

PD-AAS-942

ISN 44072

REPORT OF THE

PFC - S&T

COMMITTEE ON THE CONSULTATIVE GROUP ON

INTERNATIONAL AGRICULTURAL RESEARCH

(CGIAR)

June 4, 1985

000179

000153

99

Members of the Committee

Co-Chair: Allison B. Herrick, Deputy Assistant Administrator
Bureau for Program and Policy Coordination

John S. Eriksson, Deputy Assistant Administrator for Research
Bureau for Science and Technology

Members: John P. Hummon, Director, Office of Planning and Budget
Bureau for Program and Policy Coordination

Anson R. Bertrand, Director, Office of Agriculture
Bureau for Science and Technology

Committee Staff

Arnold Baker, S&T Coordinator, PPC/PB

Robert Bertram, CGIAR Staff, S&T/AGR

Dana Dalrymple, CGIAR Staff, S&T/AGR

GLOSSARY OF ACRONYMS

International Agricultural Research Centers (IARC's)

Centers Sponsored by the Consultative Group on International Agricultural Research (CGIAR)

CIAT:	Centro Internacional de Agricultura Tropical
CIMMYT:	Centro Internacional de Mejoramiento de Maiz y Trigo (corn, wheat)
CIP:	Centro Internacional de la Papa (potato)
IBPGR:	International Board for Plant Genetic Resources
ICARDA:	International Center for Agricultural Research in the Dry Areas
ICRISAT:	International Crops Research Institute for the Semi-Arid Tropics
ILCA:	International Livestock Center for Africa
ILRAD:	International Laboratory for Research on Animal Diseases
IRRI:	International Rice Research Institute
IITA:	International Institute of Tropical Agriculture
WARDA:	West Africa Rice Development Association
IFPRI:	International Food Policy Research Institute
ISNAR:	International Service for National Agricultural Research

Other Centers and Center-like Activities

IFDC:	International Fertilizer Development Center
AVRDC:	Asian Vegetable Research and Development Center
ICIPE:	International Center for Insect Physiology and Ecology
IIMI:	International Irrigation Management Institute
IBSRAM:	International Board for Soils Research and Management

TABLE OF CONTENTS

I.	INTRODUCTION	
	Establishment of the PPC/S&T Committee on the CGIAR	1
II.	THE CGIAR SYSTEM AND U.S. SUPPORT	4
	A. The CGIAR System: Background	4
	B. Trends in CGIAR Budget Levels	7
	1. Overall Funding of CGIAR System	7
	2. A.I.D. Funding of the CGIAR	13
	3. Comparison with other A.I.D. Agricultural Budgets	16
	4. Bilateral Funding of Special Projects	20
	5. Indirect U.S. Contributions through Multilateral Organizations	22
III.	THE CGIAR BUDGET DECISION-MAKING PROCESS	24
	A. The Nature of the Budget Process in CGIAR and A.I.D.	24
	B. Allocation of Core Funds to Individual Centers	26
	1. Considerations in Determining Allocations	26
	2. Process for Making Decisions	31
IV.	EVALUATION OF AID CONTRIBUTION TO CGIAR	36
	A. Benefits from A.I.D. Contribution to CGIAR	36
	B. The Overall Level of A.I.D. Support to CGIAR	41
	C. Allocation of A.I.D. Contribution Among Centers	45
V.	EVALUATION OF RELATED BUDGET QUESTIONS	48
	A. Possible Additional Sources of Funding for CGIAR	48
	B. Centers and Center-like Activities Outside the CGIAR	51
	C. Administration and Management Responsibility for CGIAR Affairs in A.I.D.	53
VI.	SUMMARY AND RECOMMENDATIONS	56

Annexes

- Annex 1. CGIAR Centers in Brief
- Annex 2. AID and CGIAR Budget Processes
- Annex 3. Regional Bureau and Mission Response to IARC Questionnaires
- Annex 4. Administration and Management of CGIAR Affairs in AID

11

I. INTRODUCTION

During the Administrator's Review of the S&T Bureau in September, 1983, considerable concern was voiced over the growth in A.I.D. support to the International Agricultural Research Centers (IARCs). Since the inception of the Consultative Group on International Agricultural Research (CGIAR) in 1972, the U.S., through A.I.D., had as a matter of policy, and most years in fact, contributed 25% of the total of the core budgets of the CGIAR centers. The annual contribution had grown to the point where investment in the IARCs constituted more than half of the budget of the Office of Agriculture (S&T/AGR). The number of centers funded by the CGIAR had grown from 7 in 1972 to 13 in 1981. (A listing and brief program description of the centers sponsored by the CGIAR are found in Annex 1.) If these trends were to continue, and if the U.S. maintained its commitment to fund 25% of the total core budgets of the CGIAR centers, a severe strain on A.I.D. resources would result at a time of increasing pressure to reduce the overall government deficit. At that time, available projections indicated that in all likelihood, significant growth (3-5 million dollars per year) in the CGIAR budget would continue.

Several meetings of senior A.I.D. officials were held to discuss ways in which U.S. support to the CGIAR could be continued, without significant expense to other A.I.D. programs. There was a consensus that A.I.D. as a whole is committed to the CGIAR and that support for the CGIAR is an important component of the Agency commitment to agricultural development. On June 25,

1984, the Administrator authorized the creation of a separate line item for the CGIAR within the 1986 PPC Bureau budget. Management responsibility for the centers was to remain in the S&T Bureau. The Administrator further stated that the FY 1986 funding for the centers was to be set at a specific dollar level equal to approximately 25% of the total of CGIAR core budgets.

In the same authorization, the Administrator established a CGIAR Review Committee, charged with evaluating A.I.D. support to the centers and the benefits to the Agency's programs and goals derived from their activities. The Committee's mandate called for it to review the current mode of CGIAR funding (25% policy), suggest possible modifications or alternatives, examine ways to hold down growth in costs (moratorium on new centers, alternative revenue sources, etc.), and review the potential for uses of other A.I.D. funds (ESF, PL 480) in support of center activities. The Committee was also to seek ways in which the outreach activities and impact of the centers could be increased, particularly in Africa. Conversely, some efforts would be made to identify areas where center involvement was less effective, and best left to other organizations having a greater comparative advantage. Several International Centers outside the CGIAR that receive A.I.D. funding remain in the S&T/AGR budget and have not been considered by the Committee except as they relate to the CGIAR. The Committee notes that the IARC Subcommittee of the Joint Committee on Agricultural Research and Development (JCARD) is currently reviewing issues related to these centers and center-like activities.

The Committee met at regular intervals, developing a comprehensive outline for its deliberations and report. In reaching its conclusions, the Committee benefited from the advice and experience of A.I.D. Missions and Regional Bureaus through the use of questionnaires and meetings. Members of the Committee also attended CGIAR-related activities, within A.I.D. and at the International Centers Week meetings held at the World Bank in November 1984. Several Committee members and staff visited individual centers as board meeting observers, or on specially arranged visits. The thoughtful responses to questionnaires received and the dialogue with A.I.D. and other contacts were key to the development of the Committee's positions on many of the issues it addressed. The Committee wishes to draw the attention of the reader especially to Chapter VI, Summary and Recommendations, beginning on page 56 of this report.

II. THE CGIAR SYSTEM AND U.S. SUPPORT

A. The CGIAR System: Background

The CGIAR system was founded in 1971 through the efforts of a group of donor development agencies and foundations to provide a vehicle for coordinated sponsorship of agricultural research dedicated to increasing food production in the less developed countries of Asia, Africa and Latin America. To achieve the increases necessary to keep pace with rising populations and growing demand, researchers would have to develop new varieties, find new cultivation techniques and increase the efficiency of production. Special emphasis was given by the CGIAR to staple food crops and principal farming systems of small-to-medium sized farms and the nutritional needs of low-to-moderate income groups.

The system exists today in much the same form as when it was first created. The three multilateral sponsoring agencies (IBRD, FAO and UNDP) provide the group with two secretariats which coordinate and review financial, technical and managerial matters for the donors and centers. In Washington, the CGIAR Secretariat housed in the World Bank plays a lead role in support and governance for the system as a whole. The Technical Advisory Committee (TAC) and its secretariat at FAO headquarters in Rome monitor and guide scientific developments in the system.

At the core of the CGIAR system are the 13 centers and programs supported by the CGIAR donors. These include long-established centers that helped generate the "green revolution", such as CIMMYT and IRRI, where research on food crop and farming systems is conducted in close cooperation with national research programs. Several centers (ICRISAT, ILCA and ICARDA) created since the founding of the CGIAR focus on the more difficult environments of African rangelands, the semi-arid tropics and drier Mediterranean areas. Some centers focus their efforts on one crop (e.g., CIP), while the "genes board" (IBPGR) coordinates collection and preservation activities on more than a hundred plant species. Other activities sponsored by the CGIAR address issues in food policy (IFPRI) or developmental aspects of national agricultural research programs (ISNAR).

The resulting CGIAR system represents a partnership among centers, donors and sponsors, allied with their counterpart research and development institutions in LDCs and other interested organizations and universities around the world. Combining their resources and expertise through this network, up-to-date science and economic analyses are brought to bear on the basic problems of food production in the developing world.

The CGIAR itself has no formal international status or legal structures in the same sense as its sponsors and donors. Any organization may join the group through provision of a minimum contribution to activities sponsored by the group. Decisions of the group are made by consensus in twice-yearly meetings.

However, the fiduciary relationship between donor and recipient centers remains direct as no money is pooled. Contributions are made directly to the centers. It has been noted that the mode of organization adopted by the CGIAR which features consensus of direction, but preservation of independence in selection of activities, has been a very effective and relatively inexpensive way to operate. There is a general acknowledgment that what really make the system work are commitment and goodwill among the members and the centers.

Each center is independently constituted and chartered in its host country and is governed by a Director General and Board of Trustees. The boards generally include members from both developed and developing nations as well as representation from the host country government or research system. In most respects, the centers have maintained their distinctive identities and operating procedures.

The system features a variety of review mechanisms, the most important of which are the periodic external program reviews of each center. These reviews, conducted every five or six years and sponsored by the Technical Advisory Committee, consist of an exhaustive scientific and technical review of center programs and progress. The review panels are internationally selected and offer expertise in a variety of agricultural and other disciplines. Recently, the CGIAR Secretariat has sponsored parallel management reviews of individual centers. These operate in much the same fashion as the program reviews but concentrate on improving managerial methods

and increasing the effectiveness with which center resources are used. In addition, the CGIAR System occasionally conducts major reviews and studies which address system-wide issues. Three such activities now taking place were of special interest to the Committee: the Impact Study, the Finance and Budget Study and the TAC Training Study.

B. Trends in CGIAR Budget Levels

1. Overall Funding of the CGIAR System

The CGIAR system experienced rapid growth in operations and budgets during the 1970s and first year or two of this decade. The trend has now shifted dramatically toward a stabilization of budgets (in real terms) and center activities (see Table 1 and Figure 1). This leveling has stemmed from a variety of factors coming to bear at once.

The early growth reflected the enthusiasm with which donors welcomed the opportunity to coordinate and integrate their efforts in agricultural research. It also stemmed, at least partly, from recognition of two important factors in the overall development picture. First, growing populations in Africa, Asia and Latin America would put severe strains on available food resources, particularly if those were to remain based on traditional, low-productivity farming. This point was made amply clear by the food crisis in South Asia in the mid-1960s, where the need to increase food output was

Table 1. Systemwide And A.I.D. Contributions to The CGIAR Centers, 1982-1985

Year	Systemwide Contributions Total (\$000s)	Change ^{1/} (%)	A.I.D. Contributions Total (\$000s)	Change ^{1/} (%)	A.I.D. as Proportion of Total (%)
1972	20,060	—	3,770	—	18.8
1973	24,955	+24.4	5,390	+43.0	21.6
1974	34,525	+38.3	6,805	+26.3	19.7
1975	47,545	+37.7	10,755	+58.0	22.6
1976	62,870	+32.2	14,870	+38.3	23.7
1977	77,225	+22.8	18,140	+22.0	23.5
1978	85,045	+10.1	21,145	+16.6	24.9
1979	99,487	+17.0	24,800	+17.3	24.9
1980	119,576	+20.2	29,000	+16.9	24.3
1981	130,904	+9.5	35,000	+20.7	26.7
1982	143,800	+9.9	40,785	+16.5	28.4
1983 ^{2/}	164,633	+14.5	44,550	+ 9.2	27.1
1984	173,300	+ 5.3	45,250	+ 1.6	26.1
1985 ^{3/}	175,000	+ 1.0	45,432	+ 0.4	25.7

