :See Distribution

DATE: November 21, 1973

FROM :TA/AGR, Omer J. Kelley 

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

Attached is a copy of the Memorandum for the Administrator. Please contact me or Dr. Guy B. Baird if additional information is desired.

Attachment  
a/s

Distribution  
List attached



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PPC/PDA, Robert J. Muscat  
Dana C. Dalrymple

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

NOV 22 1973

THROUGH: EXSEC

FROM : AA/TA, Joel Bernstein 

SUBJECT: Meeting of the Consultative Group on International  
Agricultural Research, November 1-2, 1973

The Consultative Group on International Agricultural Research (CGIAR) met at the IBRD to address a number of issues concerning: the six ongoing international centers; the two in the formative stages on livestock in Africa; and, several proposed activities to be supported by the Group. The Agenda of the meeting is attached.

The subject of primary concern was the 1974 funding requirements of the Centers and other related activities for which the CGIAR assumes financial responsibility. Happily, funding intents expressed by the donor members (\$32-33 million) appear at this point to be adequate, despite the substantially higher budget requirements in 1974 (\$32-33 million in 1974 vs. \$23.3 million in 1973).<sup>1/</sup> This encouraging result is a continuing international vote of confidence in the importance of this approach to agricultural research directed to the needs of the LDCs.

Our financing of the Centers for 1974 is expected to be at the level of \$7 million. Table A shows actual support for 1973, estimates of our support for 1974 provided at the CGIAR meeting, and tentative

<sup>1/</sup> CGIAR donors (19) that expressed intent to support Centers' needs for 1974 are: UNDP, Sweden, IDB (subject to Board approval), Denmark, Norway, Netherlands, Germany, Ford Foundation, Canada, Belgium, Switzerland, U.K., IDRC (Canada), Australia, Japan, Rockefeller Foundation, U.S., IBRD and France.



TABLE A

INTERNATIONAL RESEARCH CENTERS  
1973-1975 Financing by AID  
(estimates in \$ millions)

		1973 (actual)	1974 <sup>2/</sup>	1975 <sup>3/</sup>
IRRI	(TAB)	.725 <sup>1/</sup>	1.100	1.150
CIMMYT	(TAB)	1.500	1.350	1.450
IITA	(AFR)	1.200	1.500	1.800
CIAT	(LA)	.875	.950	1.600
ICRISAT	(TAB)	.745	1.000	2.400
CIP	(TAB)	.340	.550	.550
		5.385	6.450	8.950
ILRAD	(AFR)	---		
ILCA	(AFR)	---	.550	2.170
Genetic Resources		---		
WARDA <sup>4/</sup>				
Others <sup>5/</sup>				
		5.385	7.000	11.120

<sup>1/</sup> Our share for 1973 IRRI funding turned out to be only \$.725 million; \$25,000 of the \$750,000 we actually provided will be credited to our contribution to the 1974 budget.

<sup>2/</sup> Planned allocation presented by U.S. representative. Indicated AID flexible in shifting funds from IITA to other African centers, if helps in meeting overall financing needs, or possibly in shifting part of the allocations between other centers if necessary.

<sup>3/</sup> Based on U.S. adhering to formula of 25% of the core and capital budgets, and on best estimates available of requirements in 1975.

<sup>4/</sup> A portion of the WARDA program (already supported by AFR) may be included in the CG's budget for at least a part of 1974 if supporting funds are forthcoming.

<sup>5/</sup> These could include for 1975 support for strengthened research in the mid-East, and relay links for ICRISAT in Africa.

estimates for 1975 based on adherence to support amounting to 25% of the core and capital fund estimates.<sup>1/</sup>

Other issues dealt with during the meeting, as shown in the Agenda, will be commented on briefly in the following paragraphs:

1. CIAT Capital Requirements

At the meeting during International Centers Week (July 25-August 3, 1973), reservation was expressed about the capital budget of the International Center for Tropical Agriculture (CIAT). The \$1.5 million proposal by CIAT for 1974 included funds that would be attributed to Phase 1 of capital development (this phase is being met in large part by the Rockefeller Foundation as planned, and without AID support) and a \$500,000 request for an airplane. The Rockefeller Foundation volunteered to further review the CIAT budget and to make available a report to CGIAR members before the November meeting. The study by the Rockefeller Foundation recommends a revised sum for capital funds for new and expanded programs at Palmira (\$749,000 instead of the \$1.0 million earlier proposed by CIAT). It also recommends \$200,000 in the 1974 CIAT budget (earlier requested for 1975) for the equipment necessary for the research program at the Carimagua Experiment Station in the Llanos. This support would enable CIAT to implement the program endorsed by the July 1973 External Review Team for Beef Production Systems. The Team recommended that CIAT shift its emphasis from the coastal plains to the Llanos and Campo Cerrado areas.

The CIAT Board of Trustees approved a revised capital budget (\$994,000) based on the report of the Rockefeller Foundation, together with a core budget amended to include an additional \$100,000 (total of \$9.5 million). The CGIAR accepted the revised submission without dissent.

<sup>1/</sup> On September 24, 1973 the Administrator approved the position, stated at the CGIAR meeting, that: "AID is prepared in principle to provide up to 25% of the core and capital budget costs of the international institutes, up to a maximum total of \$13 million in any one year, provided that the remaining 75% is forthcoming from other sources. If it becomes possible to make Social Progress Trust Fund repayments available for regular institute budgets through the Inter-American Development Bank, these would be included in the total. Specific pledges would continue to be for individual institutes, subject to our review and approval of fully developed proposals for each and to the provision by Congress of adequate funds. Our pledge continues to be based on the assumption that the institutes will continue to be assured of management of comparable quality to that supplied in the past by the sponsoring Foundations."



## 2. African Livestock Projects

The sponsoring organizations, Rockefeller Foundation for ILRAD and the IBRD and IDRC jointly for ILCA, presented oral progress reports. These are summarized below:

a. International Laboratory for Research on Animal Diseases - (ILRAD) - Ten of the 12 members on the ILRAD Board of Trustees have been appointed. These are: Sir Alexander Robertson (UK); H. C. Goodman (US, presently with WHO); J. Pino (US, Rockefeller Foundation); M. Cohen (US, retired Deputy to Paul Hoffman at UNDP); Prof. Zwart (Netherlands); J. Mburu (Dir. Agri., Kenya); I. E. Muriithi (Dir. Vet. Services, Kenya); S. Toure (Senegal); E. H. Sadun (US), ex officio member. (Note: In June 1973 Dr. Sadun was appointed by the CGIAR African Livestock Subcommittee to be the Director of ILRAD.). On September 21, 1973, a Memorandum of Agreement defining the conditions under which ILRAD will be established and conduct its future operations in Kenya was finalized with the Government of Kenya. The ILRAD Board will hold its first meeting in Nairobi, Kenya on November 26 and 27, 1973. The ILRAD Director is on duty in Kenya. It is expected that ILRAD will be legally established in November and will initiate limited research activities in early 1974. Temporary office and laboratory facilities will be used until permanent quarters are available. Personnel, commodity procurement, and construction activities will receive priority emphasis in 1974 and 1975.

b. International Livestock Center for Africa (ILCA) - Nine of ILCA's 12 members of the Board of Trustees have been appointed. These are: R. Hodgson (US); J. Pagot (France); D. Tribe (Australia); W. Snaefer Kehnert (Germany); E. Knutsson (Sweden); D. Pratt (UK); M. C. Mensha (Dahomey); D. T.W. Mariam (Minister of Agriculture, Ethiopia); and A. T. Gedamu, Planning Commissioner, Ethiopia.

The IBRD and the International Development Research Center (IDRC) as the sponsoring agencies for ILCA convened a briefing meeting of the members of the Board of Trustees in London on October 26 and 27, 1973. At this conference the members informally agreed that Mr. Hodgson should be Chairman of the Board and Mr. Mensha Vice Chairman. Also, Mr. Pagot was chosen as Director General designate. It is anticipated that these actions will be confirmed when the Board holds its first official meeting. Messrs. Hodgson and Pagot are presently serving as consultants with responsibilities associated with getting ILCA formally organized and in operation. Its headquarters will be in Addis Ababa, Ethiopia and one research installation will be located in Ethiopia. It is contemplated that a Memorandum of Agreement covering the terms of ILCA's

establishment and operation in Ethiopia will be executed during November and that the Center will be legally organized during December 1973.

Prior to the opening of the afternoon session of the CGIAR on November 1, Dr. Samuel C. Adams, Jr., AA/AFR joined with representatives of Germany, Netherlands, International Development Association (IDA), UNDP, and IBRD in signing documentation providing for a start-up fund for ILRAD. This account will be administered by the IBRD and the amount of that U.S. grant will be \$100,000.

### 3. Genetic Resources Network

At the CGIAR meeting during Centers Week, because of inability of members to fully agree on the TAC recommendations, a subcommittee was set to study the subject further, and to report to the CGIAR during its early November meeting. This subcommittee, with AID participation, met at FAO Headquarters in Rome on October 1-2, 1973.

It is recommended, to govern the CGIAR sponsored activities, the establishment of an International Board for Plant Genetic Resources consisting of 14 members of which 13 would be selected by the CGIAR directly or through its Genetic Resources Subcommittee. FAO would appoint one ex officio, non-voting members to the Board. No less than four members would be nationals of developing countries, and not less than six will be scientists. The headquarters and the Secretariat of the Board would be at FAO in Rome. The Chairman of the Board would be elected by members of the Board in consultation with the Director General of FAO.

