

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

PD-AAQ-465  
ISN 37750

Mr. Michael Lejeune  
The International Bank for  
Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20006

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9310003

DEC 22 1975

Subject: Grant No. AID/ta-G-1275

Dear Mr. Lejeune:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "the Grantor"), hereby grants to the International Bank for Reconstruction and Development (hereinafter referred to as "the Bank" and/or "the Grantee"), the sum of fifty thousand dollars (\$50,000). These funds will be utilized by the Bank acting as Executing Agency for the purpose of conducting a review of the Consultative Group on International Agricultural Research (CGIAR) as more fully described in Appendix I to this letter entitled "Proposal for the Review of the CGIAR System" dated October 10, 1975.

This grant is effective as of the date of this letter and shall remain in effect through December 31, 1976. Funds obligated hereunder are available for expenditures from January 1, 1976 through December 31, 1976.

Such funds will be deposited in the CGIAR special account "T" and regulated in accordance with Appendix II hereto (CGIAR Review Special Account Regulation).

The funds contributed under this grant along with the contributions from other specified donors, will be utilized to defray the costs of conducting the aforementioned study to review the CGIAR system.

This grant is made on condition that these funds will be limited to the activities of the CGIAR study as more fully described in Appendix I hereto.

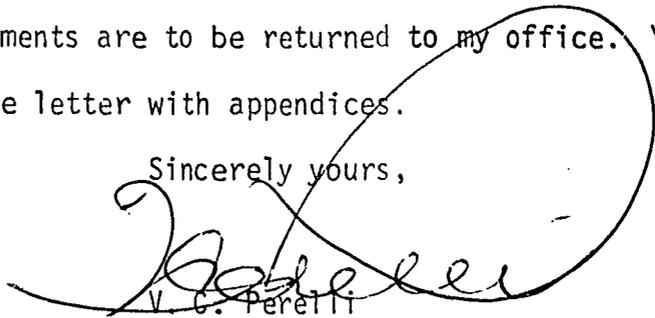
TO: Mr. Lejeune

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"Page 2"

The sum granted hereunder will be deposited in a lump sum to the International Bank for Reconstruction and Development, Account "T", at the Federal Reserve Bank of New York, 33 Liberty Street, New York, New York 10045. If the use of these grant funds results in accrual of interest to the Grantee or to any other person to whom Grantee makes such funds available in carrying out the purposes of this grant, Grantee shall refund to A.I.D. an amount equivalent to the amount of interest accrued. Notwithstanding the provisions of Article 202 of Appendix II, the grantee may not invest A.I.D. funds granted hereunder.

Please sign the original and all copies of this letter in the space provided below to acknowledge your understanding of the conditions under which these funds have been granted. The original and five copies of this letter and accompanying attachments are to be returned to my office. You may retain two copies of the letter with appendices.

Sincerely yours,

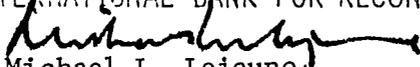


V. C. Perelli  
 Grant Officer  
 Technical Assistance Branch  
 Central Operations Division  
 Office of Contract Management

APPENDICES:  
 As stated

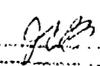
ACCEPTED:

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

BY:   
 Michael L. Lejeune

TITLE: Executive Secretary, CGIAR

DATE: January 14, 1976

Approved	11 X 10 26
Account	424-31-099-60 20.61
Cost	3,168,663 259
Amount	50,000.00
Trans.	931-11-999-603-73
By	
Date	12/23/75

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## 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 10, 1975

TO: Members of the Consultative Group

FROM: Warren C. Baum, Chairman

SUBJECT: Proposal for the Review of the CGIAR System

1. At the July meeting of the Consultative Group, we agreed on the need to review systematically the future growth, direction and management of the international agricultural research network which is supported by the CGIAR. As noted in the "Integrative Report" provided to the meeting, since the Consultative Group's creation in 1971, the individual centers, the network and the Group itself have changed considerably. Financing of the centers has increased sevenfold, the number of donors has quadrupled since the days before the Group was formed and the number of operational centers and programs in the system has tripled. The system has matured to the point that most of the ecological zones and essential food crops of the developing world are encompassed in the research programs of the international centers. The character of the centers themselves has been evolving from pure crop research to an agricultural development orientation. Members felt that the Group represents an unusually successful international effort addressed to supporting a key activity required to help the poorer countries to develop their agricultural potential. They also felt that the Group had done very well in accommodating itself to the rapid growth of the CGIAR system. At the same time they recognized that it was still evolving and we would have to contemplate further adjustments in both the scope of the program supported and the level of finance, and would have to consider whether it was desirable and feasible for the past rate of growth to be sustained. The consensus was that these questions needed review.