^{1/} Percentage change from previous year

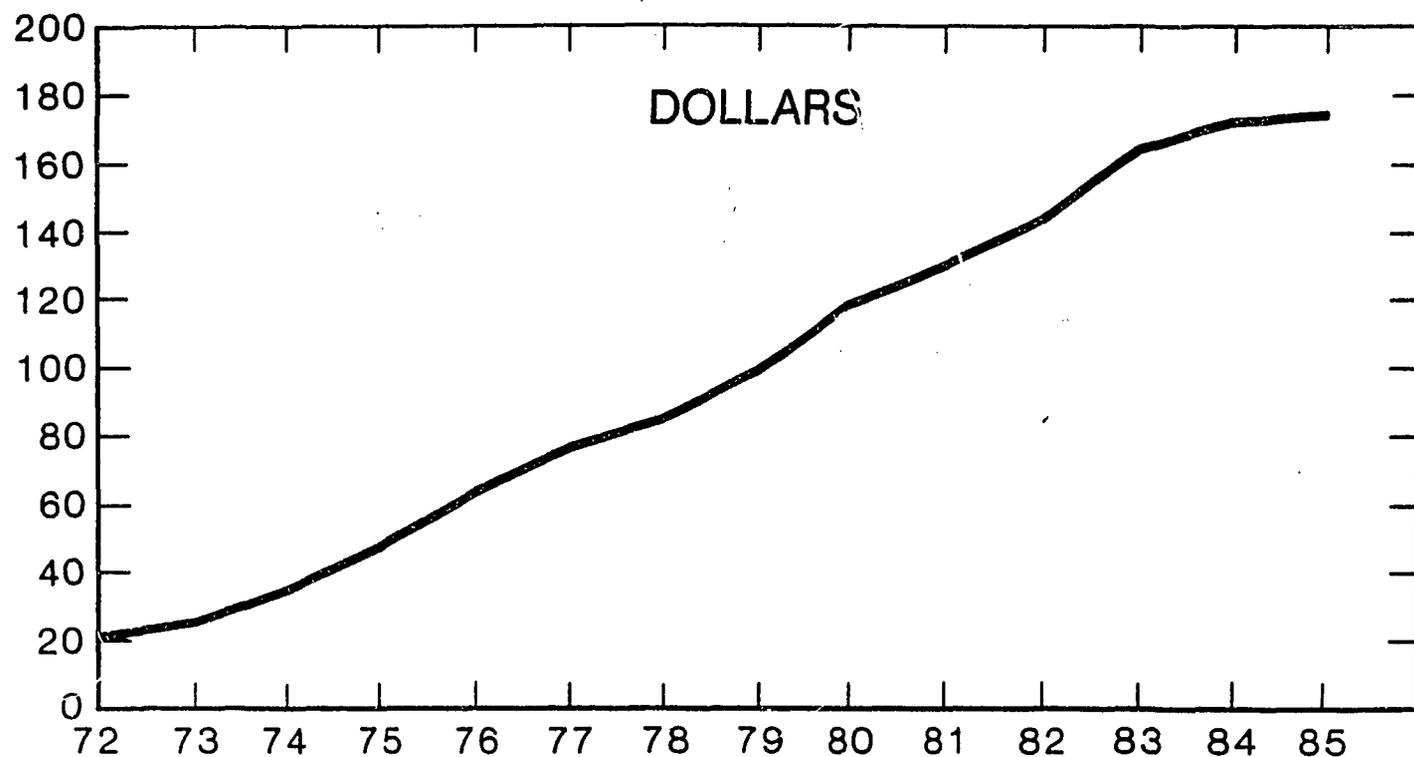
^{2/} Inclusion of reclassified special projects raised total

^{3/} System-wide data for 1985 are preliminary

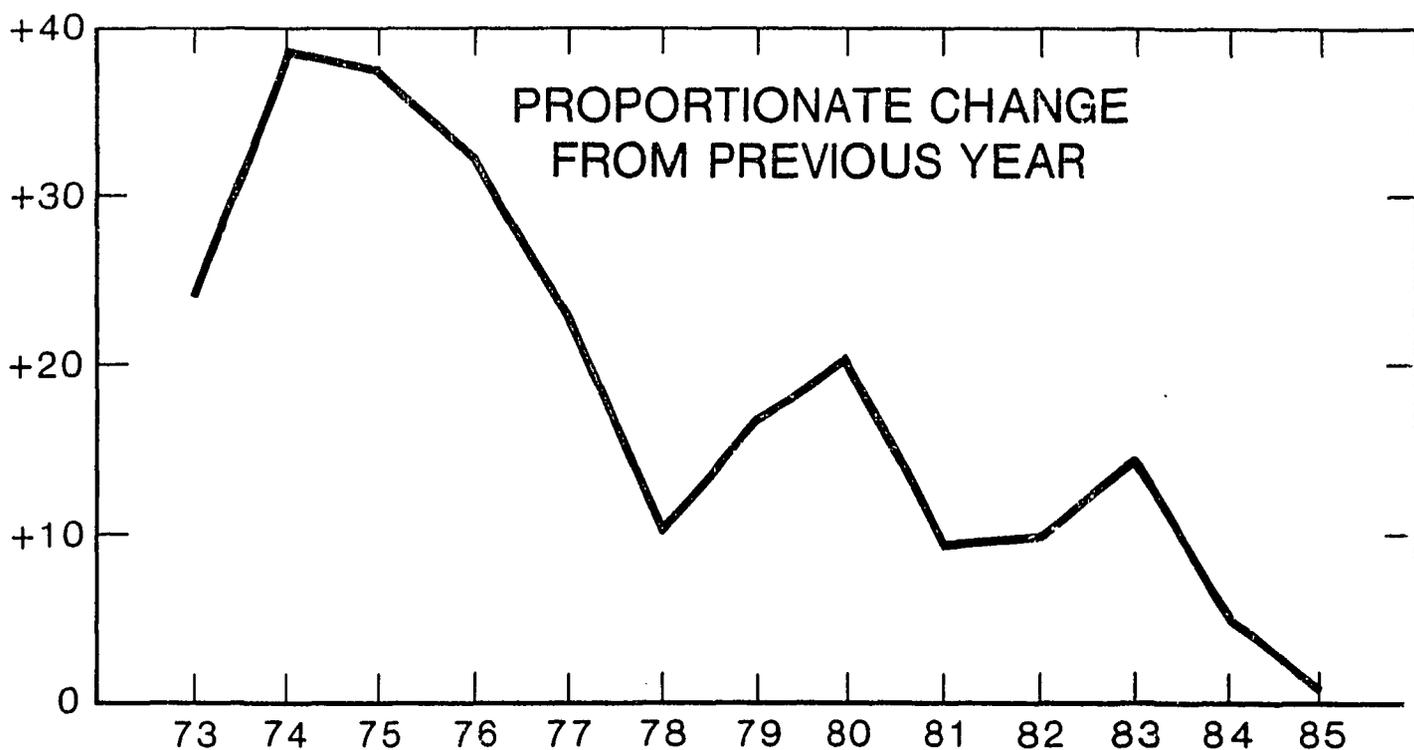
Source: CGIAR Secretariat

Figure 1
SYSTEMWIDE CONTRIBUTIONS TO CGIAR CENTERS

Millions of Dollars



Percent



Source: Table 1.

painfully evident. Second was the realization that research could provide at least some of the answers needed to develop solutions to the problem of a lack of food in a hungry world. The great successes achieved in wheat and rice in the 1960s and early 70s gave new impetus to efforts to seek breakthroughs in other crops, and in areas outside Asia.

An important factor in the slowing of budgetary growth for the system, and hence in A.I.D.'s contribution, has been the gradual reaching of "mature" size of many of the centers. Most of the research centers in the system are now at least ten years old, with physical plants and principal capital resources at or approaching a stable size. The system itself has also achieved what is generally acknowledged to be a full complement of activities. The number of centers in the system has remained the same for some years, in part due to the lack of available funds for new initiatives. It is also worth noting that several of the later additions to the system are centers of a relatively smaller scope, and have not required an investment in facilities or equipment comparable to the larger crops research centers.

Exogenous factors have played a role in slowing growth of the system and the budget provided it by the donors. The global economic slowdown of the early 1980s hit the system hard, especially as it was accompanied by continuing inflation in the developing country economies in which most centers operate. There, inflation continued unabated for several years while donors adjusted their contributions to reflect their own countries' lower inflation and

difficult economic situations. Some centers had reached a stable size by that time, but others were in the midst of outreach development which can come only after years of pursuing the early phases of their research programs on campus. Several other factors were also at work. Several major donors began to find it difficult politically to maintain expansion in their support of multilateral and international organizations, even though bilateral and regional programs continued to expand. At the same time, the number of donors to the system had stabilized. Moreover, most of the donors who joined in recent years have been donors of smaller magnitude. The large national donors and a few multilateral organizations have borne the lion's share of the funding. Some foundations also gradually reduced the levels of their funding, although they remain active members of the CGIAR.

Finally, and this is particularly relevant to the position of those donors providing matching support to the system, the unexpected and prolonged strength of the U.S. dollar has had a profound effect on the growth of resources allocated to the system. With the dollar being the principal currency used by all the centers, the real "worth" of contributions denominated in other currencies varies with their relationship to the U.S. currency. The strength of the dollar has thus resulted in a slowing of budget growth, even though many donors have increased their contributions in terms of their own currencies. In some cases, this effect has been offset by weakness of a currency in a country where a center operates. However, overvalued

host-country or other currencies can sometimes lead to inflated operating costs, a situation faced by nearly all international agencies.

Looking ahead, there is little reason to see an abrupt change in the situation. The internal factors leading to a slowing in CGIAR growth will remain unchanged despite economic vagaries. A much more conservative attitude prevails now than during the days of relatively rapid growth five or ten years back. There are no immediate plans for new centers to join the system. Although the budgetary stringencies imposed during recent years may have stimulated greater efficiency in resource management of the centers, they have also necessitated some very difficult decisions as to which programs will remain level, which will grow, and which will be cut or ended.

External factors are more uncertain. Forecasts project low levels of inflation. Yet the value of the dollar remains highly volatile. Some adjustment of the dollar could be expected to increase the value of foreign-currency denominated contributions, but the degree to which donors providing matching funds in dollars would meet this rise would probably depend on the timing and magnitude of the currency shift, as well as their own fiscal situations.

2. A.I.D. Funding of the CGIAR

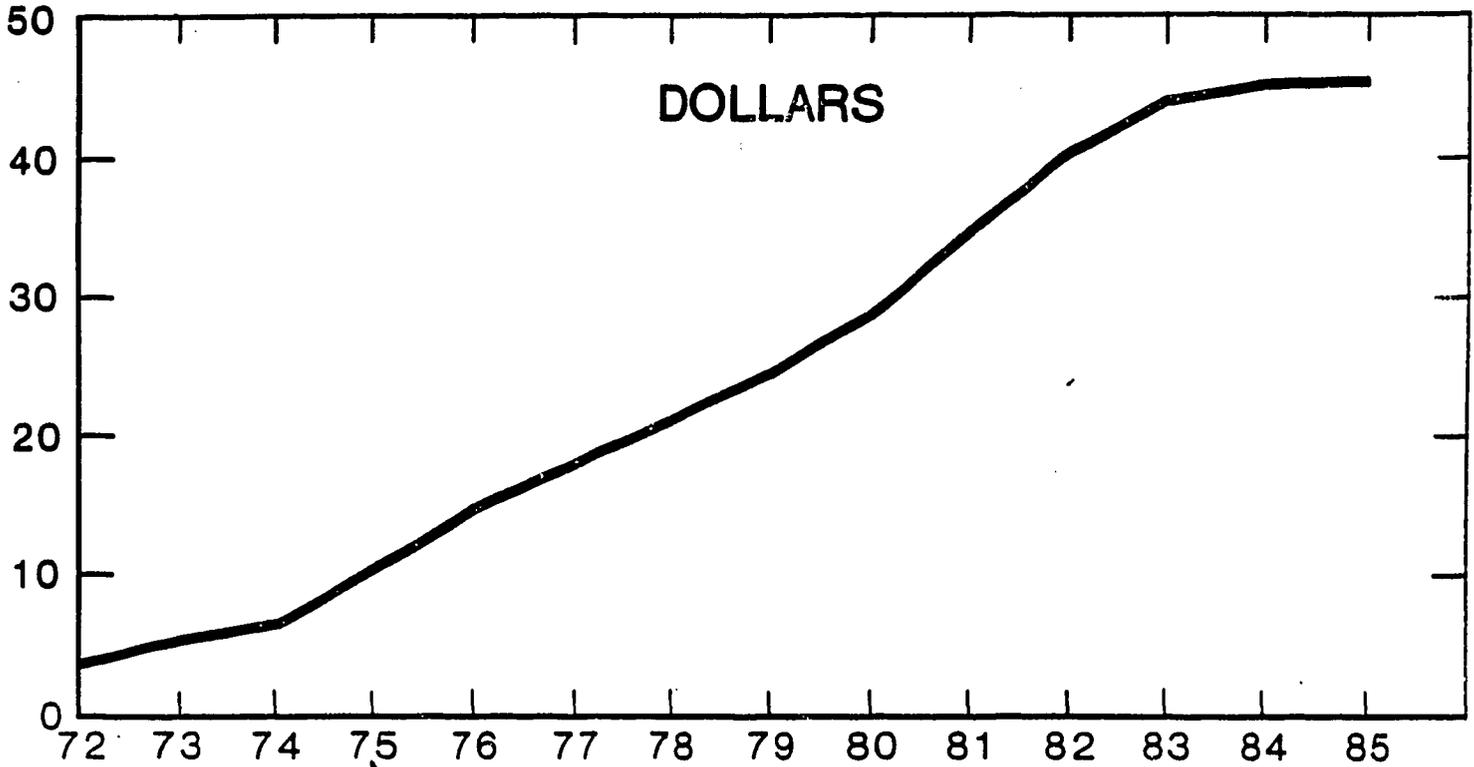
A.I.D. was one of the original founders of the CGIAR system. From its inception, A.I.D. has maintained its commitment to provide up to 25% of the total core funding of the centers. Table 1 lists the A.I.D. funding, total center funding and percentage represented by A.I.D.'s donation for each year since the system was first operational in 1972. During its first six years, donor funds were sufficient to meet the financial needs of a growing system. A.I.D. was able to provide matching support at less than the 25% level, and still see the centers well funded. The situation changed gradually; by 1978 the A.I.D. contribution had established itself at roughly 25%.