The Board would recommend (to CGIAR or other supporting groups) financing for appropriate institutions and organizations (national, regional and international, including FAO) for the furtherance of its priority programs and projects. It would have at its disposal a special fund, contributed by members of the CGIAR, both to meet its budgetary expenses and to help carry out programs which it had recommended. It would make appropriate arrangements with an international organization, e.g., FAO, for the administration of such a fund. FAO would be expected to provide the secretariat and other central services to the Board.

The Subcommittee report recommends financing for 1974 to provide a start up budget for the Board. The amount requested was \$300,000 as a minimum. This would be expected to cover costs of meetings, consultants for technical advice and exploration, documentation, training, and possibly some support to the FAO Secretariat.



The CGIAR accepted the Subcommittee report with the provision that the Board will be subject to the reporting and review arrangements applicable to the international centers. Several donors expressed intent to support the program envisaged under the aegis of the Board's interest, and the following said they would contribute to the specific needs for 1974 (\$300,000): Sweden, Netherlands, Germany, U.K., and the Rockefeller Foundation. We do not expect to contribute to this in 1974 since there is no apparent need for additional funds. However, we do accord high priority to this endeavor and anticipate selective support starting perhaps in 1975.

#### 4. INTSOY

At Centers Week a proposal from the University of Illinois and University of Puerto Rico for the establishment of an International Soybean Resource Base (INTSOY) was recommended by TAC for CG support, with certain provisos. After some discussion by the CG, it was decided that the Secretariats of CGIAR and TAC should consult with the University of Illinois and with AID on how best to organize the proposed INTSOY program so that the interests of all parties concerned (LDCs, CGIAR members, and the University of Illinois on behalf of INTSOY) were satisfied.

On September 12, 1973, the IBRD held a meeting with representatives from Illinois and AID. It was assumed that the core budget of INTSOY, covering research activities conducted in the U.S. (including Puerto Rico), would be financed by the University with funds from AID and interested U.S. foundations, and that CGIAR would not be asked to mobilize funds for the core budget. It was recognized that the soybean work at the other international centers that would be backstopped by INTSOY would be covered in their regular program budgets. It was further recognized that outreach activities are normally financed either by the beneficiary government or organization out of its own funds, or else out of bilateral aid funds which the donor and recipient agree should be used for this purpose. It was agreed in the consultations that INTSOY outreach activities should be similarly financed and that there should be no need for CG to seek to mobilize funds directly for INTSOY outreach activities.

Despite the fact that INTSOY would not be looking primarily to the CGIAR for its financing, it was agreed that there would be substantial advantages, both to INTSOY and to the CGIAR, for INTSOY to be accepted formally by the CGIAR as the recognized International Resource Base for research, training and outreach activities designed to increase and improve soybean production and utilization in the LDCs,

and, as such, to become part of the network of international agricultural research activities sponsored by the CGIAR. Accordingly, the report recommended to CGIAR that the Director of INTSOY meet with Center Directors in their annual meetings; that INTSOY submit reports and conform to review procedures consistent with those affecting other Centers; that INTSOY participate in Centers Week; and that INTSOY have an international advisory board constituted in consultation with CGIAR and TAC.

The report recommended the desirability of INTSOY having a small working fund of a revolving nature to facilitate the formation of a pool of travel staff for outreach programs (including training). A limited fund of \$300,000 was mentioned, and it was hoped that some CGIAR members would contribute to establishment of such a fund.

At the CGIAR meeting, the Chairman sought an indication that sufficient members would finance INTSOY outreach activities bilaterally, and would contribute to the proposed revolving fund, to justify the University of Illinois efforts to conform to the requirements of CGIAR sponsorship. A number of members recognized the need for international agricultural research networks to be able to effectively tap strong resource institutions such as those represented by INTSOY. Yet, despite strong support for the overall proposal from the CGIAR Chairman and the TAC Chairman for this "test case" of an important new approach on a high priority commodity, it was apparent that no suitable way had yet been found to enable non-U.S. members of CGIAR to make funds available to the University of Illinois or Puerto Rico per se. There was also some feeling that CGIAR members had not had adequate time to consider the proposals and alternatives.

After much discussion, it was concluded that the subject was of such importance that a solution should be further pursued. In the first place, the report by the IBRD will be referred to TAC for review and advice. Secondly, availing of an offer made by IBRD, further attention will be given to other mechanisms that might serve to enable non-US donors to avail of INTSOY resources for the needs of the LDCs.

##### 5. WARDA

TAC has recommended conditional CGIAR support for some of the activities in the proposal submitted by the West African Rice Development Association program. Essentially these conditions called for an international management free of national constraints -- corresponding to that of the CGIAR supported international research centers -- for that activity of WARDA which would be supported by CGIAR funds. Just prior to the meeting, WARDA indicated acceptance of the conditions.



Several CGIAR members expressed approval in principle of the recommendation for financial support, but (aside from the U.S.) this was not followed by statements of willingness to actually provide financial support. In part, this might have resulted from lack of time by donor institutions to give sufficient attention to this matter, since this proposal (like INTSOY) was finalized probably after their 1974 financing decisions had been reached. The impression was gained that the Netherlands, Belgium and Canada might be prepared to look further into the prospect. It is understood that the IBRD will follow up with prospective donors in the hope that some CGIAR support might be made available to WARDA in 1974.

#### 6. A Brochure on International Agricultural Research

At the last CGIAR meeting the Chairman asked UNDP, FAO and IBRD (the three co-sponsors of CGIAR) to develop specific recommendations for consideration at the November meeting. The recommendations included: a proposed outline of contents; editions in French, English and Spanish; first printing of 15,000 copies (total); drafting by the Ford and Rockefeller Foundations; and, that it should be a publication of the CGIAR.

In general CGIAR members supported the need for such a publication although some voiced reservation about inclusion of interpretative information on subjects such as placing the "Green Revolution" in perspective. It was agreed to ask the Foundations to proceed with the draft which will be circulated to CGIAR members for review.

#### 7. Data Requirements of the CGIAR

In the preceding meeting it was agreed that there was a need for an improved data base for the CGIAR's work. Such information would not only help determine priorities for international agricultural research, but would also indicate potential returns from such research and help donors justify their contributions to that research. The staffs of FAO and IBRD were asked to consider the matter and make recommendations to the CGIAR.

The two agencies recommended that a working committee be established to carry further the investigation and development of this subject. The committee would be composed of representatives of the three co-sponsors of the CGIAR: FAO, UNDP and IBRD. It was also recommended that in view of the extent of material and experience available to AID, that it would be invited to participate, as would representatives of any other Group members with special interest.

As part of the interim documentation, some very useful information was assembled by Dr. Robert Evenson of Yale University. Also, Dr. Dana Dalrymple (USDA/ERS-AID/PPC) had available one of his publications on spread of high yielding varieties in the LDCs. Both commented on their data.

The CGIAR endorsed the recommendations of the FAO-UNDP-Bank group. AID has designated Dr. Dalrymple to work with the committee.

#### 8. TAC Priority Paper

A paper on this subject, made available shortly before Centers Week, was revised as a result of the review by TAC and after taking into consideration suggestions made by CGIAR members. The revised version still lists the first order of priority as research on major food sources -- cereals, legumes, starchy products (roots and tubers) and ruminant livestock. Need is recognized to more effectively address some high priority input problems (e.g., water management), but as a starting point strengthened work in these areas is encouraged as part of the international center activities. Stress is placed on the need to strengthen the national capabilities for agricultural research.

As a result of the Socio-Economic Seminar held during Centers Week, TAC reflects more specifically in its priority paper, need for socio-economic research both as an integral part of Center programs as well as in a broader context. Likewise, as a consequence of a statement by the U.S. member of CGIAR, TAC reflects the importance of the nutrition dimension of food requirements in its priority paper and plans to consider further strengthening of this dimension of CGIAR work at its next meeting.

The TAC priority paper contains financial projections for the current and planned CGIAR-supported activities. Estimates show a total need (recurrent costs and capital costs) of about \$54 million in 1977 and \$70 million in 1980. Corresponding figures for outreach programs (bilaterally funded) are \$11.4 million and \$17.3 million.

In general the CGIAR members were complimentary of this report. The Chairman of TAC mentioned a number of further revisions which, for the most part, were explanatory or of a modifying nature rather than representing any major changes. Several members expressed the view that CGIAR support for research should be limited to food as opposed to non-food crops.

It was concluded that, following further review of this paper by TAC, it should be published and distributed by FAO.



A related matter was a letter from the Secretary General of UNCTAD asking the CGIAR to consider support for research on cotton, jute, hides and skins, and rubber. In view of the preoccupation of TAC with food related research, he also suggested the establishment of a parallel TAC that would deal with research on the processing and utilization of non-food crops.

It was agreed by the CGIAR that no second TAC was called for, and that the Chairman would respond to the Secretary General reiterating the continuing highest priority it accords to research directed toward food.

#### 9. Center Review Procedure

At the CGIAR meeting during Centers Week, a subcommittee was set up to further study this subject. This subcommittee met in Washington on September 14, 1973 with the AA/TA as U.S. representative.

The report recommends on three types of reviewing and reporting of Centers work: (1) periodic scientific assessments of the content, progress, goals, prospects, etc., of Center programs; (2) annual budget and financial management analyses; (3) annual integrative overview assessment of the total CG supported activities, current and prospective, projecting financial costs and availabilities and identifying program and financial issues that should be addressed by the CGIAR. The draft report of the subcommittee is attached as Appendix 1.