2. At the July meeting I undertook to prepare for the Consultative Group a proposal for the review to be carried out, including outline terms of reference, a proposed work program and timetable and tentative cost estimates. Accordingly, I am providing in this note some preliminary suggestions regarding the scope and execution of the proposed review. Consideration of this proposal will constitute one of the principal items on the agenda of the October 30 and 31 meeting of the Consultative Group.

Purpose of the Review

3. The basic purpose of the review would be to provide an overall perspective on the growth and development of the CG network over the next several years, in the light of five years of very successful experience and in the context of the long term aims which brought the members together in the founding of the CGIAR. It would seek to recommend objectives and priorities of international agricultural research related to food requirements of the less developed countries and, taking into account the general concern of donors to help small farmers, would suggest the appropriate scope of activities of the international centers in the light of the financial support which can realistically be expected to be available from the CGIAR until 1980. The review would also consider means of ensuring the most efficient use of resources available to the system.

4. More specifically the review would seek:

- (a) to suggest overall objectives over the next decade of CGIAR-sponsored international agricultural research related to the estimated food and nutritional requirements of the less developed countries;
  - (b) within these objectives, to suggest the basic priorities for CGIAR-sponsored research over the next five years, both for ongoing activities and potential new ones;
  - (c) to consider the appropriate role of the international centers in achieving these objectives, particularly the limits of a center's responsibility for the transfer of technology to beneficiary countries and farmers, in the light of the necessary levels of national research;
  - (d) to determine the level of financial resources required by the international network over the next five years, and after assessing its likely availability to assess what measures may be needed to bring research targets and resources into line, including setting of priorities at alternative levels of funding;
  - (e) to recommend means of ensuring the most effective use of the financial and staff resources available to the network, including consideration of means of measuring the efficiency of investment in research; and
  - (f) to consider improvements in the programming and budgeting procedures of the CGIAR system.
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Terms of Reference

5. Outline terms of reference for the review are attached as Annex A. They are intended to identify the major areas of investigation for the study or studies which would constitute the major input for the review. More detailed terms of reference would be prepared by the review committee (see paragraph 6 below) once the general outline has been agreed.

Structure for Implementation of the Review

6. The Consultative Group at its July meeting agreed to the formation of a special committee which would be responsible for directing and supervising the requisite studies and making recommendations to the full Group. Members of the Review Committee (who would be appointed by the Chairman of the Group) would represent a broad spectrum of interest within the CGIAR system, including bilateral and multilateral donors, the beneficiary countries and centers. While members would be selected in their personal capacity, they may have served in more than one capacity within the system, and thus be able to represent more than one point of view. This, in turn, may enable the Committee to be limited in size, perhaps to between nine and twelve members.

7. It has been suggested that the Chairman of the Consultative Group serve ex officio as Chairman of the Review Committee. It is for the Group to decide whether this is appropriate.

8. Responsibility for the conduct of studies and drafting of papers would be vested in a Study Director, to be selected by the Committee on the recommendation of its chairman. He would take his instructions from the Committee and be responsible to it. He would prepare the detailed terms of reference, organize studies and investigations, invite papers and suggestions from appropriate sources, recommend engagement of staff to assist in the preparation of the review, supervise research and be responsible for drafting a report for the Committee's consideration.

9. The Study Director would be assisted by perhaps two other staff who would devote most of their time over specified periods to the review work. Short-term consultants and the services of selected staff from CG member agencies, international centers, TAC and CG Secretariats and other sources might be requested as needed. To cover the essential types of issues to be addressed by the review, the qualifications of the review staff should include scientific, economic and management expertise.

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### Program

10. In July we agreed to consider the outline terms of reference, program, timetable and tentative costs of the review at the October meeting. Assuming that the Consultative Group agrees to move ahead with the review at that time with agreed terms of reference, I would plan to establish the Review Committee promptly, which in turn would appoint the Study Director.