The increases in the A.I.D. contribution during the 1970s reflected the growth both in the number of centers and in the size and scope of their facilities and programs. In absolute terms, our contribution grew the most in the later 70s and early 80s, when it increased by about 5 million dollars each year, a 15-20% growth rate (see Table 1 and Figure 2). Although the centers were still growing, the prevailing inflation during the period was a major force in the rapidly increasing budgets.

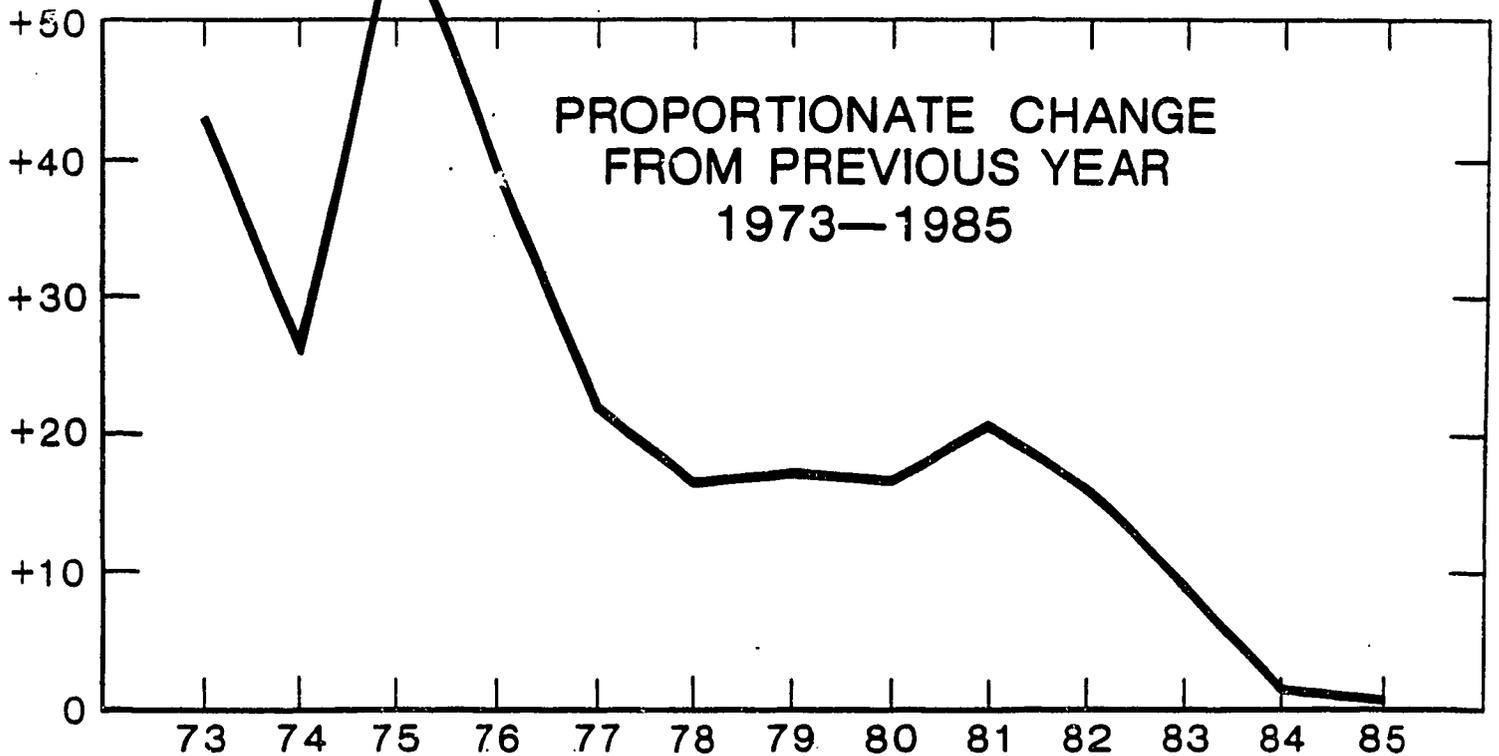
Figure 2

AID CONTRIBUTIONS TO CGIAR CENTERS, 1972—1985

Millions of Dollars



Percent



Source: Table 1.

Since 1982, the rate of growth in the A.I.D. contribution has fallen rapidly, becoming virtually zero between 1984 and 1985. Given the matching nature of our support, the reasons for this are the same as those affecting the overall budgets of the centers. The strength of the dollar has been of particular importance in holding down the growth in the A.I.D. contribution. The World Bank contribution would have been similarly affected, but the matching percentage it provides has gradually increased from 10 to 15% during the same period, so its finite contribution has continued to grow.

Though A.I.D. has sought not to exceed the 25% level in its contribution in recent years, it has in the final analysis exceeded that level on several occasions. When the dollar has rapidly revalued during the year, an amount initially planned as 25% one year turns out to have constituted 26 or 27% when calculated against currency values at the end of the year. During those same years the value of European and Japanese contributions have significantly eroded in dollar terms. Under these circumstances, A.I.D. has not tried to recover its excess contributions. Furthermore, we have not increased amounts to compensate for a falling dollar when the A.I.D. percentage has fallen below 25% (1979 and 1980). The Agency has found this policy to be reasonable given the rapid changes in currency exchange rates that have occurred in recent years.

The current outlook is for the low rate of CGIAR budget increase to continue. A.I.D. planning figures for FY 1986 through FY 1991 assume annual increases in

the neighborhood of 3-5% in nominal terms, and even these may be high. In many respects the CGIAR activities have reached their mature sizes, and several may eventually decline in size as more activities are shifted to the national research programs. The large increases of past years have been replaced by an almost stable budget.

3. Comparison with other A.I.D. Agricultural Budgets

The Committee reviewed the relevant agency accounts back as far as 1979, when the S&T agriculture budget began to feel the pressure of a rapidly growing CGIAR account and the just initiated Collaborative Research Support Programs (CRSPs) with U.S. universities. The percentages of resources of relevant accounts represented by the CGIAR contribution are listed in Table 2. Real increases in the proportion of resources allocated to the centers occurred from FY 1980 to FY 1982. However, since FY 83, the CGIAR account has stabilized relative to five other major accounts (Figure 3). In FY 85, its percentage share dropped slightly, reflecting the nearly static level of A.I.D. funding of the centers.

When the CGIAR account is calculated as a percentage of the S&T/AGR budget, the pressure placed on the other activities undertaken by that office is evident. However, the pressure on the budget of S&T/AGR has resulted from other factors as well. From FY 82 through FY85, the budget of S&T/AGR exclusive of the CGIAR account, has declined in both real and nominal terms.

Table 2. AID Functional Accounts, FY1979-FY1985
(\$000s)

<u>Account</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
FDAP&Sahel	1,222,304	1,239,855	1,308,909	1,395,993	1,441,418	1,468,294	1,823,987
ARDN (tot.)	614,160	630,834	652,216	709,078	725,804	723,018	760,206
ARDN (grant)	319,676	288,129	354,916	424,905	436,725	427,114	541,742
ARDN (S&T)	73,399	75,281	81,440	108,732	107,407	113,893	117,970
S&T/AGR (tot.)	49,592	54,810	60,556	80,246	80,763	83,683	81,245
S&T/AGR ¹ /(net)	24,792	25,810	26,466	39,461	37,013	38,433	36,245
AID/CGIAR	24,800	29,000	35,100	40,785	43,750	45,250	45,432

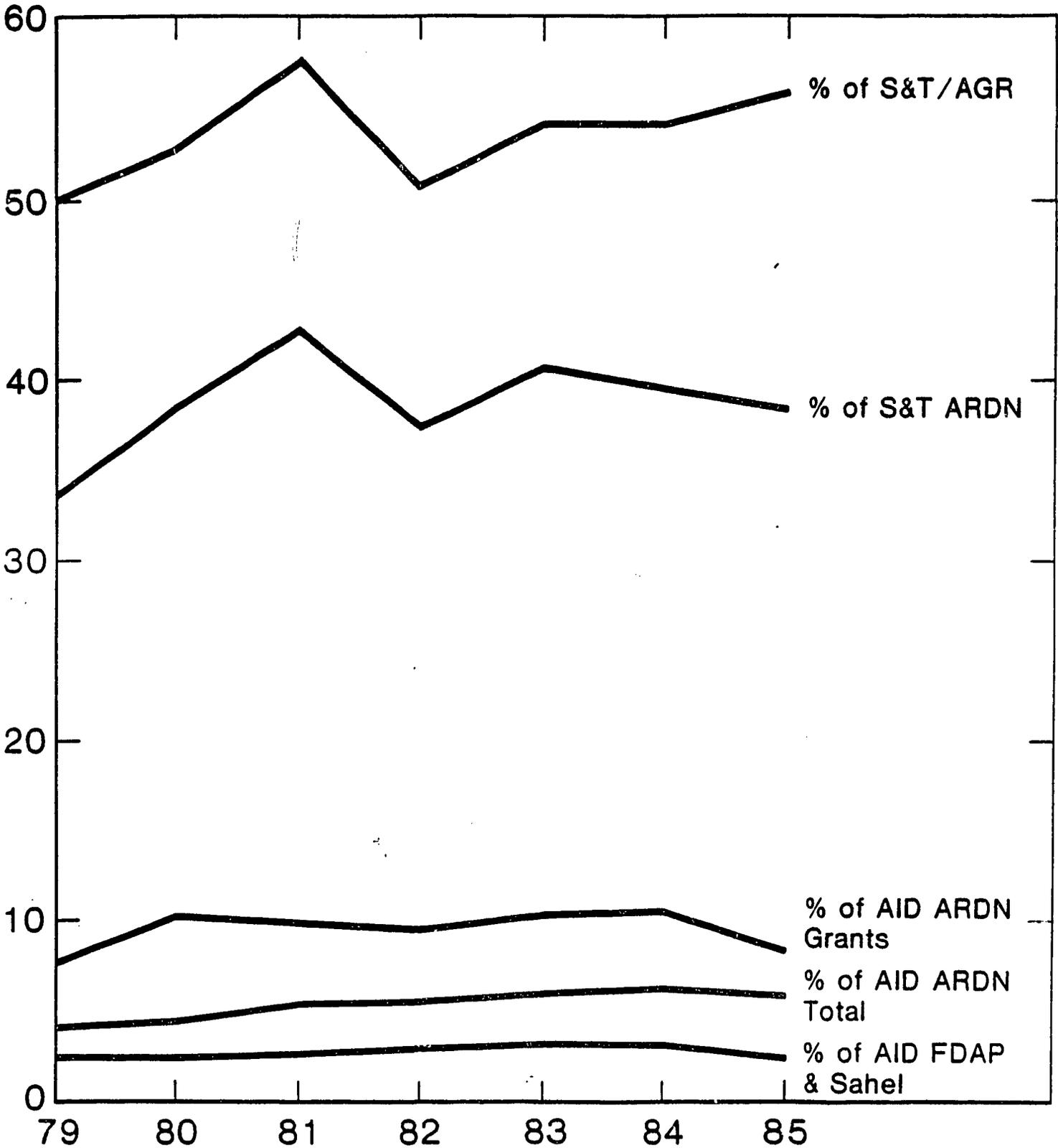
Relationships of CGIAR and Relevant Accounts
(%)

ARDN % of FDAP	50.2	50.9	49.8	50.8	50.4	49.2	41.7
CGIAR % of FDAP	2.0	2.3	2.7	2.9	3.1	3.1	2.5
S&T % of ARDN	12.0	11.9	12.5	15.3	14.8	15.8	15.5
S&T % of ARDN (grnt)	22.9	26.1	22.9	25.6	24.6	26.7	21.8
CGIAR % ARDN	4.0	4.6	5.4	5.8	6.3	6.3	6.0
CGIAR % of ARDN (grnt)	7.8	10.1	9.9	9.6	10.1	10.6	8.4
CGIAR % of S&T (ARDN)	33.8	38.5	43.1	37.5	40.7	39.7	38.1
CGIAR % S&T/AGR	50.0	52.9	58.0	50.8	54.2	54.1	55.9
S&T/AGR ¹ /% S&T (ARDN)	33.8	34.3	32.5	36.3	34.5	33.8	30.7

1/ S&T/AGR budget net of CGIAR

Figure 3
CGIAR CONTRIBUTIONS AS PROPORTION OF
VARIOUS AID BUDGET ACCOUNTS
FY 1979 TO FY 1985

Percent



Source: Table 2.

So even though the CGIAR account has for all practical purposes quit growing, there has been little budgetary relief for S&T/AGR centrally funded programs. The shift of the centers to a line item in the PPC Bureau Budget will provide for easier interpretation of the S&T/AGR budget. Though the centers will still compete with all agricultural programs for agency funding, they will be seen independently, as will the amount of resources being allocated to other centrally funded agricultural projects and activities undertaken by S&T/AGR in particular.