The subcommittee report reflects a CGIAR desire to reconcile the need to preserve the management integrity of Center Directors and Boards and the working morale of the scientific staff, which are essential bases for donor support, with the donors' need for assurance that their funds are being used effectively for the purposes intended. A number of innovations are proposed. The result is consistent with AID views on the subject, and provides a rational basis for review procedures which should meet the basic needs of all CGIAR donors.

The subject was discussed at considerable length and a number of suggestions were made, but in general the report was considered basically acceptable. It was agreed that Mr. Bell would revise the draft of the report in light of the discussion, and circulate to CGIAR members for comment.

A sub-item in the Agenda "Projection of Medium-term Global Financial Requirements; and Identification of Program and Financial Issues" is a part of the area covered by the subcommittee report on Review Procedures.

10. Indication of Financial Support of Group-Endorsed Activities, 1974 and 1975.

This was commented on in part at the beginning of this memorandum. This year, to a greater extent than in former years, CGIAR donors provided more specific information in the allocation of their intended contribution for 1974. This will be useful to IBRD in assessing the likely adequacy or deficit of support for individual centers. While not all donors were explicit, most expressed an intent to continue 1975 support at levels not less than -- and hopefully larger than -- those proposed for 1974.

IDB reported that the management had proposed for 1974 \$4 million to support international agricultural research in LA. Of this, \$2 million would be in support of capital and core budgets (depending on deficits) of the three centers in LA (CIMMYT, CIAT and CIP). This contribution would come from loan reflows (local currency) into the Social Progress Trust Fund made available to IDB by the U.S. This proposal is expected to go to the IDB Board promptly, and a reaction is anticipated before the end of the year. If accepted, this would provide the first IDB support of the regular budgets of Centers, although it has been financing special Center training projects for Latin American researchers.

Australia and France are new donor members of the CGIAR, starting in 1974. France expects to provide \$100,000 to the starter fund of ILCA, and Australia said \$100,000 would be given to the core budget of IRRI for 1975 with the understanding that it could be made available in 1974. Japan's contribution continues to be disappointingly small.

11. Role of CG Representatives of Developing Areas

The LDCs are represented on the CGIAR by one person and his alternate from each of the five FAO regions covering developing countries. The representative for LA from Argentina wrote to the Secretariat asking that the above-noted subject be discussed at the CGIAR meeting. He



suggested that one of the responsibilities of the members from the Developing Areas "might be to act as a liaison in the outreach activities between the National Agencies of Agricultural Research of the countries which areas of influence are located in these regions, and the Consultative Group."

A number of donor members commented on the opportunity of the members from the LDCs to inform their regions about the CGIAR -- what it is, what it does. It was suggested that these members might well report CGIAR activities more fully through the Regional Conferences of FAO, and that FAO should consider development of supplemental opportunities. All seemed to agree on the need for greater LDC awareness of CGIAR activities.

12. Other

Special recognition was accorded by the CGIAR members to the outgoing Chairman, Mr. Richard Demuth. He is succeeded by Mr. Warren C. Baum, one of the Vice Presidents of the IBRD. Mr. Michael L. Hoffman, Director of the International Relations Department of the Bank has been named as Vice Chairman.

No objection was expressed to a proposal to change the TAC tenure provisions to a calendar year basis.

The next CGIAR meeting will be held during International Centers Week which begins July 29, 1974.

Attachment

130  
CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

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October 16, 1973

CONSULTATIVE GROUP MEETING

November 1-2, 1973

IBRD Board Room

PROVISIONAL AGENDA

1. Adoption of the agenda
  2. Progress reports
    - a. CIAT capital requirements  
(Document distributed by Group Secretariat, September 25, 1973)  
(Document CG 73/2a)
    - b. African livestock projects
    - c. Genetic resources  
(Document being distributed by TAC Secretariat)
    - d. INTSOY  
(Document CG 73/2d)
    - e. WARDA  
(Documents CG 73/2e.1 and CG 73/2e.2)
  3. Preparation and publication of brochure  
(Document CG 73/3)
  4. Data requirements of Consultative Group  
(Documents CG 73/4, CG 73/4.1 and CG 73/4.2)
  5. TAC priorities paper  
(Document distributed by Group Secretariat, October 8, 1973)
    - a. UNCTAD letter  
(Documents CG 73/5a.1 and CG 73/5a.2)
  6. Report of the Bell Subcommittee  
(Document distributed by Group Secretariat, October 5, 1973)
    - a. Center review procedures (pp. 1-6)
    - b. Projection of medium-term global financial requirements; and  
identification of program and financial issues (p. 7)
  7. Indication of financial support of Group-endorsed activities,  
1974 and 1975
  8. Role of representatives of developing areas<sup>a/</sup>  
(Document CG 73/8)
  9. Other
  10. Press release
  11. Date and place of next meeting
-



## Draft Report

### Sub-Committee on Review Procedures Consultative Group on International Agricultural Research

The terms of reference for this sub-committee, as stated by Chairman Demuth on August 2, 1973, were:

1. To examine and specify the review and information requirements of the Consultative Group
2. To bring forward a report to the CG suggesting how these requirements should be met.

#### Requirements

1. With respect to the current and prospective work of each agricultural Center (or CG-endorsed activity), the members of the CG need:
  - a. Accurate, current information on the programs of the Center, in a form which permits non-scientists to understand the objectives and significance of the programs, the progress that has been achieved and is anticipated, and the costs of each program;
  - b. Assurance from reliable external reviewers that the scientific and technical aspects of the Centers' work, both current and prospective, are soundly based; and
  - c. Assurance from reliable external reviewers that funds made available to the Center are being used for the purposes intended and with reasonable efficiency, that its future budget proposals are a prudent financial expression of well-planned programs, and that current and projected expenditure patterns reflect the stated program priorities.
2. With respect to the system of Centers to which the CG contributes financial support (the word system is used here to mean the Centers as a group and their relations to each other and to the national agricultural programs which they serve), the members of the CG need, in addition to material concerning each Center, analytical information placing the present and proposed work of each Center in context of the system as a whole, setting forth forward estimates of financial requirements and availabilities, and identifying issues and alternatives for consideration.

Recommendations for Meeting these Requirements

The sub-committee considers that it is important to meet these requirements in ways which will place the least possible burdens on the Centers and run the least possible risk of intruding on the responsibilities of their boards and management. Fortunately, in the sub-committee's view, many of the Centers' own requirements for information and review coincide with those of the CG, and we have designed our recommendations in ways which we believe will minimize the establishment of additional or separate reporting and review processes.

1. With regard to Requirement 1-a above, (accurate information on each Center's program) we believe CG requirements will be satisfied if each Center furnishes before Centers' Week three documents: (i) an adequate annual program-budget submission, (ii) adequate annual reports on its research, training, and outreach activities, and (iii) an independent financial audit. It is our impression that each Center intends to follow these practices.

We recommend that the CG Secretariat review the adequacy of the information provided in annual program-budget submissions, in annual published reports by each Center, and in the annual independent audited accounts, and suggest improvements (and offer continuing technical assistance) where warranted.

2. With regard to Requirement 1-b above, (external review of the scientific and technical soundness of each Center's program), we believe CG requirements are quite similar to those of each Center's board and management.
  - a. The CG needs an independent assessment of any major change proposed in the research program of any Center, in the year in which the change is proposed (as for example the proposal made by IRRI in the current year to embark on a substantial increase next year in its research on rain-fed rice). Before putting such a proposal forward in its annual program budget, a Center will necessarily have considered it carefully, including reviews by its senior staff, by its board of trustees, and quite possibly by external experts. The CG looks to the TAC to provide recommendations on such a proposal, and the TAC's review can normally be accomplished by assigning one or more of its members or consultants to visit the Center,



quite possibly in conjunction with some stage of the Center's own consideration of the proposal. If a more elaborate review process is desired by the TAC, that can be laid on to fit the circumstances of a particular case.

We recommend that the TAC establish a regular procedure for reviewing major changes proposed by any Center in the annual program budget, this procedure is to include advance notification by the Center to TAC, visits (if necessary) to the Center on TAC's behalf, and any other steps deemed necessary by TAC to permit it to make sound recommendations to the CG.

- b. The CG also needs periodic independent external assessments of the overall scientific quality and effectiveness of each Center, and of the continuing need for its work. Such assessments are not appropriate on an annual basis, but should be scheduled no less frequently than five years. Such assessments are equally needed by the Centers themselves, and it is the practice of the Centers to organize them (sometimes separately for major segments of the research program, rather than for a Center as a whole). The CG looks to the TAC to assure that such periodic external assessments are made on its behalf; it would seem feasible for the TAC to meet its responsibilities in most cases by (1) assuring itself that the Center's own assessment process is adequate, and (2) participating in the Center's assessment process by mutual agreement with the Center's Director. If the TAC considers it necessary, it can lay on a special assessment process separate from that organized by the Center for its own purposes.

We recommend that (1) the TAC and the Centers develop an agreed forward schedule, and agreed standards and methods, for conducting such periodic external scientific assessments; (2) the TAC adopt a regular procedure for participating in such assessments, reviewing their results, making any independent assessments it may consider necessary, and reporting its judgments to the CG.

We recognize that meeting these requirements will place increased demands on the TAC in terms of professional talent, time, and resources.

3. With regard to Requirement 1-c above, the sub-committee feels on somewhat less secure ground, and believes that some experimentation will be necessary. It is clear that the CG needs the results of an external independent budget and financial review of each Center, each year (as long as budgeting and financing are handled by the CG on an annual basis). We think the logical locus of responsibility for making such a review is the Secretariat of the CG. The review should be based on all information available in annual reports, budgets, etc. It should focus on the relationship of program to expenditures, examining for the last completed year the extent to which actual manpower and costs of program components have differed from those budgeted, and for the future the relationship of the proposed distribution of expenditures to stated program goals and priorities and distinguishing real program increases from cost increases resulting from salary changes, inflation, and currency revaluations. Discussion of real program increases should distinguish new program components from expansion of existing programs.