11. Before the end of 1975 the Study Director would be expected to put before the Committee detailed terms of reference for the review, a work program and a timetable for its preparation. He would also prepare a list of supporting papers and other assistance which would be solicited from CG members, center personnel and others.

12. The assistance and advice of TAC would be particularly important in consideration of a number of topics, especially priorities and objectives of the system. Other participation might include the FAO and the IBRD regarding longer-term global food requirements, the CG Secretariat in assessing financial availabilities, the international centers on the appropriate boundaries of their activities and selected individual organizations with interest in specific topics.

13. It would be desirable to have a first draft of its report for consideration by the Committee in April or May 1976, and a revised draft ready for consideration by the Consultative Group at International Centers Week in late July 1976. However, this is a very tight schedule in light of the breadth of the review and the time required to assemble staff and the draft may in fact have to be submitted to the Group at its October 1976 meeting, with work continuing as necessary thereafter until completion.

### Cost

14. The cost of the review would be in the order of \$350,000. This would include the cost of the services of a full-time Study Director and two support staff, 12 man-months of short-term consultant services, travel by review staff, secretarial and office expenses, reproduction and printing costs, and contingencies. A nominal sum has been included to cover the travel and subsistence costs of Review Committee members in the exceptional cases where their organizations might be unable to bear such costs. A tentative cost estimate is attached as Annex B.

15. Contributions from members of the Group would be needed to finance the study, as the cost would be beyond the resources of the co-sponsors or other sources. A number of members have already indicated their willingness

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to contribute. The rest are invited to do so, and it is hoped that enough members will pledge sums for this purpose at the October meeting (preferably in addition to their support for the regular operations of the CGIAR) to enable the study to proceed. The World Bank could serve as administrator of these funds, if desired, along the lines of the ICARDA and ILCA trust accounts. Office space and support facilities could also be provided by the World Bank.

16. The emoluments and travel expenses of staff of members asked to undertake specific assignments of limited duration would be met by their organizations. If staff were to be assigned to a longer-term assignment or undertake costly travel exclusively for the review, then such costs might reasonably be expected to be borne from the review budget.

Attachments

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OUTLINE TERMS OF REFERENCE

Review of CGIAR System

Introduction

1. The Consultative Group on International Agricultural Research (CGIAR) intends to review the future growth, direction and administration of the network of international agricultural research centers and programs which it supports. It plans to consider the appropriate objectives and priorities for research over the next ten years and the appropriate level of activity over the next five years in the light of the financial support which is likely to be available through the CGIAR during this period.
2. The review is designed to provide a general perspective of the role of the international agricultural research network sponsored by the CG in dealing with food and nutritional requirements of the developing countries. It will serve as a strategy for the development of the network to 1985 and as a guide for determining the most efficient use of the resources available to the system.
3. The review will include an examination of what improvements in the administration of the CGIAR system may be needed to ensure efficiency, particularly the efficient use of the resources provided to the system.

Review Committee

4. The review will be based on the work and report of a Review Committee constituted for the purpose. The necessary study or studies will be carried out by a Study Director under the guidance of the Committee.
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Terms of Reference

5. The Committee and the Study Director will be guided by the following general terms of reference.

- (a) Based on the best information available on the needs of the LDCs for the principal food crops until the end of the century and the potential of the areas most severely pressed, the Committee will make a judgement of the rate of increase in yield of these crops required to meet the needs.
- (b) Taking into account the research already in progress and the likelihood of adding significant increases in yield through research, the Committee will examine the need for expanded research on these crops and related farming systems and suggest the priorities of research work, noting areas where break-throughs appear most promising, and neglected areas of research and taking into account the cost of various types of research in relation to potential results.
- (c) The Committee will estimate the research input, including trained people, that is likely to be necessary to achieve the feasible yield increases, and suggest a balance between "basic" and "applied" research.
- (d) It will suggest how the work might most appropriately be divided between the international system, research programs in the developed countries and the national programs of the

LDCs; it will particularly consider the appropriate boundaries of the international centers' responsibility for facilitating the effective transfer of technology to the beneficiary countries and the farmers in them.