Of particular interest to some A.I.D. missions has been the impact of the centers (and other centrally funded programs) on the grant funds available in the Agriculture, Rural Development and Nutrition (ARDN) Section 103 account. Since 1979, the proportion of 103 Account grants going to the S&T Bureau has remained almost stable; most recently it has declined slightly. In terms of total ARDN money, the percentage allocated to S&T jumped from approximately 12% to 15% in 1981-1982. In years following 1982, the percentages of all ARDN monies going to either S&T or the centers have been relatively stable, with a slight decline in FY 1985 which is expected to continue in FY 1986.

Although grant funds will probably remain scarce, the removal in 1984 of the Congressionally-imposed loan floor relaxes somewhat the concern that the CGIAR grant is competing with very scarce grant funds (as opposed to loan funds.)

4. Bilateral Funding of Special Projects

In recent years, there has been a substantial increase in the number and size of special projects funded by A.I.D. Regional Bureaus and Missions. The level of funds going to the centers in this manner has risen from about \$8 million in 1982 to approximately \$12.7 million in 1984. This trend has not involved every center but has been widespread.

The Asia and Africa Bureaus and the A.I.D. Missions in those two regions have made by far the most use of centers as contractors or subcontractors in A.I.D.-funded projects. The projects vary in nature but for the most part involve efforts to strengthen and improve the capabilities of national agricultural research and extension programs. In some regional projects, centers are helping to provide backstopping for research efforts in a number of countries. In one new approach, U.S.A.I.D./Jakarta is working with a group of centers to provide long and short term assistance to a large research and development project for the host country national programs.

The Committee sees the increase in A.I.D. bilateral or regional special projects as consistent with Agency goals. First, A.I.D. has placed increased emphasis on developing national research capabilities, which are seen as crucial to effective adaptation and use of new agricultural technologies. Many of the centers are at the point in their development where outreach has become a significant portion of their program. Centers have also sought

special projects to help compensate for reductions or lack of growth in their core programs because of the tight financial situation of the past few years.

The Committee sees certain advantages to the support of special projects to the achievement of specific goals, but wishes to underline the fundamental difference between these activities and the centers' research funded through A.I.D.'s core contribution. The activities funded by the A.I.D. Missions and Regional Bureaus generally involve outreach from the centers, in which center scientists work with country officials and researchers to strengthen national research institutions, develop new technologies or modify existing ones for the specific needs of the host country. Such projects often feature institution building, seed production, extension and training, in contrast to core activities which strongly emphasize research. Special projects draw on the pool of resources available from the center, using improved germplasm and technology and information generated by the core research program. From the center's point of view, a project in which it is involved should complement or directly support its overall mandate. For it to do otherwise could dilute or distract the center from its main research mission. In fact, in many cases research conducted with bilateral or regional funding has made important contributions to the overall program of the center.

There is some variation in the amount of overhead charged by the centers to undertake special projects funded by A.I.D. and other donors. A typical figure of about 20%, meant to cover the costs of support and management of the

project, probably underestimates the real costs to the center involved in taking on a donor-funded project. In some cases, little or no overhead is charged. This question is currently under review in the on-going Finance and Budget Study of the CGIAR centers (a donor-funded study of financial planning and budgeting within the CGIAR). The A.I.D. Committee believes the issue of fair and realistic overhead charges to be of special interest to core donors such as the U.S., who otherwise may indirectly subsidize special projects. A.I.D. should encourage efforts in the CGIAR system to develop a schedule of overhead charges which more fully reflects the actual costs to a center associated with special projects.

5. Indirect U.S. Contributions through Multilateral Organizations

A number of multilateral organizations contribute to the the core budgets of the CGIAR centers. Principal among these are the World Bank (IBRD), the Inter-American Development Bank (IDB), the United Nations Development Programme (UNDP) and the International Fund for Agricultural Development (IFAD). The largest contribution from this group of donors comes from the World Bank. The World Bank also plays a crucial role as donor of last resort, using its contribution to close gaps in donor funding of centers' TAC-approved budgets.

The United States and other developed nations contribute directly as CGIAR members and also contribute indirectly through their participation in

multilateral organizations. Not all developed nations contribute to all multilateral organizations. For example, the European nations are less involved with IDB than the United States, but contribute through the Commission of the European Communities (EEC). Apart from the IDB and EEC, and allowing for differences in size and per capita GNP, most CGIAR developed-nation members contribute proportionately to the CGIAR center through multilaterals.

III. THE CGIAR BUDGET DECISION-MAKING PROCESS

A. The Nature of the Budget Process in CGIAR and AID

In both A.I.D. and the CGIAR, center budgets are developed during a cycle of approximately two years' length. The complementarity of the two processes allows for a significant degree of interaction between A.I.D. and the CGIAR. A time line showing significant points in the development of CGIAR and A.I.D. budgets is illustrated in Figure 4. A more detailed description of the budget processes for funding of the centers by both the CGIAR and A.I.D. is found in Annex 2 of this report.

In addition to the formal budgetary process, both A.I.D. and the CGIAR engage in longer term planning and forecasting. The CGIAR Integrative Report produced each year contains a chapter titled "Long Term Financial Trends", which provides the donor community with some indication of what the system's needs are expected to be for the next five years. These estimates, along with other factors such as inflation, A.I.D. funding availability, the capabilities of other donors, and any other trends that might affect the centers' budgets are used by S&T/AGR to develop forecasts of A.I.D.'s contribution.

Figure 4. IARC FUNDING CYCLE (1986)

<u>A.I.D.</u>	<u>1984</u>	<u>CGIAR</u>
	J	
	F	
*Agency Approved Planning Level	M	
	A	
	M	
*A.B.S. (FY 86)		Preliminary system-wide estimate based on donor contracts at Spring CGIAR meeting.
	J	
	A	
*A.I.D. Request to OMB	S	
	O	*Revised estimate developed following donor pledges for 1985 at International Centers Week.
	N	
*A.I.D. "mark" received from OMB	D	*1986 budget guidelines released to centers.
	<u>1985</u>	
*CP (FY 86)	J	
	F	
	M	
	A	
	M	*Benchmark levels verified with donors at Spring CGIAR meeting.
	A	
	M	
	J	*CGIAR Secretariat reports levels to TAC. TAC approves budgets for each center.
	J	
	A	
*A.I.D. Fund Bill - OYB Announced. A/AID authorizes 1986 maximum level.	S	
*A.I.D. pledges funding at International Centers Week.	O	*Donor pledges made at Int'l Centers Week. Revised estimate prepared and given to donors.
*Decisions made for allocation among centers. 1st tranche PIO/Ts processed.	N	
	D	
	<u>1986</u>	
*Advice received from CGIAR Secretariat re position of other donors and expected funding levels.	J	*Contracts with donors continue, revisions, late funding pledges, centers advised of developments.
*2nd tranche PIO/Ts prepared if needed.	F	
	M	
	A	
	M	*Funding of almost all donors firm.
	J	
	J	
	A	
	S	*Funding from all donors firm
	O	Final revisions in center budgets.
	N	
	D	

B. Allocation of A.I.D. Funds to the Core Budgets of Centers

1. Considerations in Determining Allocations

The Committee reviewed the range of considerations affecting the allocation of A.I.D. resources among the centers. The exact amounts to be contributed to each center emerge from consideration of Agency priorities, information from staff and outside sources, and application of a variety of other criteria related to the needs addressed by a center's programs, and their actual or potential impact. The monitoring and assessment activity that underlies the allocation decisions, which is essentially continuous in nature, culminates in annual commitment to individual centers in the context of the decision affecting overall A.I.D. support to the CGIAR.

Although the CGIAR is recognized as an independent system due to its multilateral nature, A.I.D.'s support to and involvement in the system has been guided by basic goals and policies of A.I.D. It has been the Agency's policy to urge each IARC to focus its program, with emphasis on a limited number of important crops or livestock with substantial potential. A.I.D. has strongly supported the system's emphasis on commodities important to the diets of rural and urban low income groups. The Agency has also supported the inclusion of strong economics and social science capability at the centers, since new technologies must be economically sound if they are to be adopted by farmers. But it can also be said that, after fourteen years of the

CGIAR, our goals do not differ substantially from those of the other major donors. This conjunction has helped to build the consensus under which the system operates.

Numerous considerations influence A.I.D.'s determination of its contributions to the individual centers. Most considerations are applicable in some respect to all of the centers, although not to each in the same degree. The Committee believes that flexibility is desirable and should be maintained. The actual amount of A.I.D. support can be interpreted in two ways--as a percentage of the recipient center's budget and in terms of absolute value. Thus, a 30% level of support for one center may signal strong support but does not necessarily indicate greater importance to A.I.D. than, for example, 22% A.I.D. support, but a much higher actual dollar level, for another center.

The broad considerations used in A.I.D. funding decision are summarized below. As noted above, their importance varies from center to center.

Importance of center commodities to LDCs- Factors here include dietary importance, nutritional value, production value and demand, and both current and potential role (globally, regionally) of the commodity in developing countries. A.I.D. priorities are given special consideration.

Production potential of target areas- This consideration can influence funding decisions in several ways, highlighting either the great productivity or potential of some areas, or the limited potential but still significant needs of others. Especially noteworthy are the less favored production areas on which some of the centers focus their programs, and the resulting difficulties in conducting research and generating new technologies.

Population- In assessment of a center's importance, population of the areas of impact can be a basic consideration.

Regional Bureau and Mission Input- An active dialogue exists between central bureaus and the Regional Bureaus and Missions. IARC issues are discussed formally in sector councils and regional officer meetings, and informally during visits to Missions by S&T staff or Washington visits of mission staff.

Field Interaction between AID and IARCs- S&T staff monitor all types of interaction between A.I.D. and the centers. Of special interest are bilateral special projects and other regional activities sponsored by Missions and the Regional Bureaus.

Results of reviews and other studies- Centers undergo extensive program and management reviews every five to six years. These provide A.I.D. and other donors with comprehensive assessments of all aspects of center activities. A.I.D. uses these, plus evaluations from other sources, to assess the centers on an individual basis.

Program quality and performance- Frequent and in-depth interaction with the centers provides A.I.D. with much of the information it needs to judge the center programs. In addition to the system's review mechanisms (TAC, boards, etc.), S&T staff visit nearly every center on at least an annual basis (usually at the annual board meeting). The Committee noted with approval the establishment within the last two years of the A.I.D.-sponsored Scientific Liaison Officer activity. A non-A.I.D. U.S. expert (generally from a university or USDA) in a field related to a specific center is recruited to visit that center on a regular basis. These liaison scientists advise A.I.D. on many technical issues, and provide informed commentary on scientific and program matters at the centers. S&T staff in addition maintain contact with a range of other U.S. researchers and development professionals familiar with the centers.

Stage of center development- A.I.D. takes into account a center's stage of development when evaluating its programs, performance, outreach and impact.

Relationships to national programs- The situation of each center in relation to the national programs with which it collaborates is of interest to A.I.D. Generally speaking, cooperation with local research and extension agencies is seen as a positive and necessary part of center outreach programs. However, the nature and extent of such linkages vary, depending on the center and the strength of the national programs. A.I.D. considers the role of such outreach, and its impact on the program and budget of a center.

Needs of the system as a whole- A.I.D. constantly considers its actions from the point of view that the CGIAR is a system, and that our actions affect the entire system. There is a sense of shared responsibility among the major donors which undoubtedly helps the consensus system to work.

Unique nature of center programs- For some tropical crops and animal diseases, the research programs are the principal efforts being made worldwide. A.I.D. takes into account the uniqueness of certain efforts, recognizing that if they were not undertaken, no other institution would fill in the resulting gaps.

AID priorities and goals- Although A.I.D. priorities influence consideration of most factors, on occasion they are especially important in establishing the funding level for a center, e.g., for IITA, which conducts food crop research for Africa, an area of special importance to A.I.D.

In addition to the above criteria, A.I.D. also monitors other factors which occasionally influence the allocation process. Significant management changes, political or economic difficulties in the host country, or other special problems may prompt special consideration on the part of A.I.D. Continuity of program is one of the fundamental advantages of the research center approach, and on some occasions A.I.D. might temporarily move to preserve this continuity during a difficult period. Conversely, our funding can be used on occasion for leverage on an issue of particular concern to the Agency. Fortunately, since the system has mechanisms to deal with problems or specific concerns of donors, unilateral action on the part of A.I.D. seldom occurs.

2. Process for making decisions

The decision-making process involves several steps. First, the centers are arranged in groupings roughly along the lines of similar mandates and size: CIMMYT and IRRI; CIAT, IITA, ICRISAT, and ICARDA; CIP, ILCA and ILRAD; IFPRI, IBPGR, ISNAR; and WARDA. The A.I.D. staff proposes levels for each center

based on the various factors discussed under the previous heading. The focus is on the individual center and its programs, but some consideration is given to our expectations of external developments affecting other donor support or system-wide balance. Consideration of all these factors allows A.I.D. to be selective in its funding of the CGIAR centers. The final proposed distribution amounts to a total constituting 25% of the system-wide budget. The A.I.D. core funding to the centers in 1984, along with the percentages of core program those contributions represented, are listed in Table 4.

Generally, the A.I.D. percentage for a given center falls in the range of 20 to 30%. The principal exception is WARDA, which has not received core funding from A.I.D. since 1978. Occasionally, A.I.D. support to a center has exceeded 30%, but this has generally been the result of special circumstances (exceptional need, donor shortfall, exchange rate changes, etc.) The Committee believes that a broad base of donor support is beneficial for a center, and thus recommends that A.I.D. core funding should not constitute more than 35% of any center's core budget, except under unusual circumstances and then only for short periods.