The review should reach judgments on the extent to which proposed budget costs are reasonable and result in a tight but workable financial plan, and should identify weaknesses and issues concerning the budget which should be brought to the attention of the CG. It is clear that the better the annual programming and budgeting process of each Center is, the simpler and easier it will be to conduct a useful annual review on behalf of the CG. There is also a question of timing which leads the sub-committee to suggest that Center budgets should be made available at least in preliminary draft form each year no later than March 31, so that reviews on behalf of the CG can be completed well in advance of Centers Week at the beginning of August.

We recommend that (1) the Centers be asked to submit preliminary draft budgets to the CG no later than March 31st; (2) the Secretariat of the CG conduct a continuing process of advice and technical assistance intended to help the Centers improve their processes for programming and budgeting; and (3) the Secretariat of the CG conduct annual reviews of the financial statements and program/budget proposals of each Center. The Secretariat reports should be discussed in draft form with Center Directors while the Centers are continuing to review and revise their own draft proposed program and budget submissions. When the Centers have finished such submissions, the Secretariat should complete its reports which would be circulated to CG members in advance of Centers Week, along with any comments the Directors wish to make on the reviews of their institutions.



4. With regard to Requirement 2 above (integrative analysis of the system of Centers), the sub-committee finds itself on even more uncertain ground. We think the need of the CG is unmistakable for a single analytical paper, prepared annually in advance of Centers' Week, which sets out the global financial requirements and availabilities for ongoing and proposed programs for some years to come, and identifies issues which the CG should address. We think it is clear that the paper should be prepared by the Secretariat of the CG, drawing on information and advice from Center submissions, TAC program reviews, Secretariat financial and budget reviews, and other sources. We consider that it will be necessary to move in this direction step by step; to begin with, for example, the paper may not be able to say much about future availabilities of financial resources. Moreover, progress in preparing such an analytical paper may be slow since it will place substantially increased demands on the Secretariat in terms of professional talent, time, and resources. The important first step is to recognize the need and place responsibility for meeting it.

We recommend that the Secretariat of the CG prepare each year in advance of Centers' Week, an integrative paper placing the programs and budgets of the several Centers as well as activities under consideration in a single framework, projecting financial costs and availabilities, and identifying program and financial issues which should be addressed by the CG. We suggest that the paper be prepared in draft form for Centers' Week, and revised and brought up to date prior to the CG meeting in November.

(The sub-committee has noted the probability that in the future CG will need periodically - perhaps every five years - an overall assessment of the usefulness, accomplishments, and deficiencies of the system of Centers in the context of the worldwide problems to which the Centers' work is addressed. Such an overall assessment should presumably be prepared by, or commissioned by, the TAC. In view of the more immediate needs addressed in the present report, and the amount of work needed to meet them, it seems best to defer for the time being consideration of this additional requirement.)

LA/DR, Mr. Charles Stockman

November 5, 1973

TA/AGR, Guy B. Baird *M*

The November 1-2, 1973 CG Meeting - Statement by IDB on Possible Use of SPTF Reflow Funds

Al Wolfe made a statement when donors were asked by the CG Chairman (Mr. Richard Demuth) to indicate intents to provide support for center activities for 1974 and 1975. He reported that IDB management had approved a proposal to provide for \$4.0 million from SPTF reflow funds for 1974 as follows:

- |  |               |
|--|---------------|
| 1. For core and capital budget needs of the three LA centers | \$2.0 million |
| 2. For outreach activities of these centers                  | .5 "          |
| 3. For Special Projects - e.g., training - of these centers  | .5 "          |
| 4. For national agricultural research institutions in LA     | 1.0 "         |

He expects this proposal to go to the IDB Board within a week, and felt that a Board reaction should be given before the end of the year.

It was made clear by Wolfe that this proposal was restricted to funds for 1974 only. In his view, it seemed advisable to handle it this way at this time. Intimation was given that if the proposal met with approval by the Board, attention would be directed toward a continuation of use of these funds for the stated purposes.

Bernstein, in making the statement on intended U.S. contribution for 1974, said that our dollar input was expected to be limited to \$7.0 million.

In summarizing the financial picture for 1974, Demuth stated that while the total amount was approaching that needed, the indicated allocations by donors would result in a deficit for CIAT and CIP. Some donors earmark contributions to only some of the centers thereby causing at times, some problems in meeting requirements of all of the centers.



UNITED STATES GOVERNMENT

# Memorandum

TO : FILES (CG - November 1973)

DATE: October 26, 1973

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

SUBJECT: Agency Review of Draft Information Memo to Administrator on CG Meeting  
(November 1973)

The following were present: AFR/NARA, Blair Allen; ASIA/TECH, O.L. Mimms; LA/DR, James Hawes; AFR/DR, John Cooper; PPC/PPD, Dana Dalrymple; TA/AGR, O.J. Kelley, and TA/AGR, G.B. Baird.

Considerable discussion centered on review procedures, but no specific suggestion was made to revise the recommendations of the Bell Subcommittee. The feeling was expressed that somehow we ought to be more familiar with details of Center programs and management, but to gain this kind of information would require someone living at a Center for several weeks. No generally agreed-upon suggestions emerged.

There was little discussion on other agenda items, and no substantive suggestions or recommendations for changes in the draft information memorandum.



→ File - CG Nov 1973  
*G. Baird*

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

October 15, 1973

MEMORANDUM

TO : See Distribution

FROM : TA/AGR, Omer J. Kelley *Michael Kelley*

SUBJECT: Consultative Group on International Agricultural Research  
Meeting November 1-2, 1973

Attached is a draft of the Information Memorandum for the Administrator on this subject. We would welcome any comments that you may have.

Attachment

Distribution

AA/TA, Erven J. Long  
AA/TA, Samuel H. Butterfield  
Department of Treasury, Ernest F. Chase  
Multilateral Program Office  
Department of Agriculture, Lyle Schertz, Deputy Administrator  
Economic Research Service

TA/PM, David G. Mathiasen  
TA/RIG, James K. McDermott  
TA/AGR, Milo Cox  
Guy Baird ✓  
Michael Galli  
TA/AGR Division Chiefs



INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

THRU: EXSEC

SUBJECT: Consultative Group Meeting, Washington, D. C.  
November 1-2, 1973

During International Centers Week (July 25-August 3, 1973) the Consultative Group on International Agricultural Research (CG) and its Technical Advisory Committee (TAC) dealt with a number of issues. The Agency position on these issues is covered in the Action Memorandum for the Administrator of July 17, 1973. After Centers Week an Information Memorandum for the Administrator (August 28 1973) was submitted which reported on highlights of the several meetings that took place during the Week.

The tentative agenda for the early November CG meeting (copy attached) consists of items requiring further action that were discussed by CG and or TAC during Center Week. At this point we are not aware of any new issues and thus do not envisage need for development of AID positions beyond those specified in the above-mentioned Action Memorandum.

Since there has been some follow-up action since Centers Week on a number of the outstanding issues, a brief commentary follows:

1. Adoption of the Agenda. We have no specific comments at this point. As mentioned previously, all items listed were discussed during Centers Week.

2. Center Review Procedures. At the CG meeting during Centers Week, a subcommittee was set up to further study this subject. This subcommittee met in Washington on September 14, 1973 with the AA/TA as U.S. representative.

The report recommends on three types of reviewing and reporting of Centers' Work: (1) periodic scientific assessments of the content, progress, goals, prospects, etc., of center programs; (2) annual budget and financial management analyses; (3) annual integrative overview assessment of the total CG supported activities, current and prospective, projecting financial costs and availabilities and identifying program and financial issues that should be addressed by the CG. The recommendations are described in Appendix 1.

The sub-committee report reflects a CG desire to reconcile the need to preserve the management integrity of Center Directors and Boards and the working morale of the scientific staff, which are essential bases for donor support, with the donors' need for assurance that their funds are being used effectively for the purposes intended. A number of innovations are proposed. The result is consistent with AID views on the subject, and provides a rational basis for review procedures which should meet the basic needs of all CG donors. We plan to urge acceptance of the sub-committee report by the CG.

3. Genetic Resources Network. At the CG meeting during Centers Week, because of inability of CG members to fully agree on the TAC recommendations, a subcommittee was set to study the subject further, and to report to the CG during its early November meeting. This subcommittee, with AID participation, met at FAO Headquarters in Rome on October 1-2, 1973.



Essentially the Sub-committee recommends the establishment of an International Board for Plant Genetic Resources consisting of 14 members of which 13 will be elected by the CG directly or through its Genetic Resources Subcommittee, FAO will appoint one ex-officio, non-voting member to the Board. No less than four members will be nationals of developing countries, and not less than six will be scientists. The headquarters and the Secretariat of the Board will be at FAO in Rome. The Chairman of the Board will be elected by members of the Board in consultation with the Director General of FAO.

The Board shall recommend financing for appropriate institutions and organizations (national, regional and international, including FAO) for the furtherance of its priority programs and projects. It shall have at its disposal a special fund, contributed by members of the CG, both to meet its budgetary expenses and to help carry out programs which it has recommended. It shall make appropriate arrangements with an international organization, e.g., FAO, for the administration of such a fund. FAO is expected to provide the secretarial and other central services to the Board.