(e) The Committee will estimate the likely level of financing required by the international system over the next five years and, after assessing the likely availability of funds, consider whether a serious shortfall impends and recommend measures to bring resources and research targets into line and research priorities at given levels of funding.

(f) Finally, the Committee will consider the need for improvements in the programming and budgeting procedures of the CGIAR system to ensure that the manpower and money devoted to international agricultural research are efficiently used.

6. Under these general terms of reference, the Committee may wish to develop more specific guidelines for the work to be carried out under the direction of the Study Director.

ESTIMATED COST OF THE REVIEWANNEX B TO  
APPENDIX I\$ US

I.	<u>Personnel Costs</u>		
	(i) <u>Study Director</u>		
	18 man-months @ \$5,000		90,000
	(ii) <u>2 Study Staff</u>		
	24 man-months @ \$4,000		96,000
	(iii) <u>Short-term Consultants</u>		
	12 man-months @ \$4,000		48,000
	(iv) <u>Secretarial Staff</u>		
	24 person-months @ \$1,200		29,000
		Sub-total	<u>263,000</u>
II	<u>Travel and Subsistence Costs</u>		
	(i) <u>Director</u>		
	2x\$2,500 (maximum distance)	5,000	
	3x\$1,500 (medium distance)	4,500	
	subsistence - (60 days @\$100)	6,000	
			<u>15,500</u>
	(ii) <u>Study Staff</u>		
	5x\$1,500 (medium distance)	7,500	
	subsistence (60 days @\$100)	<u>6,000</u>	
			13,500
	(iii) <u>Review Committee</u>		
	(3 meetings of 3 days each, including travel)		
	- 2 intercontinental members (2 x 3 x \$2,500 plus subsistence)		<u>17,000</u>
		Sub-total	46,000
III	<u>Other Costs</u>		
	<u>Office Supplies, Reproduction and Printing</u>		4,000
	<u>Communications</u>		3,000
	Contingencies (about 10 percent)		<u>34,000</u>
		Sub-total	<u>41,000</u>
		Total	<u>350,000</u>

## Anticipated Sources of Funds

AID	\$50,000
Australia	50,000
Belgrum	25,000
The Netherlands	25,000
Canada	25,000
IDRC	20,000
UNDP	20,000
Others (Germany, United Kingdom, IBRD, and others who have agreed to contribute but have not as yet specified the exact amount of their contribution	<u>125,000</u>
	\$350,000

CGIAR Review Special Account Regulation

Article I

The Account, Disbursements from the Account

Section 1.01. The World Bank shall open the CGIAR Review Account (the Account) on its books and shall credit thereto the proceeds of each Donor's contribution as the same shall from time to time be transferred to the Bank for the purposes of financing the review of the CGIAR Network.

Section 1.02. The Account and all monies credited thereto shall be held and kept separate and apart from all other accounts and assets of the Bank and shall be used only for the purposes and in accordance with the provisions of this Regulation.

Section 1.03. The Bank shall pay to or on the order of itself out of the monies in the Account for payments made or to be made after October 31, 1975 for the reasonable costs of goods and services required for the review.

Section 1.04. The Bank shall send to each of the Donors (i) a quarterly unaudited statement and (ii) an annual statement certified by the Bank Group's external auditors, containing appropriate information with respect to disbursements of, and balances in the Account. The cost pertaining to the audit shall be charged as an expense to the Fund

Article II

Further Undertakings of the Bank

Section 2.01. Amounts credited to the Account shall be used by the Bank exclusively to finance the cost of goods and services required to carry out the review.

Section 2.02. Except as a Donor may otherwise specify with respect to its contribution, the Bank may invest monies held in the Account pending need for disbursements in such manner as it shall deem appropriate. The income from such investments shall become part of the assets of the Account.

Section 2.03. The Bank shall provide and bear the cost of the services of its regularly employed professional and support staff, which it may from time to time provide to assist in carrying out the review.

Section 2.04. The Bank shall not incur obligations against the Account beyond the maximum amount of funds committed to the Account at any given time.

Section 2.05. Any monies remaining in the Account upon completion of the review or if the review shall be discontinued before its completion, shall be repaid by the Bank to the Donors pro rata to the amounts of their respective contributions, unless the Bank and any donor shall agree with respect to the amount to be repaid to the donor.

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