Final judgments are not strictly quantitative, but are made on the basis of considerations that are weighted differently from center to center. The inherent complexity of this process means that formulas or other set mechanisms for determining A.I.D.'s contribution are by themselves inadequate. On occasion A.I.D. can vary its contribution in order to help

Table 4. A.I.D. Core Funding of CGIAR Centers, 1984

Center	Total CGIAR Core Funding	A.I.D. Core Funding	A.I.D. as Percentage of Total Core
	- millions of dollars -		- percent -
CIAT	23.6	5.6	23.7
CIMMYT	20.8	6.0	28.8
CIP	9.7	2.3	23.7
IBPGR	4.0	0.9	22.5
ICARDA	20.9	5.3	25.4
ICRISAT	21.7	4.85	22.4
IFPRI	4.3	1.4	32.6
IITA ^{1/}	20.7	6.3	30.4
ILCA	12.6	3.2	25.4
ILRAD	9.1	2.5	27.5
IRRI	19.8	6.0	30.3
ISNAR	3.3	0.9	27.3
WARDA	2.3	0.0	0.0
Total	172.8	45.25	26.22^{2/}

^{1/} Preliminary.

^{2/} Level exceeded 25% primarily due to increase in dollar value during 1984.

Source: CGIAR funding from CGIAR Secretariat, May 1985.

ensure a continued commitment to quality and relevance of program throughout the entire system or to emphasize particular development concerns, e.g., the special needs of Africa. The overriding concern in our funding decisions is whether a center has a distinct comparative advantage to conduct research on a certain topic, or whether that area is better left to other research institutions (e.g., universities) or development agencies.

The Committee sees the A.I.D. approach as positive and complementary to a proposed new system for the funding of the CGIAR centers. In its current study of financial management and budgeting in the centers, the CGIAR is giving considerable attention to developing provisions to enable donors to support individual activities at centers, without detriment to an adequate level of overall operations support.

Under the proposal, a two-tiered core budget system would emerge, covering two distinct program areas. (Special projects would remain a separate, non-core category.) The first tier of the core budget would comprise long-term activities basic to the operation and mission of each center. It would be the largest portion of the budget, thus preserving the funding for on-going activities essential to the center's operation. The second tier would feature more discrete, specialized activities related to the mandate of the center. Such activities would be of shorter duration or subject to more frequent review. The system under study would allow donors to associate themselves with these activities at the margin of their contribution (approximately 5-20%).

The Committee believes this proposed new budget process should receive careful consideration. At the same time, the Committee recognizes the importance of unrestricted contributions which leave program planning decisions in the hands of the center management, center boards of trustees and TAC, who are in the best position to evaluate opportunities and potential returns to research. The final decision on the proposed new budget process is expected to be made during International Centers Week in October 1985.

IV. EVALUATION OF A.I.D. CONTRIBUTION TO CGIAR

A. Benefits from A.I.D. Contribution to CGIAR

To evaluate the benefits from A.I.D.'s contribution to the centers, the Committee did not undertake a full-scale evaluation of the centers. It met with key individuals leading the on-going CGIAR-sponsored Impact and Budget and Finance Studies and is confident that these studies are important components of an in-depth evaluation. The Impact Study, financed by several CGIAR donors (including A.I.D.), is being conducted by a group of independent consultants under the policy guidance of an advisory group headed by Dr. Frank Press, President of the U.S. National Academy of Sciences. The study is focusing on the impact of the CGIAR on agricultural research capacity and agricultural production in developing nations. The information generated by the study should be of considerable use to A.I.D. and other donors in their appraisal of the effectiveness of the IARCs. The Committee recommends that A.I.D. continue to closely follow the study, whose proceedings will be presented at International Centers Week in late October, 1985.

Instead, the Committee decided to assess broadly the centers and their programs, particularly as they relate to A.I.D.'s overall agricultural development efforts. To do this, the Committee drew heavily upon the knowledge and experience of the U.S.A.I.D. Missions and Regional Bureaus. Members of the Committee also participated in the 1984 International Centers

Week meetings and had considerable opportunity for interaction with a number of individuals familiar with the centers and their work. Committee members and their supporting staff visited a total of eleven CGIAR centers during the period this report was in preparation.

The Committee developed two questionnaires to tap the knowledge and expertise in the Missions and Regional Bureaus. The first focused on in-country interaction, Mission-IARC relationships and IARC interaction with the national programs. It was developed with the Agricultural Sector Council, and was cabled by the Regional Bureaus to all A.I.D. Missions and regional support offices. The second questionnaire was sent to the Assistant Administrator of each Regional Bureau, and was intended to address region-wide matters and Regional Bureau funding issues and perspectives.

The response rate to both questionnaires was high. More than fifty Missions responded. Replies were generally both comprehensive and thoughtful. Many contained much that was original, both in the information reported and in the form of suggestions and analysis. The Regional Bureaus conducted in-depth analyses of the mission replies, and integrated these into their responses. The response received from each Assistant Administrator is included in the Annex 3 of this report.

Nearly all missions rated agricultural research as important and integral to their country's needs. In many cases it is a prominent part of the A.I.D.

bilateral program. In most cases, there was agreement that centers were effectively addressing problems important to food production and agricultural development and therefore are an integral part of the Agency's agricultural efforts.

Adaptive research was cited by the Missions as the most important area of center activity, especially if there are collaborative ties to the national programs. Training was seen as a critical activity, and complementary to all other efforts, especially in those countries where national efforts suffer from paucity of trained researchers. Information sharing activities were also given high priority, being of use to national programs and to A.I.D. directly in project design and other activities. Although basic research was given less priority overall, Missions in countries with greater national program research capability saw a growing need for the centers to interact in these areas, as well as in the more traditional germplasm and production related research activities.

A theme that ran through nearly all the responses was that much of the success of a center's work depended on an effective national research program. The role of the national program in adapting, refining and furthering farmer adoption of new technologies was seen as crucial, and of utmost importance to A.I.D. Missions and Regional Bureaus. The centers were seen as an integral part of this effort, providing not only technologies and expertise, but also continuity and technical memory for many countries where these would be

otherwise deficient. Missions saw the centers as an effective investment in institution building as well as technology generation and transfer, greatly reducing the resources and time needed to develop national program capabilities.

Missions saw a critical need for continued and increased personal contact between center scientists and national program researchers. A number of suggestions were received to improve center communication with national programs, which in some instances had not been as effective as it could have been. A.I.D. field staff favored increases in the number of center personnel posted in-country in association with national or regional programs, and more opportunity for visits by center scientists to national programs and by national researchers to the centers. It was pointed out that such exchange is of value not only to the national programs, but to the centers as well in their development of research priorities. Center outposted personnel were found to be key individuals in the active testing and adoption of new varieties and production technologies on the national level.

Missions and Regional Bureaus also noted a need for closer ties between A.I.D. field personnel and the centers. Inadequate staff time and travel money were seen as the greatest obstacles to greater A.I.D. staff familiarity with the centers' research and capabilities. The Committee believes A.I.D. should encourage reciprocal visits by center and A.I.D. staff, and that A.I.D. should foster opportunities for greater access to center activities by A.I.D. staff.

Missions also noted that the impact of the centers on national policies has in some countries been considerable. Probably the most notable effect has been through national policy makers' acknowledgment of the potential gains from research and policies conducive to technology adoption and greater production. Linkages to the private sector were generally limited, but in some countries were well developed. Many Missions believe that such ties should be strengthened, and that A.I.D. and other donors can play a role in developing these linkages. Seed production was the most frequently mentioned area of opportunity for interaction with the private sector, and one where A.I.D. had a direct interest and might play an active and integral role.

There was significant interest in the use of alternative funding sources to support center-related activities. In several cases, local currencies generated from PL480 or ESF are being programmed to meet the recurrent costs of national research programs and related activities. ESF and PL480 funds could be used for a variety of in-country backstopping activities by international centers, including workshops, training, information services and a variety of related research expenses incurred by the national program. Additional exploration of alternative funding of center outreach programs is merited, particularly in CDSS's for Africa, where the in-country role for centers is thought to be greatest.

The Committee believes that a summary of the Mission responses should be communicated to all field offices and bureaus. The matters discussed above

should be suggested as areas requiring further discussion and suggestion. The Committee will also extract salient points for communication to the centers directly, noting especially comments relevant to the mandate and program of each center.

B. The Overall Level of A.I.D. Support to CGIAR

As has been noted, the amount contributed by A.I.D. to support the core budgets of the CGIAR centers has been guided by the 25% policy since the inception of the CGIAR system. The Committee closely reviewed the 25% policy and its impact on the CGIAR and within A.I.D. There is no doubt that it has helped to provide continuity and confidence in the CGIAR centers. It has also acted to encourage other donors, probably less through the obvious financial incentive it provides them than through the strong A.I.D. support implicit in the 25% commitment (although the former has also undoubtedly been a factor).

The argument against providing 25% of the total core budgets of the centers is essentially a budgetary one. In view of the overall U.S. government budgetary situation, can we afford to continue providing 25% of the total CGIAR center core budgets? At present this is about \$45 million, a substantial amount of grant development assistance. To maintain a commitment of the magnitude of the commitment to the CGIAR centers means that there must be very strong justification. In other words, it must be demonstrated that the centers are

an essential part of A.I.D.'s overall development efforts and that the centers' operations are efficient and based on sound management.

Arguments favoring continuation of the 25% level are based to some degree on the belief that a significant deviation from this level would undermine the support to the centers coming from other donors as well. But the more basic argument comes back to the question of whether the centers and their programs merit support of such magnitude. Based on the response from A.I.D. Regional Bureaus and Missions, interaction with others outside the Agency and the review of other evidence, the Committee finds that the centers demonstrate the high degree of relevance and excellence needed to justify continuing substantial A.I.D. financial support.

As an internal mechanism, the 25% formula approach is simple and straightforward, placing the emphasis on allocation rather than on setting a system-wide level. Using a percentage approach when determining our overall support level gives maximum flexibility in a system where centers are dependent on many donors.

An alternative the Committee considered was a cap on the amount of the total contribution to the centers. A cap would offer a set amount for budget planning purposes, and protect against major increases in the face of overall U.S. Government budgetary stringency. Arguments against a cap were as follows: the centers are a critical element in agricultural development, the

growth in the account has been negligible for two years, and the outlook is for a continued low rate of increase. Stability and predictability gained from imposition of a cap would be relatively minor. Such a move could also be negatively construed by the centers and other donors at a time when resources available for research have been nearly stagnant.

The Committee took into account some related factors in its evaluation of the 25% policy. On a per capita contribution basis, the U.S. has ranked about tenth historically in support of the CGIAR, though with the recent strength of the dollar it has risen to eighth. Many of the higher ranking national donors have lower per capita incomes, and several support sizeable bilateral programs in addition to their multilateral efforts. The level is also consistent with that provided by the United States to a number of other international efforts, both assessed and voluntary.

The Committee wishes to stress that support at 25% in no way constitutes an entitlement. Rather, the programs of the centers should continually be judged on their merit and performance, and it should be these judgments that in the final account determine A.I.D. support. The amount must also be determined in light of A.I.D. resources available for support of agricultural programs and for the overall development budget. The Committee is confident that these criteria are satisfied at present. However, it believes that A.I.D.'s continued commitment to the 25% formula should be contingent upon the continued satisfaction of these conditions.

Therefore, the Committee recommends continuation of the policy that the United States contribute up to 25% of the total core budgets of institutions in the CGIAR system. However, in recognition of current, severe constraints on budgetary resources, the Committee also recommends that should this policy imply a significant increase in the U.S. contribution as a share of total U.S. development assistance resources available for agricultural development, the policy would be reconsidered. This might occur, for example, if there were a reduction in the Development Assistance budget, or if there were a sharp increase in CGIAR requirements caused by a fall in the value of the dollar. Such circumstances would have to be reviewed on an annual basis, taking into account the full range of considerations, before determining what departure from the 25% policy, if any, should be recommended. This approach would also permit, but not guarantee, some growth in the U.S. contribution to the system.

Additional support for special projects at selected centers from sources other than the PPC line item will not be affected by the 25% limitation on core support.

In the past, A.I.D.'s contributions to the CGIAR centers have been to support unrestricted core budgets. This approach has been based on the recognized need for U.S. leadership among donors to support CGIAR centers in a manner which maintains maximum flexibility and innovation in their research programs. Although this philosophy still appears sound, if the proposed recommendations of the Finance and Budget Study described above are adopted

by the CGIAR, it may be desirable in the future to provide some Central Bureau funding as restricted core funding to certain centers. Provision of both unrestricted and restricted core funds would permit the U.S. to continue to insure the viability of the centers through unrestricted contributions while also using a restricted core funding mechanism to ensure that centers work in areas of high priority to A.I.D.

C. Allocation of A.I.D. Contribution Among Centers

The mechanism followed in the allocation of the Agency's support to the CGIAR centers has been outlined in Part III of this report. The Committee found that on an overall basis, distribution of funding among developing regions appears to be adequately related to need and population. Current estimates are that roughly one-third of A.I.D. core funding to the CGIAR goes to support programs in Latin America, one-third to Africa, and one-third to Asia and the Middle East. The percentage of A.I.D. and CGIAR funding directed toward research in Africa has been gradually increasing as centers focus more of their resources on the problems of that continent. If special projects are included in these calculations, the African share of total A.I.D. funding to the centers increases substantially.

The TAC study on research strategies for the CGIAR system is addressing the question of relative emphasis on specific crops and other research priorities.