The Sub-committee report will recommend financing for 1974 to provide a general budget for the Board. The amount to be requested will be \$300,000 as a minimum. This would be expected to cover costs of meetings, consultants for technical advice and exploration, documentation, training, and possibly some support to the FAO Secretariat. Germany, the Netherlands, Sweden and the Rockefeller Foundation have expressed willingness to contribute to the proposed funding for 1974.

We support the recommendations of the Sub-committee and will encourage their acceptance by the CG.

4. Progress Report on ILRAD and ILCA. The International Laboratory for Research on Animal Diseases (ILRAD) and the International Livestock Center for Africa (ILCA) will be located at Kabete, Kenya and Addis Ababa, Ethiopia respectively. Boards of both centers have been appointed (as well as the Director for ILRAD) and memoranda have been negotiated with the two African governments. Provisions are made for the integration of ILRAD and ILCA Boards at the appropriate time. Start-up funds have been established for both in the anticipation of initiation in late 1973 or early 1974 of development of detailed plans and basic facilities. It is significant that France has pledged \$100,000 to the start-up fund of ILCA, its first contribution within the CG framework. AID is contributing this amount to both ILRAD and ILCA start-up funds.

5. WARDA. TAC has recommended, conditionally, CG support for some of the activities in the proposal submitted by the West African Rice Development Association program. Essentially these conditions called for an autonomy of operation -- corresponding to that of the CG-supported international research centers -- for that activity of WARDA which would be supported by CG funds. It is assumed that WARDA will report to CG and TAC on its position as regards the TAC recommendation. AID, and other CG members, support the latter and hope that satisfactory arrangements can be worked out.

Meanwhile at the request of WARDA, AID sent a review and advisory team to WARDA in October, 1973 to consider organization, administration



and program with particular reference to the ongoing AID support to WARDA. However, these aspects of WARDA were to be viewed also in the broader context of possible CG support for certain components of the program.

6. INTSOY. At Centers Week a proposal from the University of Illinois and Puerto Rico for the establishment of an International Soybean Resource Base (INTSOY) was recommended by TAC for CG support, subject to working out a satisfactory mechanism for outreach funding by non-U.S. donors. AID and Ford and Rockefeller Foundations are envisaged as the supporters of the Illinois-Puerto Rico based core program activities. Recognizing that relay and outreach activities needed to be funded from non-domestic sources, TAC decided that some sort of organization or authority was required that would operate on behalf of CG -- could receive funds and contract with Illinois. It was agreed that IBRD on behalf of the CG would explore the need for and feasibility of an international authority along the lines envisaged by TAC.

On September 21, 1973 the IBRD held a meeting with representatives from Illinois and AID. It was concluded that possibly no international authority was required. It was agreed that CG members should fully recognize INTSOY as a resource base for development of an international soybean network, and should understand the need, and how, to contribute to relay and outreach activities. The development of relay components

(e.g., soybean adaptive research activities at CIAT, IITA and IRRI) are envisaged as integral parts of the Centers' core budgets. For outreach, donor, INTSOY and the interested developing country would work out appropriate contractual arrangements. These could be of a tripartite nature (donor, INTSOY and LDC), or variations thereof (e.g., between donor and LDC with the understanding that the latter would contract with INTSOY for services; or between donor and INTSOY with prior concurrences of LDC). If requested by any donor, IBRD would be prepared to consider administering funds provided for relay or outreach activities. However, this was considered as an unlikely eventuality.

The IBRD report will recommend to CG that the appropriate representatives of Illinois meet with Center Directors in their annual meetings; that INTSOY submit reports and conform to review procedures consistent with those affecting other Centers; that INTSOY participate in Centers Week; and that INTSOY have an international advisory board constituted in consultation with CG. IBRD recognized that INTSOY would need a fund, to be supported by CG with the Bank as fiscal officer, to develop and help support an outreach capability - e. g., 3-5 full-time professionals. While most of the costs would be met through outreach contracts, there could, and probably would, be periods between outreach assignments of these continuing outreach staff, and INTSOY would need funds to help meet salary requirements for these periods.



AID supports the IBRD report on INTSOY and will encourage other CG donors to participate in relay and outreach activities. As pointed out by the Chairman of TAC, this proposed INTSOY activity is in keeping with the recognized need to tap resources of strong research resources in the more developed countries to meet the priority needs of the agriculture of the developing countries, and to avoid unnecessary duplication of such capabilities in new international center programs where it is more efficient to use capability already in place.

7. Brochure on CG-Supported Activities. At the last CG meeting; the Chairman asked UNDP, FAO and IBRD (the three co-sponsors of CG) to develop specific recommendations for consideration at the November meeting. AID considers this initiative useful in stimulating awareness of international agricultural networks and broader participation by donors and national research systems.

8. CIAT Capital Budget. At the meeting during Centers Week, reservation was expressed about the capital budget of the International Center for Tropical Agriculture (CIAT). The proposal by CIAT for 1974 includes funds that would be attributed to Phase 1 of development (this phase was met, in large part by the Rockefeller Foundation, as

planned and without AID support), and a request for an airplane. The Rockefeller Foundation volunteered to further review the CIAT budget and to make available a report to CG members before the November meeting. The study by the Rockefeller Foundation recommends a revised sum for capital funds for new and expanded programs at Palmira (\$799,000 instead of the \$1.0 million earlier proposed by CIAT). It also recommends \$200,000 in the 1974 CIAT budget (earlier requested for 1975) for the equipment necessary for the research program at the Carimagua Experiment Station in the Llanos. This support would enable CIAT to implement the program endorsed by the July 1973 External Review Team for Beef Production Systems. The Team recommended that CIAT shift its emphasis from the coastal plains to the Llanos and Campo Cerrado areas.

The study by the Foundation appears sound and realistic. We consider its recommendations for the CIAT 1974 capital budget reasonable and will encourage their acceptance by CG as a basis for funding.

9. TAC Priority Paper. A paper on this subject, made available shortly before Centers Week, was revised as a result of the review by TAC and after taking into consideration suggestions made by CG members. The revised version still lists the first order of priority as research on major food sources -- cereals, legumes, starchy products (roots and tubers) and ruminant livestock. Need is recognized to more effectively address some high priority input problems (e.g., water management), but as a starting point strengthened work in these areas is encouraged as part of the international center activities. Stress is placed on the need to strengthen national capabilities for agricultural research.



As a result of the Socio-Economic Seminar held during Centers Week, TAC is expected to reflect more specifically in its priority paper, need for socio-economic research both as an integral part of Center programs as well as in a broader context. Likewise, as a consequence of a statement by the U.S. CG member, TAC is likely to reflect the importance of the nutrition dimension of food requirements in its priority paper.

The TAC priority paper contains financial projections for the current and planned CG-supported activities. Estimates show a total need (recurrent costs and capital costs) of about \$54 million in 1977 and \$70 million in 1980. Corresponding figures for outreach programs (bilaterally funded) are \$11.4 million and \$17.3 million.

AID, along with other CG donors, views this TAC paper as a very useful guide for the future.

10. A Data Base on Agricultural Research. At the last CG meeting considerable interest was expressed in the need to have a better data base for further consideration of priorities in relation to research needs, including data on what is actually being spent now by LDCs and internationally. The U.S. representative suggested that the Secretariat consider possible needs for an expert working group to identify data needs and availabilities and recommend action, and that the Secretariat report its proposal in November. A report, perhaps preliminary, is expected which will recommend establishment of a working group.

11. Medium Term Financing Prospects. The CG Secretariat is expected to provide, as a basis for discussion, a model showing donor by donor prospective support over the next few years. In view of the rapidly growing financial requirements of ongoing centers, to say nothing of added costs of contemplated activities, it becomes very important to have a realistic appraisal of financing prospects.

We support this endeavor, and subject to the usual caveats, will be able to give some intimation of the level of U.S. financing through 1977 (See Appendix 2).

12. Donor Support for 1974. At the CG meeting during Centers Week, the U.S. representatives declared the intent to provide support for 1974 at the level of \$7 million (for the six existing institutes plus ILCA and ILRAD). Table A shows actual AID financing of the six ongoing centers for 1973, estimates of our support for 1974 provided at the CG meeting, and provisional estimates for 1975 based on continuing adherence to support amounting to 25% of the core and capital fund estimates.

Recently the Administrator of AID amended the established U.S. <sup>1/</sup> position on our financing of the CG supported international agricultural research activities, so as to take account of the evolution of program, size, and other factors.

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<sup>1/</sup> The following U.S. position was stated at the organizing meeting of the CG in June 1971 and has been reaffirmed a number of times since.

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

It was understood that the U.S. intended to finance 25% of the Centers' regular budgets, subject to the stated caveats, and that we would re-examine the \$7 million ceiling when the evaluation of the program made that a practical need.



TABLE A

**INTERNATIONAL RESEARCH CENTERS  
1973-1975 Financing by AID  
(estimates in \$ millions)**

		1973 (actual)	1974 <sup>2/</sup>	1975 <sup>3/</sup>
IRRI	(TAB)	.725 <sup>1/</sup>	1.100	1.100
CIMMYT	(TAB)	1.500	1.350	1.450
IITA	(AFR)	1.200	1.500	1.800
CIAT	(LA)	.875	.950	1.650
ICRISAT	(TAB)	.745	1.000	2.400
CIP	(TAB)	.340	.550	.550
		5.385	6.450	9.050
ILRAD	(AFR)	---	.550	
ILCA	(AFR)	---		1.500
Genetic Resources		---		
WARDA <sup>4/</sup>		---		
		5.385	7.000	10.550

- 1/ Our share for 1973 IRRI funding turned out to be only \$.725 million; \$25,000 of the \$750,000 we actually provided will be credited to our contribution to the 1974 budget.
- 2/ Planned allocation announced by U.S. representative at 8/3/73 CG session. Indicated AID flexible in shifting funds from IITA to other African centers, if helps in meeting overall financing needs, or possibly in shifting part of the allocations between other centers if necessary.
- 3/ Based on U.S. adhering to formula of 25% of the core and capital budgets, and on best estimates available in July of center requirements in 1975. Latter estimates are expected to be adjusted by November.
- 4/ A portion of the WARDA program (already supported by AFR) may be included in the CG's budget if WARDA agrees to conditions established by the CG to make this a truly autonomous international research program.

TA/AGR:8-21-73

The amended position, established by the Administrator (Appendix 2), is given in the attached Action Memorandum dated September 21, 1973 and states:

"AID is prepared in principle to provide up to 25% of the core and capital budget costs of the international institutes, up to a maximum total of \$13 million in any one year, provided that the remaining 75% is forthcoming from other sources. If it becomes possible to make Social Progress Trust Fund repayments available for regular institute budgets through the Inter-American Development Bank, these would be included in the total. Specific pledges would continue to be for individual institutes, subject to our review and approval of fully developed proposals for each and to the provision by Congress of adequate funds. Our pledge continues to be assured of management of comparable quality to that supplied in the past by the sponsoring Foundations."

The U.S. representative will present this amended position at the November meeting of the CG. The AID dollar funding for 1974 would remain at \$7 million as stated earlier. Since the costs estimated for CG-sponsored activities for 1974 are likely to be about \$34 million or possibly more if some capital acquisitions are accelerated, the \$7 million leaves us well below 25%. Thus, there is room for use of SPTF local currencies, if these become available in 1974, to support the needs of the three centers in Latin America (CIMMYT, CIAT and CIP) if there is an overall CG shortfall. It is proposed to plan allocation of SPTF reflows to capital requirements so that they can be made available to the Centers



whenever the allocation can be completed during 1974 without timing problems disrupting operating budgets.

TA/AGR/GBBaird/sad/10-11-73

Tentative Agenda

Meeting of the Consultative Group on International Agricultural Research

November 1-2, 1973<sup>1/</sup>

1. Adoption of the Agenda.
2. Centers Review Procedures - Committee Report
3. Genetic Resources Network - Committee Report
4. ILRAD and ILCA - Progress Report
5. WARDA - Report on Follow-up of TAC Recommendations
6. INTSOY - Report on Follow-up by CG Secretariat
7. Brochure on CG-supported Activities - Report by CG Sponsors
8. CIAT Capital Budget - Report by the Rockefeller Foundation
9. TAC Priority Paper - Revised Version.
10. Development of a Data Base - Inputs to National Agricultural Research Systems
11. Medium Term Financing Prospects
12. Donor Support for 1974 and Tentative Indications for 1975

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<sup>1/</sup> Based on information received by telephone from CG Secretariat.  
Items are not necessarily in order, nor in final form.



Report of the Consultative Group Sub-Committee on Center Review  
Procedures

The Sub-Committee was chaired by David Bell, Vice President of the Ford Foundation. It included the CG Chairman (an IBRD Vice President), a representative of the Center Directors, a representative of TAC, and senior representatives of several donors. AID was represented by the Assistant Administrator for Technical Assistance.

The report recommends on three types of reviewing and reporting of Centers' work: (1) periodic scientific assessments of the content, progress, goals, prospects, etc., of center programs; (2) annual budget and financial management analyses; (3) annual integrative overview assessment of the total CG supported activities, current and prospective, projecting financial costs and availabilities and identifying program and financial issues that should be addressed by the CG.

Re (1), there already is a program of periodic, independent external assessments of the overall scientific quality and effectiveness of each Center, and of the continuing need for the various lines of work. The recommendations would strengthen this process by having the Technical Advisory Committee of the CG participate in it, work out schedules and methods with the Centers, assure strong independent evaluators, and consider and report its judgments on the results to the CG. Intervals of about 5 years, or perhaps less in some cases, are considered appropriate for such reviews, as it is not feasible to exercise much meaningful judgment on major research programs at shorter intervals.

Re (2), this is a multi-faceted process which is also being strengthened. The CG is seeking a good reconciliation of the need to preserve the management integrity of Center Directors and Boards and the working morale of the scientific staff, which are essential bases for donor support, with the donors' need for assurance that their funds are being used effectively for the purposes intended. Each Center goes through an extensive internal process annually, stretching over most of the year, in which the staff prepares assessments of program progress and prospects along with program and budget proposals for review and discussion with the Director, who discusses them with a Budget Committee of the Board of Trustees and then reworks them for final review by the full Board. The principal donors have been interacting with this process at various stages, including participation at Board reviews. As the number of donors and Centers has increased, it has become necessary to look to the IBRD to perform review and guidance functions on the donors' behalf, although the largest of these presumably will continue some informal involvement.

It is proposed that IBRD staff teams make an annual assessment, for current and proposed future programs of each Center, of such questions as conformance to the program expectations and priorities established for each Center, major variations in actual costs from budgets, and soundness of financial planning and management. These assessments would be based on review of draft annual program/budget submissions, annual reports and audits and on-site visits. They would identify weaknesses and issues concerning the budget. These would be discussed with Center management (Director and Board members) while the Center was continuing to review and revise its budget proposals and

related plans and policies. When these were finalized, the Bank staff would prepare a report for the CG indicating its findings and whatever problems or issues it felt remained for CG attention, doing so before the CG met to consider funding allocations for the Centers. These proposals are based on a trial run over the past year of IBRD staff review of and reports on Center operations, and subsequent discussion between CG members, IBRD staff and Center Directors on what is desirable.

In addition, as part of the second type of review, TAC would review with the Centers any major changes to be proposed by the Center in its annual program and report its views to the CG. Also each Center would continue to receive an independent external audit. And the Annual Centers Week review program would be continued. During Centers Week (July or August), after the Centers' budget and program reports for the current and following year are available, the Center Directors, CG, and TAC come together to hear reports from the Directors and discuss any questions, issues or suggestions that the CG or TAC members put forward. Each of these groups also meets separately, to carry out their usual business (as they do at other times during the year), with the TAC Chairman meeting with the CG. The subject matter usually includes issues about the operation of the various Centers.

The third type of report -- the integrative overall program and financial assessment for the CG -- would be prepared in draft for the CG meeting during Centers' Week, and in final for the fall meeting when firm financial plans are made for the next year. It has not been tried yet, although similar elements have been presented in various IBRD staff papers done for Agenda items at CG meetings.



This Sub-Committee report is consistent with AID views on the subject, and provides a rational basis for review procedures which should meet the basic needs of all CG donors. We plan to urge its acceptance by the CG.

September 21, 1973

*For  
Cove*

## ACTION MEMORANDUM FOR THE ADMINISTRATOR

THRU: EXSEC

FROM: AA/TA, Joel Bernstein *JB*

Problem: To amend the established U.S. position, in the Consultative Group on International Agricultural Research (CGIAR), on our financing of the international agricultural research centers, so as to take account of the evolution of program size and other factors.

Background

This is further to our discussions, prior to the August 3-5 meeting of the Consultative Group on International Agricultural Research (CGIAR), on how best to maintain the momentum of expanding research support for LDC agriculture that is being built up through CGIAR efforts. If the pace and direction are maintained, the result will be major improvement in world food supply -- quantity and nutritional quality -- and in small farmer conditions.

Our concern in July, reflected in your discussions with Mr. McNamara, was to use U.S. financing leverage to urge a stronger financing role for the IBRD. The financial picture has changed and has been clarified some since then. It now appears that --

- As expected, adequate financing is in sight for CGIAR budget requirements for 1974, even with the IBRD at its proposed 10% financing level and even though the total 1974 requirements may be a little higher than estimated in June due to accelerated progress on the African livestock centers. This good result is partly due to the expected availability of about \$1.4 million carryovers from 1973 budget funds.
- 1975 requirements will also be a little above the earlier estimate, possibly around \$42 million. This would require a jump of about \$10 million in financing from the prior year. Even if AID finances 25% of the total, there will be strong pressure on the IBRD to expand its share beyond 10% as Mr. McNamara has publicly reiterated the Bank's intention of seeing to it that lack of adequate funding does not slow down an otherwise desirable program and it appears unlikely that the Bank can raise the roughly \$27-28 million that would be needed from non-AID, non-IBRD sources. If IBRD can raise the necessary funds, so much the better. Meanwhile the Bank is stressing the key role that the U.S. 25% pledge plays in raising the balance of funds needed from other sources.

- The latest CGIAR estimate of 1977 requirements is \$53 million, compared to the \$46-50 million that we estimated earlier.
- There now is a prospect of supporting budgets of CGIAR financed centers in Latin America (currently CIMMYT, CIAT, IPC) with some of the recuperations from loans of the IDB's Special Projects Trust Fund, which was funded by AID. A cooperative LA/TAB effort is developing this prospect as part of a wider effort to apply SPTF funds for support of agricultural research in LA.

Given:

- the outstanding progress being made by and great unrealized potential of the CGIAR program, which is pursuing the "networking" concept with increasing vigor and thereby linking together LDC and developed country efforts;
- the foregoing facts on expanding budget requirements and the likely financing problems, requiring in any case an updating of the U.S. position sustained to date on its support of CGIAR budget requirements; \*
- the apparent fact that the forthcoming U.S. support posture thus far, embodied in the 25% support formula, has been a major factor in the unexpectedly strong growth of support from other quarters and has given us strong influence in the shaping of the CGIAR program to focus on the highest LDC priorities (increased production, better protein supply, small farmer problems);
- the trend of events forcing the IBRD to take responsibility for obtaining adequate total finance from its own contributions plus those of other donors, and that our staying at 25% would help induce adequate response from the others;

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It was understood that the U.S. intended to finance 25% of the Center's regular budgets, subject to the stated caveats, and that we would re-examine the \$7 million ceiling when the evolution of the program made that a practical need.