The resulting report will include an extensive review of the current and potential role for each crop in the CGIAR system in agronomic, nutritional and economic terms. The Committee expects that the report will be complementary to a variety of policy and strategy papers developed in A.I.D. Of particular interest is the recent paper approved by the Administrator on April 20, 1985, "Plan for Supporting Agricultural Research and Faculties of Agriculture in Africa", which emphasizes inter-country research networks on high priority food commodities that would likely be backstopped by international centers.

Although there appear to be no major discrepancies between A.I.D. priorities and those of the centers, there should be significant dialogue and exchange in the area of planning and research priorities. Activities such as the A.I.D. International Centers Day held prior to International Centers Week help to ensure this flow of information between the Agency and the CGIAR.

The Committee has noted the importance of communication within A.I.D. on issues related to the centers, particularly where there are implications for the agricultural activities of the Regional Bureaus and Missions. In order to increase the input of the Regional Bureaus and the Missions they represent in the funding process, the Committee recommends that an inter-bureau meeting of agricultural staff be held each year following International Centers Week. This meeting should include a report on the proceedings of the CGIAR meeting,

highlighting any issues of concern to A.I.D. There should also be discussion of the key budget issues, and advice of the Regional Bureaus should be sought in connection with any problem or situation where their perspectives would be especially relevant.

V. EVALUATION OF RELATED BUDGET QUESTIONS

A. Possible Additional Sources of Funding for CGIAR

As part of its mandated task, the Committee reviewed additional sources of support for the activities of the CGIAR centers. An area of particular interest is the private sector. Reflecting interest within the CGIAR as a whole, the CGIAR Secretariat has employed the services of a consultant to explore this topic. One result has been the establishment of the U.S. Federal tax exempt corporation "Friends of the Centers", in hopes of stimulating private contributions from U.S. corporate and other sources. The Committee strongly endorses this initiative.

The Committee also endorses the new "Fund Raising Activity" begun by the CGIAR Secretariat. A senior CGIAR Secretariat staff member has been assigned to lead this effort. The activity will be broad in scope, seeking new donors and contributions from a variety of organizations and agencies, including those in the private sector. It is too early to evaluate the effectiveness of the effort, but it may prove useful in gaining notice of the centers by potential donors who were previously not familiar with center activities.

Another area that is worth exploring is the use of royalties or patents on new technologies developed at the centers. In most cases, these would not be applicable, since the primary users of center technologies are national

programs who then adapt the technologies and provide them to small farmers free of charge. However, there may be instances when technologies could or should be exploited commercially (the development of a vaccine for immunization of livestock against a disease would be an example). Commercial involvement may be necessary to help spread the use of some technologies. In these instances, it would not be inappropriate for the centers to reap some economic benefit from their work. The question of royalties is particularly relevant to biotechnology. The Committee believes that research of this kind will continue to increase in importance at the centers, and that consideration of the optimal use of the new technologies it generates is important.

The Committee also considered the imposition of user fees by the centers to help offset the costs involved in technology development and thus relieve some of the pressure on center budgets. However, the principal clients of the centers are national research programs, many of which are not in a position, for various reasons, to pay for services provided by the centers. Special candidates for user fees are seed technology units, such as that established at CIAT. The possibility exists that in the future, as national agricultural research institutions become programmatically and financially stronger, they will assume a greater share of the financial burden for funding research. Several developing countries are members of the CGIAR, and some have made substantial contributions to those centers addressing their most pressing needs.

Other possible sources of funds have also been considered. For example, blocked funds belonging to an international corporation could be contributed to support center activities in a certain country. These and other novel ideas are worth investigating, but expectations must be tempered by recognition of the interests of other U.S. Government agencies in preserving sources of potential tax revenue. Furthermore, such sources do not seem to hold much promise for providing the kind of stable, long term funding that is so necessary to agricultural research. Nevertheless, such sources could help to finance major one-time local efforts, such as construction of facilities.

As noted under section A of Part IV of this report, the Committee also looked at the potential for the use of other funding sources within A.I.D. Of greatest interest were ESF and local currencies generated from the sale of PL480 commodities. There is some use of these sources at present in center-related activities, generally in support of national research programs. In this respect, they are different in concept from the core funding provided to the centers directly. However, the Committee finds much to recommend in-country research and training activities, and thus encourages A.I.D. support for initiatives where funds can be programmed for these purposes, which might include IARC backstopping efforts.

B. Centers and Center-Like Activities Outside the CGIAR

A number of IARCs and similar kinds of research activities exist outside the CGIAR. While the Committee was not charged with their review per se, it does wish to comment on their roles and their relationship to the centers within the CGIAR. As a group they include several diverse activities, mostly small in size. The International Fertilizer Development Center (IFDC), to which A.I.D. contributes \$4 million per year, is as large as the medium-sized CGIAR centers. Most non-CGIAR centers have effectively sought and received donor support on the merit of their programs.

A.I.D. provides substantial funding to several established centers outside the CGIAR, both in the form of core support (IFDC, AVRDC) and as special projects (ICIPE). Others in this group are quite new, and are more like decentralized research coordination programs than centers per se. This is especially true of IBSRAM (the International Board for Soils Research and Management), and to a lesser extent, of IIMI (the International Irrigation Management Institute). These two activities are envisioned to be dependent upon funding for bilateral programs, with core or headquarters activities generally moderate in scope. With the exception of IFDC, the amount of core funding A.I.D. provides to these centers is small relative to its investment in the CGIAR. The total amount (excluding IFDC) is about \$1.5 million dollars in 1985, with only slow growth forecast.

The Committee discussed the need for an A.I.D. policy on new center-like activities, regarding either direct A.I.D. support or entry into the CGIAR. It is apparent that from time to time, new research initiatives will be proposed for funding from A.I.D. and other donors. The Agency has been cautious in its willingness to take on new activities, particularly since center support, to be effective, must usually be fairly stable over the long term. There is also a tendency for the financial needs of such activities to grow as their programs expand, even in cases where bilateral programs are seen as the principal focus of activity. Given the very slow growth in Agency resources, the Committee believes that the caution exercised has been well founded and that it should continue. The existing centers (CGIAR and non-CGIAR) possess a wide array of expertise and equipment that they should in many cases be able to adapt to new research needs.

Nevertheless, despite funding limitations, the Committee sees little advantage to be gained from a rigid moratorium on support for new initiatives. It is impossible to predict what problems will arise or which research areas will be recognized as being of very high potential impact. In some cases, new and specialized organizations may be the most effective and reasonable way to address a problem. Nor would the Committee endorse an indefinite freeze on new research activities to be admitted to the CGIAR. It is important to note that such entry does not necessarily entail additional A.I.D. funding, since it is likely that A.I.D. (and other CGIAR donors) would already be providing funding to the prospective entrant on an individual basis. There are also

many managerial, technical and scientific services, such as the Technical Advisory Committee (TAC), that come with membership in the CGIAR which are helpful to donors in their evaluation and assessment of centers and their programs.

The Committee believes A.I.D. needs to preserve its flexibility in response to these initiatives, bearing in mind the commitment that any new one may represent. The Committee also believes that, to the extent merited, the CGIAR should be a dynamic organization, reflecting the change and progress inherent in the field of agricultural research. Along these same lines, A.I.D. needs to be cognizant of activities which may over time be more appropriately located outside of a center-type institution. Some activities may be most advantageously addressed by national research programs, particularly as they become stronger and more capable over time. The situation may arise where A.I.D. may deem that a center approach is no longer the most efficient way to solve a particular problem. The concept of comparative advantage is central to such considerations, and it should continue to guide A.I.D. in these matters.

C. Administration and Management Responsibility for CGIAR Affairs in A.I.D.

In the past, the administrative and management responsibility for A.I.D. involvement in the CGIAR system has been located within the Office of Agriculture in the S&T Bureau. S&T/AGR has provided the administrative

guidance and a two person CGIAR Staff (also responsible for several non-CGIAR centers). This unit has been responsible for project management, and proposes A.I.D. program and budget positions by drawing on its own technical expertise and that available elsewhere. The program and budget process undertaken in S&T/AGR is discussed in Part III of this report, and is described in detail in Annex 2.

The Committee found S&T's management of the centers to be a broad and multi-faceted activity, which has actively involved many parts of the Agency. In providing A.I.D. representation to the centers and the CGIAR system, the S&T Bureau has worked closely with the Regional Bureaus and Missions to ascertain and take account of their views on issues relevant to their respective mandates. In recent years, a variety of mechanisms have been developed to more closely involve other parts of the Agency with the centers. Activities such as A.I.D. International Centers Day, dialogue through the Agricultural Sector Council and the attendance of Regional Bureau and Mission staff at system and center meetings have proven useful in reaching these goals.

The placement of the CGIAR account in the internal budget of the PPC Bureau provides an additional aspect to the agency-wide approach to the CGIAR. In terms of program management, the Committee envisions a continuation in the lead role of the S&T Bureau in A.I.D. involvement with, and support to the CGIAR and the centers it supports. The PPC Bureau, as in the past, will

provide an agency-wide budget review, and will intensify its monitoring of the relationship and impact of the CGIAR budget on Agency resources.

The Committee believes that S&T/AGR and PPC/PB should continue to be the lead offices for their respective bureaus' involvement with management of the CGIAR account. Details of the administrative and managerial process are presented in Annex 4.

VI. SUMMARY AND RECOMMENDATIONS

The PPC-S&T Committee on the CGIAR was convened to review and evaluate A.I.D. financial support and related issues associated with AID's support of the CGIAR centers. Its overall findings support the continuation of A.I.D.'s leadership role as a major donor to the CGIAR system.

1. The 25% Policy

In its dialogue within and outside A.I.D., including questionnaire responses from more than 50 field missions, the Committee received strong endorsement of the position that agriculture and food issues must remain very high among Agency concerns and goals. These sources also viewed agricultural research as an essential part of the Agency's food and agriculture efforts and, in turn, the centers as an integral part of AID's agricultural research and development efforts. The centers were seen as complementary to, and not duplicative of, the other A.I.D. food and agriculture programs.

The Committee conducted an in-depth review of the A.I.D. budget impact of providing 25% of the total core funding of the CGIAR centers. Though the 25% commitment has resulted in substantial dollar support by A.I.D. for the centers, in recent years the contribution has not increased as a proportion of either A.I.D. Development Assistance funds or money available for agriculture, rural development and nutrition programs (Section 103 or ARDN account of

Development Assistance). If that were to change, either because CGIAR budgets grew rapidly or A.I.D. resources became severely restricted, the Committee believes the budget question would require additional examination. However, the Committee does not foresee any major shift from the current low-growth trend in CGIAR funding. The overwhelming evidence from the work of the Committee is that the centers play a critical role in development, are efficiently managed, and are worthy of our continued strong support. There is also a close relationship between A.I.D. bilateral country activities and the work of the centers.

The Committee recommends continuation of the policy that the United States contribute up to 25% of the total core core budgets of the CGIAR centers. However, in recognition of current, severe constraints on budgetary resources, the Committee also recommends that should this policy imply a significant increase in the U.S. contribution as a share of total U.S. Development Assistance resources available for agricultural development, the policy should be reconsidered.

2. Allocation of Funds Among Centers

The Committee gave considerable emphasis to research priorities for A.I.D. and the centers and how A.I.D. allocates its support to the centers. What emerged was a series of criteria, mostly technical in nature, but tempered by considerations of Agency priorities and CGIAR center requirements. The level

of support for each center, therefore, reflects a range of priorities and considerations, from potential returns to research, to the needs of the area for which the research is conducted. Continuity of research and the lead role of A.I.D. among donors to the CGIAR centers were also important considerations. The Committee found that funding provided to CGIAR centers varies from 0 to 32% of their individual core budgets (mostly between 20 and 30%) and ranges from \$900,000 (ISNAR, IBPGR) to \$6,300,000 (IITA) in 1985. (WARDA has not received core budget support since 1978.)

The Committee recommends that A.I.D. continue its efforts to allocate its funds on the basis of program quality, importance and relevance to Agency goals. The Committee approves of the moves in recent years to increase strongly support for centers judged most important according to the scientific, programmatic and budgetary criteria discussed in the body of this report, while providing less support to those seen as less relevant. The Committee also recommends that A.I.D. funding to a given center not exceed 35% of the center's core budget except under unusual circumstances and for short periods of time.

3. Unrestricted and Restricted Funding

The support coming from A.I.D. and several other principal donors of the CGIAR system has traditionally been of an unrestricted nature. The Committee recognizes that this approach has helped to provide the flexibility that has

been a key part of the center approach. The general pattern is expected to continue, but the Committee notes that the funding system is currently under study within the CGIAR and that the new system that may emerge would sanction a small portion (around 15%) of core budgets for targeted funding by donors. Should such a change occur it may become desirable for the Agency to associate some part of its core contribution to support activities of high priority or special interest. The Committee counsels that the Agency should continue to closely monitor and participate in the CGIAR deliberation of the issues related to unrestricted and restricted funding.

4. Alternative Funding Sources

The lack of substantial growth in funds available for the CGIAR centers in recent years has led to strong efforts to find new or different sources of funding for the centers. The Committee reviewed a variety of proposed sources of new funding (private sector donations, blocked funds of multinational corporations, user fees, etc.). Although some of these appear to have potential in certain situations (gifts of research equipment, etc.), they do not appear to hold promise for provision of substantial long term support required for the conduct of research. Nevertheless, the Committee supports the on-going efforts in the CGIAR to explore new sources of funding for agricultural research.