We recommend that AID adopt the following amended position on U.S. financing of CGIAR programs. The position sustains the previous 25% formula, but raises the overall cost ceiling from \$7 million to \$13 million to reflect the growth of the program. It also includes within the overall cost calculation any use of SPTF recuperations (LA local currencies) for support of regular Center budgets that may eventuate. This would save on use of AID appropriations.

This position would be taken in the discussions with the IBRD and major donors on medium term financing requirements and prospects, between now and the CG meeting November 1-2 and at that meeting. These discussions are already underway.

Recommended Position

"AID is prepared in principle to provide up to 25% of the core and capital budget costs of the international institutes, up to a maximum total of \$13 million in any one year, provided that the remaining 75% is forthcoming from other sources. If it becomes possible to make Social Progress Trust Fund repayments available for regular institute budgets through the Inter-American Development Bank, these would be included in the total. Specific pledges would continue to be for individual institutes, subject to our review and approval of fully developed proposals for each and to the provision by Congress of adequate funds. Our pledge continues to be based on the assumption that the institutes will continue to be assured of management of comparable quality to that supplied in the past by the sponsoring Foundations."

The intent is that U.S. direct financing plus any indirect financing (SPTF local currency via IDB) should not exceed 25% of the overall total, but that the limit for individual centers should be applied somewhat flexibly. This is desirable to encourage maximum contributions from other sources, by providing flexibility in shifting the proportion of U.S. contributions among the various centers to balance special interests of other donors. It also accommodates the possible use of SPTF funds. Normally direct dollar contributions to an individual research institute would not exceed 25% of its regular budget, but the combination of these and SPTF local currency contributions via IDB may exceed 25% for some LA institutes, offsetting lesser contributions to other CGIAR sponsored programs that AID has less interest in or that do not need full AID support.

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

*John A. Hannah*

9-24-73

TABLE 3

Estimated Donor Support for  
International Agricultural Research<sup>1/</sup>  
(\$ millions)

Donor	1974
Australia	?
Belgium	.440
Canada	4.000 (includes .800 carryover from 1973)
Denmark	.275 (includes .025,000 carryover from 1973)
Ford Foundation	3.000
France	?
Germany	5.375 (includes .420 carryover from 1973)
IDRC (Canada)	.910
IBRD	3.400 (includes .200 carryover from 1973)
Japan	.280 (?)
Kellogg Foundation	.280
Netherlands	.455
Norway	.460
Rockefeller Foundation	3.100
Sweden	1.250 (?)
Switzerland	.260
U.K.	2.460
UNDP	1.550
U.S.	7.000
Available <sup>2/</sup>	32.495
Required <sup>3/</sup>	32.825

<sup>1/</sup> As made available by the CG Secretariat on August 18, 1973.

<sup>2/</sup> This amount may be increased somewhat by the November CG meeting.

<sup>3/</sup> This figure is still tentative due to uncertainty at this point of requirements for a number of CG-funded activities such as CIAT, ILRAD, ILCA, Genetic Resources Network and WARDA.

OK

October 19, 1973

MEMORANDUM

TO: TA/AGR, Dr. Omer J. Kelley

FROM: AA/TA, Curtis Farrar

SUBJECT: Information Memorandum for the Administrator -  
Consultative Group on International Agricultural  
Research Meeting November 1-2, 1973

Since Sam Butterfield is away, I find myself answering his mail.

As the Administrator in this case is Mr. Parker, I doubt that we want to send such a memorandum. It will be very hard to follow for someone new to the job. An even longer memorandum that is self-contained probably does not rate very high on Mr. Parker's list of priorities, since there is nothing for him to do about the meeting.

Would it perhaps be best for us to wait until after the meeting, and then prepare a summary report, being careful that it does not depend on prior knowledge which Mr. Parker does not have, and that it is not too long to command his attention amid the pressure of other matters that require action.

cc: AA/TA, Dr. Long

10/19/73



September 21, 1973

## ACTION MEMORANDUM FOR THE ADMINISTRATOR

THRU: EXSEC

FROM: AA/TA, Joel Bernstein *JB*

Problem: To amend the established U.S. position, in the Consultative Group on International Agricultural Research (CGIAR), on our financing of the international agricultural research centers, so as to take account of the evolution of program size and other factors.

Background

This is further to our discussions, prior to the August 3-5 meeting of the Consultative Group on International Agricultural Research (CGIAR), on how best to maintain the momentum of expanding research support for LDC agriculture that is being built up through CGIAR efforts. If the pace and direction are maintained, the result will be major improvement in world food supply -- quantity and nutritional quality -- and in small farmer conditions.

Our concern in July, reflected in your discussions with Mr. McNamara, was to use U.S. financing leverage to urge a stronger financing role for the IBRD. The financial picture has changed and has been clarified some since then. It now appears that --

- As expected, adequate financing is in sight for CGIAR budget requirements for 1974, even with the IBRD at its proposed 10% financing level and even though the total 1974 requirements may be a little higher than estimated in June due to accelerated progress on the African livestock centers. This good result is partly due to the expected availability of about \$1.4 million carryovers from 1973 budget funds.
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- The latest CGIAR estimate of 1977 requirements is \$53 million, compared to the \$46-50 million that we estimated earlier.
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Given:

- the outstanding progress being made by and great unrealized potential of the CGIAR program, which is pursuing the "networking" concept with increasing vigor and thereby linking together LDC and developed country efforts;
- the foregoing facts on expanding budget requirements and the likely financing problems, requiring in any case an updating of the U.S. position sustained to date on its support of CGIAR budget requirements; \*
- the apparent fact that the forthcoming U.S. support posture thus far, embodied in the 25% support formula, has been a major factor in the unexpectedly strong growth of support from other quarters and has given us strong influence in the shaping of the CGIAR program to focus on the highest LDC priorities (increased production, better protein supply, small farmer problems);
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Approved: John A. Hannah

Disapproved: \_\_\_\_\_

Date: 9-24-73



September 21, 1973

Dr. Hannah:

We have clearances from the Asia and Supporting Assistance Bureaus. LA and AFR both recognize the importance of this activity, but have expressed partial reservations, in the attached memos. PPC shares our view of the desirability of strong support for the World Bank's efforts and considers that the increment of funding necessary is well within the margin of error in our future funding. It is concerned, however, that you have an opportunity to review the various questions that the regions have raised.

The first LA reservation was attended to subsequently by Herman Kleine's reviewing and approving modifications of the references to SPTF funds to make clear the uncertainty about their availability. Since then there have been some encouraging new developments on this prospect.

The second LA reservation is on timing of the decision. As you know, IBRD has been pressing us since July to clarify our intentions, as they are important in the Bank's private efforts over the next 5 or 6 weeks to encourage other donors to be more forthcoming at the November 1 meeting. Also they will influence the signals given to the Technical Advisory Committee and at the November 1 GC meeting on prospects for moving ahead with new initiatives. The initiative that the Bank is most hesitant about pushing ahead with now, unless there is a stronger showing of support, is the African livestock center, which AID has sought ever since you encouraged forward movement on it at the Bellagio Group meeting in 1970. The posture being developed between now and Nov. 1 by the CG members will affect the momentum of the overall program for the next four or five years. Given these considerations and the great importance of the CGIAR program in coping with the medium and longer term world food problem as well as LDC development needs, we should establish our position now rather than risk turning back the strong forward momentum achieved thus far.

In response to the AFR concerns, we have dropped the reference to holding to the ceiling "until such time as there is a need for re-examination," which bothered AFR. However, it would be a mistake to say to the CG that we plan to cut back our contribution after 1977, as AFR proposes, when we anticipate (as do the other donors) that this will continue to be the most productive use that we can make of agricultural support funds, when the CGIAR program by the 1980's may be 50% higher than 1977 if the anticipated successes occur, and when other donors are providing 75% or more which is a fair share by any of the usual criteria. Some are contributing more than the U.S. proportionate to their resources. If and when we face situations of "force majeure" on appropriations, our formula allows for suitable adjustment.

The difference between the \$13 million ceiling proposed and the \$11 million preferred by AFR is not significant in terms of overall AID resources, but it is significant in affecting the multi-year financial availability horizon that the CG needs to establish now to determine what activities it can initiate in

1974 with adequate prospect of covering their costs plus on-going programs for the next several years. Moreover, there is a good prospect that the maximum claim on AID appropriations will not exceed \$11 million under the proposed formula, and it could even be less, if the efforts to use SPTF reflows work out (i.e., in this case we would be cutting below 25% in use of new U.S. money). Re the AFR comment on incentives for the IBRD, our proposal already places them under great pressure in carrying out what appears to be a difficult task of raising the other 75% at the contemplated program levels, but it also gives them a lever to use on the others. Cutting our share is likely to be counter-productive, causing a lowering of program sights rather than greater effort by other donors.

cc: Mr. Kleine  
Mr. MacDonald  
Mr. Brown  
Mr. Nooter  
Mr. Jonnes

Joel Bernstein  
AA/TA



September 21, 1973

ACTION MEMORANDUM FOR THE ADMINISTRATOR

THRU: EXSEC

FROM: AA/TA, Joel Bernstein

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Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

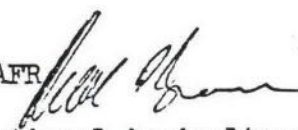
Date: \_\_\_\_\_



September 20, 1973

MEMORANDUM

TO: AA/TA, Mr. Joel Bernstein

FROM: Donald S. Brown, Acting AA/AFR 

SUBJECT: U.S. Contribution to International Agricultural Research Centers

We have reviewed carefully the proposal to increase U.S. support for the International Agriculture Research Institutions to a maximum of \$13 million. We are also reviewing the proposed FY 74 and FY 75 TAB budget in terms of its potential impact on Africa needs -- including support of the international institutes - and I will be writing you separately on that.

We share your feeling about the value of these institutions and the tremendous progress which has been made, both in their development and in the broadening of international support for them. However, as we face the fact that there are now several more institutions coming into being and that the budget projections show rapidly rising costs, we must be concerned with the amount of AID research that can be committed in advance, beyond FY 75. We are also concerned that IBRD take a vigorous role in developing new sources of financial support, including from among the better off IDC's which benefit particularly from these research efforts (e.g. Philippines), as well as increase its own contribution. We do not feel that a formula which continues U.S. funding at 25% through the projected budget level of FY 77 will provide a sufficiently strong incentive to the IBRD.

My clear preference, then would be that the U.S. communicate to the CGIAR our willingness to finance 25% up to a ceiling of \$11 million and that we should inform the IBRD that this is based on our estimate of requirements through FY 75. We should request the IBRD to undertake, in the interim, to develop a proposal for new funding arrangements for FY 76 and beyond. Our position with the IBRD should not preclude a higher level of AID funding after FY 75. But, it should make clear that with a rising level of costs for these institutions and a decline in the availability of AID grant funds, more contributions from other sources must be found for the period beyond FY 75.

From my perspective, it would seem that the above position should provide the necessary support for and continuity in the program of research that the CGIAR is directing. It would provide the IBRD with a full year in which to study and recommend new funding formulas. At the same time, it places more pressure on the CGIAR to face up to this issue. And above all, it places a current limitation on future commitments in AID more in line with the severity of our actual and prospective funding situation.

However, I am aware from my conversations with you that a negotiating position of the sort indicated above might undercut the Bank's willingness to see the CGIAR support the full range of institutions which are of interest to us rather than to reinforce the Bank's willingness to seek additional funding. Only someone closer to these negotiations than myself can make that judgment. It may, therefore, be desirable to have a fallback position of the sort proposed in your draft memorandum to the Administrator. However, I would clearly prefer that this be a fallback rather than an original position. Further, even as a fallback position, it seems to me that there is need for a stronger position than that given on Page 3 of your draft, i.e. that we adopt such an amended position "until such time as there is a need for re-examination". A change in our formula at this time, with only that small restriction upon it, seems to me to lay us open to continued expectations of increases in the ceiling over time. Thus, if a \$13 million ceiling fallback position is adopted, I would strongly urge that this be coupled with a statement to IBRD and the CGIAR that we anticipate that this will be the maximum level of commitment, based on anticipated maximum institute costs in 1977 at a time when institute budgets should begin to stabilize, and that after 1977 we would anticipate a reduction in both percentage and volume of contributions - and this should be fully understood and anticipated by the Bank and the CGIAR at such time as we now announce a new position on financing.

I would hope that the draft memorandum to the Administrator might be revised in reasonable measure to reflect the above concerns.

cc: AA/ASIA - Mr. Donald G. MacDonald  
ARA/IA - Mr. Herman Kleine  
AA/SA - Mr. Robert Nooter  
AA/AFR - Dr. Samuel C. Adams  
AFR/DS - Mr. Princeton Lyman  
AFR/DP - Mr. Edward Hogan

AA/AFR/DS:DSBrown/PLYman:cpc



MEMORANDUM

September 18, 1973

TO : AA/TA, Mr. Joel Bernstein

FROM : AA/LA, Herman Kleine *M*

SUBJECT: Financing of the International Agricultural  
Research Centers

REF: Your Draft Action Memorandum for the Administrator  
dated September 13, 1973

The \$13 million figure includes an unspecified amount of Social Progress Trust Fund reflows. As we discussed, there is much coordinating yet to be done with the IDB, the OMB, Treasury and others on the use of SPTF reflows. Thus, it is premature to count on any of these funds to meet an AID pledge to the CGIAR. It is my hope that it will be possible to arrange.

Given the large increase that is called for in the proposal, I suggest that final Agency decision be deferred on this item until the Agency has reviewed the totality of requirements that are emerging for FY 1975. These reviews will be occurring over the next weeks; thus, it should be possible to get a decision in time for the November Consultative Group meeting.

cc: AA/PPC, Mr. Birnbaum

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT

*Baird*  
*dl*

3/1/73

*file*

Note for Files

Subject: Setting Limit to Budgets of International Centers

At 2/23/73 lunch with DeMuth, JB asked what IBRD planning to do re recommending ceilings for financial support for individual Centers, per IBRD paper on "Review Procedures" for Nov. 1972 CG meeting (excerpt attached). DeMuth gave impression hadn't been thinking of doing much in this year's report and considered this a longer term endeavor. Impression by end of conversation that IBRD would pay more and earlier attention to this question (starting reviews soon), which DeMuth recognized as important need, and that would see if could identify proposed limits for at least some Centers in this year's review report. JB noted could argue easier for Centers with more mature programs but perhaps early action more important for the newer Centers.

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DeMuth also noted he'd been thinking that donor financing pattern might evolve towards % shares. Also that IBRD would move more readily to pick up slack now that financing is from IDA budget rather than a charge to IBRD administrative budget, i.e., starting in 1973.

cc: Dr. Kelley  
Dr. Baird

*copies sent  
3/1/73  
JB*

AA/TA :JBernstein



A Financial Framework

In response to the questions put to the Consultative Group members by the IBRD paper on Agenda Item 4, the U. S. has the following views:

- We favor the suggested approach in principle, and hope that the CG can implement it as fully as possible.
- AID is prepared to give tentative indication of levels of finance that it is prepared to consider for the future, as suggested. In this connection, our intent remains that given in our statement of January 1971 to the Consultative Group, which I believe meets for the time being the need to which the Agenda paper refers. The relevant part of that statement was:

"A.I.D. is prepared in principle to provide up to 25% of the additional capital and future operating costs of the existing institutes and the two new institutes proposed (up to a maximum total contribution of \$7 million in any one year), provided that the remaining 75% is forthcoming from other sources. Specific pledges would, of course, be for individual institutes subject to our review and approval of fully developed proposals for each and to the provision by the Congress of adequate funds."

We have put no time limit on this intent. If and when the \$7 million limit becomes inconsistent with our percentage approach modified by the other caveats, we would be prepared to take another look at this limit in the light of the situation then prevailing.

- In addition to the desirability of setting overall financial limits for 3-5 years ahead for total CG financing, AID suggests the desirability of setting financial limits for the core budgets of the individual centers, subject to two kinds of adjustment: (1) allowance for rising

costs of given activity levels; (2) occasional CG decisions, if needed, to sponsor a broadened activity scope for a particular center. This suggestion is consistent with views expressed by a number of CG members during this week's meetings. We foresee a number of advantages accruing from this practice.

- . It should help to keep the activity of each center adequately focused on one or a few major programs to achieve the critical massing of effort needed for significant breakthroughs.
- . It would also help the management of the centers to anticipate correctly financial availabilities a number of years ahead, and thus facilitate efficient program and financial planning.
- . Both of these effects should facilitate working out an appropriate division of labor and avoidance of unnecessary duplications among the Centers. As several have noted, this becomes more important as the Centers multiply.
- . These several effects, in turn, would help the CG members and the CG secretariat to relate forward planning on overall financial availabilities to planning for financial support of the individual centers -- existing or proposed.

We have omitted capital budgets from this suggestion on setting financial limits 3-5 years ahead, because we believe that more flexibility is desirable to make year to year adjustment in the approval of capital expenditures. We do not mean to downplay in any way the importance of forward planning and budget estimating for capital expenditures.



- No doubt there are a number of feasible procedures to implement the suggestion that limits be established for the core budgets of the individual centers, if the CG agreed on the desirability of doing so. One method that would appeal to us would be to ask the IBRD to accept responsibility for proposing a suitable set of core budget limits to the CG for its consideration, with the understanding that the Bank would
  - . request proposals from the Centers,
  - . seek TAC views on them, and
  - . put together a package that it thought suitable in the light of these recommendations, the likely overall availability of financial resources, and any other relevant considerations.
- This would logically be included within the type of budget presentation suggested by Mr. Bell this morning, which seems to have wide support in the CG.
- Mr. Chairman, could the Bank prepare some procedural proposals along the lines that we have suggested, or suitable alternatives, for consideration by the CG at its next meeting?

[Excerpt from IBRD paper for Agenda Item 9, "Review Procedures", for the Nov. 1-2 meeting of the Consultative Group on International Agricultural Research]

Reports of this kind can considerably advance the common interests of the centers and the Consultative Group. Evidently it will considerably facilitate the consideration of financial requirements by members of the Group. It will help give effect to Group concerns about cost effectiveness, and should considerably enhance the value of budgeting as an instrument of medium-term as well as annual planning for both Group and centers.

The report should help provide the foundation for two other pieces of work desired by members of the Group: the establishment of a notional ceiling of financial support for each center over a period of years, subject to adjustments for rising prices and for the cost of additional activities undertaken with the endorsement of the Consultative Group; and the presentation to the Consultative Group, each year, of an over-all analysis of combined center budgets, together with an analysis of financial implications for future years.