The Committee also explored the potential use of A.I.D. funds other than Development Assistance to finance center activities. There was considerable interest on the part of Missions in using local currencies generated by PL 480 sales or other sources, such as ESF, to help support research activities involving the centers. The Committee learned that several Missions are already using local currency funding to help meet the recurrent costs associated with host country-international center collaborative research.

The Committee recommends that A.I.D. Missions consider the use of local currencies generated from PL 480 or other sources, including ESF, to help defray the costs of in-country research and related activities conducted by national programs and international centers. Examples of uses include on-farm trials, demonstration plots, workshops and conferences, in-country training, costs associated with center scientist visits to national programs and publications and communications costs. Such activities, expensive for the centers to undertake on their own, can be conducted more frequently and more economically on a joint basis with the national programs and A.I.D., and perhaps with greater overall impact.

5. Interaction with A.I.D. Programs

Missions and Regional Bureaus made many good suggestions as to how interaction between A.I.D. and individual CGIAR centers could be increased and improved. The research and outreach programs of the centers and the technologies they

produce are the primary focus of A.I.D. interest in the CGIAR, and provide the best opportunities for A.I.D. interaction. An integral part of most of these programs is center cooperation and collaboration with national programs. This relationship is basic to the effective operation and impact of the centers and is wholly consistent with A.I.D. efforts to develop national research capabilities. The Committee found this to be an area where significant complementarity and interdependence between A.I.D. and the centers exist.

The Committee recommends that a continuing dialogue be maintained among A.I.D.'s Bureaus and Missions, and the International Centers, to seek ways to strengthen national research programs. The Agency should encourage the IARCs to actively consult the national research programs in defining problems and planning their research agenda. In some instances, A.I.D. can facilitate this dialogue by involving centers in its strategic planning for national programs, in project design, and in monitoring and assessment activities. The Committee also encourages interaction between A.I.D. and center staff in discussion and planning of center activities, particularly those related to in-country outreach. Such reciprocal involvement has had demonstrable benefits in many cases and should be continued and expanded. Greater opportunity for A.I.D. staff to visit the centers could significantly enhance such interaction and should be encouraged.

6. Information Sharing Activities

The Committee noted a widespread concern that information sharing and communication activities of the centers need to be improved and strengthened. This is an important issue for both national programs and A.I.D. Missions, who utilize technical information from the centers in day-to-day activities. Scientific exchange, IARC staff visits to national programs, workshops and other communication activities were seen as critical to the successful adaptation and adoption of center technologies on the farm level. Increased numbers and availability of publications are also needed, but the key area in the Committee's view was personal contact through visits to the national institutions by center researchers or center outreach scientists located in-country or in-region.

The Committee recommends that A.I.D. seek to promote increased center information sharing activities, especially training and in-country or in-region activities. A.I.D. should strongly encourage the centers' use of outreach scientists, as well as frequent visits to national programs by researchers located at center headquarters. A.I.D. should encourage the centers to provide A.I.D. Missions and Bureaus information on the communications resources they offer.

7. Training

The Committee found training by the centers to be of a very high priority for A.I.D. Missions and their host country national programs. Missions emphasized training in research but also expressed some interest in expanded and more effective training in extension. The greatest interest was reserved for shorter term research training, which was seen as being indispensable to efforts to build up the national programs. Such training is also consistent with the mandate of the centers, namely, to undertake and promote problem-focused research on food production in the developing countries. Special importance was attached to in-country training, which is seen as being especially relevant and cost-effective.

The Committee recommends that A.I.D. continue to use the research-related training activities offered by the centers to the fullest extent possible. A.I.D. should request the preparation of a system-wide training directory describing the array of opportunities available at centers' headquarters and in-country or in-region. The Committee notes that a system-wide study of training at the CGIAR centers is nearing completion, and is encouraged that the topic is receiving the attention it deserves.

8. Influence on Policy

Although not constituted to influence policy, centers have in some cases had a substantial impact on decision-making in client countries. Influence stems from the CGIAR centers' reputations as non-political, scientifically based institutions. Centers generally, but not always, have limited their participation to questions of the agricultural research agenda and allocation of resources for research and extension. The Committee found considerable interest among some A.I.D. Missions in finding ways to more actively involve centers in policy matters. Most significant among recent developments in this area are the growing impact of IFPRI and ISNAR, centers which focus directly on policy-related issues. In some cases, centers have become directly involved in policy matters with A.I.D. or other donor backing, but generally their influence has been more indirect.

The Committee recommends that A.I.D. encourage the continued involvement of IFPRI and ISNAR in policy-related matters where appropriate. The crops research centers also may be able to have an impact on policy, but A.I.D. should be cognizant of the sensitive nature of centers' positions and the complexities inherent in policy matters. The Committee continues to believe that in most cases, the best policy impact is to be achieved by effective support for the development of substantially improved, cost-reducing agricultural technologies. Such technologies can be

implemented in conjunction with, or help to stimulate, complementary policy reforms required to promote sustained increases in food production and farmer incomes. At the same time the Committee believes each center needs a core of competent policy-oriented economics and social science staff to analyze the policy implications of the center's research programs.

9. Linkages with Private Sector

The Committee reviewed the opportunities for center linkages to the private sector. Missions showed significant interest in this topic and many noted that substantial ties already exist. Seed production and agricultural mechanization were most often noted as existing or potential opportunities. The Committee is convinced that A.I.D. can be instrumental in helping to forge linkages between center and national research and development programs and private sector production and processing enterprises in varying country situations. Where appropriate, private companies could participate in the conduct of research trials or advise centers and national programs on significant production problems.

The Committee recommends that A.I.D. Regional Bureaus and Missions actively seek opportunities for the private sector to take advantage of the special expertise and resources available from centers. A.I.D. should also encourage center efforts to strengthen ties to private concerns active in agricultural production-related research activities.

10. Centers Outside the CGIAR System

The Committee also reviewed the programs and role of centers located outside the CGIAR system. A.I.D. funds several of these, and in most respects they differ little from the centers inside the CGIAR system. For a variety of reasons--geographic, political or programmatic--these centers or research network activities have remained outside the CGIAR, although they receive funding from generally the same group of donors. The CGIAR took action in 1981 to limit its own size by putting a moratorium on the entrance of new activities, primarily due to scarcity of funds. The Committee also notes that with the establishment of 16 international centers or center-like activities in the CGIAR and outside, considerable adaptability lies within existing institutions for the address of new research areas. A.I.D. has itself been prudent in funding new activities, which is wise in the Committee's view, since continuity of funding is an important requirement for effective agricultural research.

The Committee recommends that A.I.D. continue to exercise caution and restraint in providing funds for new center-like activities, particularly in that this generally implies a long term commitment. The Committee believes that A.I.D. should approach prospective additions to the CGIAR or new initiatives for centers or center-like programs on a case-by-case basis, with each activity being judged according to its merit and the needs it will address. The Committee thus does not support a set policy

on these questions, and urges instead that the A.I.D. maintain a flexible stance on what programs it chooses to support.

11. A.I.D. Management of CGIAR Activities

In recent years, the S&T Bureau has sought to increase the level of interaction between A.I.D. and the International Centers and has actively sponsored greater Agency involvement with center programs. The Scientific Liaison Activity mechanism helps to ensure that the Agency has access to the informed viewpoint of the U.S. scientific community, as well as fostering stronger scientific links between the centers and U.S. universities and research institutions. Many A.I.D. staff in S&T, the Missions and the Regional Bureaus are directly involved with the centers, and are in excellent positions to continually judge the effectiveness of center programs, as well as their integration into agricultural development efforts as a whole. The Committee strongly supports these efforts.

The Committee endorses the shift in the budget line for the CGIAR from S&T/AGR to PPC's internal budget undertaken because of the agency-wide nature of the CGIAR commitment. The Committee also reviewed the A.I.D. management mechanism utilized for the CGIAR activity, particularly in light of the budget shift to PPC.

The Committee recommends that A.I.D. technical and program management of its involvement in the CGIAR continue to be located in S&T/AGR. The overall process for decision-making for issues related to the centers should remain largely unchanged, and should actively involve S&T, PPC, the Regional Bureaus and the Missions. S&T should continue to provide the Agency leadership in substantive management of A.I.D. support to the CGIAR. PPC should provide an agency-wide budget review and overview function, and monitor the relationship and impact of the CGIAR budget on overall agency resources.

In order to increase the input of the Regional Bureaus and the Missions in the A.I.D. decision-making process related to the CGIAR, the Committee recommends that the responsible staff in S&T and PPC meet with representatives of the Regional Bureaus each year following International Centers Week. This meeting should include a report on the proceedings of the CGIAR meeting, highlighting any issues of concern to A.I.D. There should also be discussion of the proposed allocation of funds among the centers, and advice of the Regional Bureaus should be sought in connection with any problem or situation where their perspectives are especially relevant.

The Committee recommends that the Committee mechanism be retained, and that the Committee continue to be jointly chaired by DAA/PPC and DAA/S&T.

The Committee would not meet regularly or at any specified time, nor would it become involved in normal management of grants to CGIAR centers. The main purpose of the Committee would be to assess the overall core budget contribution policy, should there be a significant increase in the ratio of the U.S. contribution to the total of core CGIAR center budgets.

Annex 1: CENTERS SUPPORTED BY THE CGIAR, 1984

<u>Acronym</u> (Year Established)	<u>Center</u>	<u>Location</u>	<u>Research</u> <u>Programs</u>	<u>Geographic</u> <u>Focus</u>	<u>1984 Budget a/</u> <u>(\$ million)</u>
IRRI (1960)	International Rice Research Institute	Los Banos, Philippines	Rice Rice based cropping systems	Global Asia	22.5
CIMMYT (1966)	Centro Internacional de Mejoramiento Maiz y Trigo	Mexico City, Mexico	Maize Bread wheat Durum wheat Barley Triticale	Global Global Global Global	21.0
IITA (1967)	International Institute of Tropical Agriculture	Ibadan, Nigeria	Farming systems Maize Rice Sweet potato, Yams Cassava, Cowpea, Lima bean, Soybean	Tropical Africa Global Tropical Africa	21.2
CIAT (1968)	Centro Internacional de Agricultura Tropical	Calli, Colombia	Cassava Field beans Rice Tropical pastures	Global Global Latin America Latin America	23.1
CIP (1971)	Centro Internacional de la Papa	Lima, Peru	Potato	Global	10.9
WARDA (1971)	West African Rice Development Association	Monrovia, Liberia	Rice	West Africa	2.9
ICRISAT (1972)	International Crops Research Institute for the Semi-Arid Tropics	Hyderabad, India	Chickpea Pigeonpea Pearl millet Sorghum Groundnut Farming systems	Global Global Global Global Global Semi-Arid tropics	22.1

a/ CGIAR supported core budget, net of capital, at the bottom of the bracket (from 1983 Integrative Report.)

Source: 1984 CGIAR Integrative Report.

<u>Acronym</u> (Year Established)	<u>Center</u>	<u>Location</u>	<u>Research Programs</u>	<u>Geographic Focus</u>	<u>1984 Budget a/ (\$ million)</u>
ILRAD (1973)	International Laboratory for Research on Animal Diseases	Nairobi, Kenya	Trypanosomiasis Theileriosis	Global Global	9.7
IBPGR (1974)	International Board for Plant Genetic Resources	Rome, Italy	Plant genetic resources	Global	3.7
ILCA (1974)	International Livestock Center for Africa	Addis Ababa, Ethiopia	Livestock production systems	Tropical Africa	12.7
IFPRI (1975)	International Food Policy Research Institute	Wash. D.C., U.S.A.	Food policy	Global	4.2
ICARDA (1976)	International Center for Agricultural Research In the Dry Areas	Aleppo, Syria	Farming systems Wheat, Barley, Triticale, Broad bean, Lentil, Chickpea, Forage crops	Dry areas of West Asia and and North Africa	20.4
ISNAR (1980)	International Service for National Agricul- tural Research	The Hague, Netherlands	National agricul- tural research	Global	3.5

a/ CGIAR supported core budget, net of capital, at the bottom of the bracket (from 1983 Integrative Report.)

ANNEX 2: A.I.D. and CGIAR Budget Processes

A. Key Points in the CGIAR Annual Budget Process

The formal CGIAR budget process begins at the Spring meeting of the Consultative Group, at which time the CGIAR Secretariat informally seeks advice from donors concerning their situation or intentions for funding one and one-half years thence. Such information is preliminary and incomplete, but the Secretariat uses it to gain a sense of any major changes that donors can foresee. These indications are compiled, along with other information to develop a projection of funding for the year. At the meeting of TAC and the Center Directors in June, the Secretariat presents these estimates, often in the form of a range, noting the primary factors taken into account in developing the projections.

The Secretariat continues to monitor the funding situation, presenting revised estimates to donors and centers in the Integrative Report prepared for International Centers Week in late October/early November. During that meeting, informal discussion of donor intentions takes place. With this new information, the CGIAR Secretariat develops the budget guidelines for the next year. These benchmark levels, done on an overall and center by center basis, are sent to the centers early in the year to assist their budget preparation.

The centers then prepare their preliminary program and budget for the next year for submission to TAC according to the guidelines. The CGIAR Secretariat also verifies and refines these benchmark levels with the donors at the Spring meeting of the Consultative Group. With this information, the TAC works with the Center Directors and both secretariats to review and approve the budget for each center. When these are prepared, they are submitted to donors for their review sometime before International Centers Week. The entire budget process culminates with the pledging session during the Fall Meeting, at which point many donors announce their overall contribution. The specific allocations are generally communicated later, with these decisions often involving discussion with the Secretariat staff, who can advise donors on the status of individual centers or actions of other donors.

B. Key Decision Points in the A.I.D. Budget Process

The process in which A.I.D. determines the contributions it makes to the centers is a gradual one, since our actions are to some extent dependent on a variety of external factors. Each step in the process, beginning with the Annual Budget Submission (ABS), takes into account all the information available to the A.I.D. CGIAR Staff plus any additional factors of special interest to the agency. After the A.I.D. "mark" is received from OMB, another formal step is taken in the development of the Congressional Presentation (CP) level. At that stage, approximately nine months before the pledging session

takes place, a closer approximation of A.I.D. funding and system-wide budgets can be made. In some years, there has been little difference between the ABS and CP, while in others there has been a substantial decline, reflecting either A.I.D. funding stringency or reevaluation of other factors affecting the funding level.

In the following months, the planning for the budget becomes more detailed. A.I.D. staff attend center board meetings and all system-wide meetings, at which time A.I.D. can discuss program and budgetary issues with all parts of the system. Preliminary support levels are developed for each center on the basis of all information and discussions of the previous months, plus any specific agenda items of interest to the Agency. The CGIAR Secretariat prepares commentaries on the research program and financial strength of each center. In these, additional issues of interest to the donors are discussed, and projections of budget levels, with some assessment of their respective impacts, are provided.

In September, about a month prior to International Centers Week, an action memorandum is developed for the Administrator. In it, he authorizes the Senior Assistant Administrator for Science and Technology to publicly pledge that the U.S. will contribute 25%, up to a certain amount, of the total center core budgets. The limit that is set is a best estimate of what 25% will be, taking into account the status of CGIAR decisions. The pledge is always

made subject to Congressional approval and the Agency's own funding situation, and no binding agreement or assessment is ever made.

As the final budget level becomes increasingly clear, S&T/AGR staff and responsible S&T administrators further refine the estimates of AID's contribution to each center. In the month following International Centers Week, A.I.D. staff follow closely the outlook for other donor contributions, in case any adjustments need to be made in the total on which 25% is based. A final figure is set in early December and, if necessary, minor adjustments in center allocations are made. The overall level and the suggested distribution to each center are sent forward in an Action Memorandum, cleared by PPC/PB, for the approval of SAA/S&T before SER/CM begins to negotiate the grant agreement with each recipient center.

ANNEX 3: REGIONAL BUREAU RESPONSE TO CGIAR QUESTIONNAIRE

This annex includes the copies of the Questionnaire cabled to all A.I.D. field offices, and that sent as a memorandum to the Assistant Administrators of the Regional Bureaus. The replies of the Regional Bureaus, based in large part on the response of the Missions in their regions, are also attached.

UNCLASSIFIED

AID/AA:(REGIONAL BUREAU)
11/02/84 EXT:
AID/AA:

ROUTINE ALL MISSION DIRECTORS

AIDAC

N/A

SUBJECT: Request from S&T-PPC Committee on the CGIAR for Mission response to questions regarding the International Agricultural Research Centers (IARCs) sponsored by the Consultative Group on International Agricultural Research (CGIAR). Response requested by November 30, 1984.

1. The Administrator has formed a joint S&T-PPC Committee to review AID participation in, and support of, the Consultative Group on International Agricultural Research (CGIAR) and the CGIAR International Agricultural Research Centers (IARCs). The Committee will characterize, analyze and evaluate the nature and extent of AID involvement with the CGIAR centers. It will attempt to assess the benefits of center programs, appraise their value to developing nations, and evaluate their relevance to AID programs and priorities. Based on its overall findings, the Committee will develop recommendations regarding the nature and relative levels of future AID central bureau support for the CGIAR centers.

2. This follows the Administrator's decision to place the budget item for the support of the centers under the Bureau for Program and Policy Coordination budget. Recognizing that the AID commitment to the IARCs has been, and is, an agency-wide commitment, the shift will remove support of the centers from direct competition with other centrally-funded programs in the Bureau for Science and Technology Office of Agriculture. The centers will still be funded from 103 Account funds, but the budget evaluation will more clearly be on an agency-wide basis.

3. In order to accomplish its mission the Committee is seeking input from a number of sources within AID and beyond. Clearly, a major source of experience, information and opinion lies in AID field missions. Accordingly, the Committee on the CGIAR would appreciate mission response to the questions below. In some cases, objective information is requested, while in others, a subjective assessment is needed. For some questions, it may be helpful or necessary to elicit comments from host-country counterparts. Others focus more directly on AID-IARC relationships. A thoughtful, in-depth response to the following questions will be instrumental in the Committee's development of meaningful assessments and recommendations for the Administrator. The Committee requests mission response by letter or cable by November 30, 1984. If unable to respond by above date, please cable intended response date.

Questions on IARCs sponsored by the CGIAR:

Background

- A. What IARC's are located in, or operate in your country? (including liaison officers, representatives or other outposted staff, and special projects)?
- B. If you have an IARC in your country or region, do you have any interaction with them? If yes, what kind?
- C. Does your mission have a special interest or program in agricultural research? If so, does it involve the international agricultural centers? In what way (contractor, training, national program collaboration and strengthening, etc)?
- D. More generally, how familiar are mission agricultural staff with IARC's operations? In your host country? In another country? Globally?

13

Program information and interactions

E. What activities carried out by the centers operating in your country are most valuable? Basic research, adaptive research, consulting, information sharing, carrying out special activities, training, etc.?

F. Which centers are doing work of the most importance or potential value to your country or region? Why? Which centers are making the most valuable contributions to the solution of problems in your country?

G. Are there certain activities that your mission can do more effectively because of center activities? Are there some areas where center involvement is vital to effective implementation of mission projects?

H. In addition to the IARC's AID sponsors agricultural research of other types (e.g. regional programs, bilateral programs, CRSPs, etc.). Do the different types of programs complement each other? Is duplication of effort a serious problem?

I. What are the contributions of center training programs? Are they geared to the needs of national programs for research personnel? For extension personnel?

J. What kind of impact do center activities have on agricultural policies in individual countries?

K. The international centers are mandated to work with and through national institutions and research programs. Do the centers also have linkages to the private sector in your country or region? Should these be strengthened? If so, how?

L. To what extent do field missions and regional offices utilize centers as implementing agents for bilateral programs? How successfully?

Evaluation and Assessment:

M. What is your assessment of the relevance and contributions of the IARC research programs to national agricultural research programs? To AID mission programs?

N. What relative value does your mission or regional office place upon center activities vis-a-vis alternative agricultural research or other agricultural programs in the host country? In the region? In other regions?

Suggestions:

O. Are centers addressing important problems? What should the centers operating in your country or region be addressing that they are not now addressing?

P. How could the value of the IARC research, training and communication activities to national programs and AID be improved (balance, focus, human relations, etc.)?

Q. How could center outreach activities be improved? How could the centers better link with national programs? With A.I.D. field missions?

R. Do you have an ESF or PL 480 program in your country? If yes, could local currencies generated from these programs be programmed by the government to carry out programs through the IARCs? Give examples of the kinds of activities you believe it would be possible or desirable to support.

S. What are the constraints on closer links between AID missions and the IARCs (consider both core activities and special projects)?

4. The above list of questions is not intended to be all-inclusive, and it is understood that not all questions will be of the same relevance in different countries or regions. For these reasons, you may wish to focus your response on those areas most relevant to your host country and mission activities. Any additional comments or thoughts you have beyond the scope of these questions are very welcome.

5. The S&T-PPC committee understands that USAID staff time and workload are at a premium. However, we do ask that your response be thoughtful, even if it cannot be exhaustive. The IARCs represent a major investment for AID, and the findings of the committee will have a major impact on the continuation, modifications or change in the direction and scope of AID participation in the CGIAR, or AID support for the IARCs. Your assistance is vital to the committee's effective execution of

gto

its mandate. A timely response, i.e. by November 30, 1984, will be very helpful to the Committee's progress in assessment of center activities and relationship to AID, and to the preparation of its report to the Administrator.

6. The S&T-PPC committee on the CGIAR appreciates mission interest and assistance in this effort, and looks forward to receipt of mission response and comment.

13400

MEMORANDUM FOR: AA Regional Bureaus

NOV 5 1984

FROM: DAA/PPC, Allison Herrick, ^{AMH} Co-chairman
DAA/S&T, John Eriksson, ^{JES} Co-chairman
Joint S&T/PPC CGIAR Committee

SUBJECT: AID's Support of CGIAR

In a memo dated June 25, 1984, the Administrator formed a joint S&T-PPC Committee to review AID participation in, and support of, the Consultative Group on International Agriculture Research (CGIAR) and the CGIAR International Agriculture Research Centers (IARCs). The scope of work for the committee is outlined in the attached memorandum to the Administrator. You will note that item 3 e calls for a comparison between benefits derived from AID's contribution to the centers with benefits realized from other Agency supported agricultural activities. Undoubtedly, these are very difficult areas to compare. Clearly, one major source of opinion on the CGIAR centers is the Regional Bureaus. We are, therefore, asking that each Bureau provide the committee with your thoughts on the following questions:

1. To what extent do the International Agricultural Research Centers contribute to meeting regional or agency strategies?
2. Irrespective of regional strategies, do CGIAR activities make a substantive contribution toward development throughout the LDC's?
3. Is there an adequate balance between basic and applied research at the centers in meeting regional needs?
4. What relative value do field missions in your region place upon center activities either within the region or outside?
5. Could center outreach activities be improved? How could the centers better link with national programs? With AID field missions?
6. What kind of impact do center activities have on agricultural policies in individual countries?

7. What are the contributions of center training programs? Are they geared to the needs of national programs for research personnel? For extension personnel?
8. The international centers are mandated to work with and through national institutions and research programs. Do the centers also have linkages to the private sector in your region? Should these be strengthened? If so, how?
9. To what extent do field missions and regional offices utilize centers as implementing agents for their programs? How successfully?
10. Could ESF or PL 480 generated currencies be used to help support center collaboration (through extra-core special projects) with the national programs in your region?
11. Based on mission input and review by your bureau of the centers and their activities in your region, what is the relative value of CGIAR center research, training and outreach vis-a-vis alternative bilateral agricultural activities?

We are attaching a proposed cable which we would appreciate your sending to missions in your region. The cable reflects the comments of the Ag. Sector Council, which includes the Agriculture and Rural Development Chiefs in each bureau and has been cleared by them. The cable calls for a cable or letter response by November 30 which will enable you to utilize mission responses in responding to this memo. We would appreciate receiving copies of mission replies attached to your response.

We would appreciate your response to this memorandum by December 15.

Attachments:

1. Memorandum to the Administrator (Committee Scope of Work)
2. Memorandum to the Administrator (Committee Progress Report)
3. Draft cable to Mission
4. Outline of Final Report

Drafter: PPC/PB: JHummon: gjw: 10/30/84: 2477B

FEB 5 1985

Ref # 02.06
To: Erik
Brant
Kabis
Debra
CA

TO: DAA/PPC, Allison Herrick, Co-chairman
DAA/S&T, John Eriksson, Co-chairman
Joint S&T/PPC CGIAR Committee

FROM: AA/AFR, Mark L. Edelman **MLE**

SUBJECT: AID's Support of CGIAR

REFERENCE: Memorandum for: AA Regional Bureaus of
November 5, 1984

The Africa Bureau is responding to the reference memorandum which requested our views on eleven questions regarding AID's support of CGIAR. Also attached to the memorandum was a cable with 19 questions, which was forwarded to 29 missions representing 33 countries and 2 REDSO's. Responses were received from 24 missions and one REDSO.

Of the 24 missions responding, 20 indicated that one or more of the 13 IARCs sponsored by CGIAR were located in, or operated in their respective countries. The IARCs active in the largest number of countries are IITA (16 countries), CIMMYT (14 countries) and ICRISAT (14 countries). Four missions reported no IARC programs in their countries. In countries represented by five non-respondent missions, other sources of information indicate that they have limited IARC activity. IARC's are also active in several other countries of Sub-Saharan Africa where USAID has no agricultural programs at present. Many missions indicated plans to initiate activities with IARCs, but these intentions are not included in this analysis.

Without exception the 20 missions in countries with IARC programs reported an interest in research and nearly two-thirds had high or medium levels of interaction with the IARCs. Adaptive research, training, information sharing and basic research were identified as the most valuable IARC activities with IARC programs essentially viewed as complementary to other agricultural research efforts. The contributions and relevance of IARC activities to national research programs and to AID Mission programs were ranked as high or medium by nearly all Missions responding. Suggestions provided on how the IARCs could improve their programs included additional production oriented research in areas such as varietal development, sorghum, pests and diseases, ox-cultivation, on-farm storage

and fruits and vegetables as well as expanded training opportunities and more efforts on extension. (See also Question 5 below). Twelve missions identified constraints to closer AID/IARC links. Most frequently mentioned were inadequate information available to AID staff on IARC programs and services and lack of funds, including difficult AID funding procedures.

The eleven questions of the reference memorandum are specifically addressed below. Also, you are referred to the attached report, "AID/IARC RELATIONSHIPS in SUB-SAHARAN AFRICA" January, 1985, especially the summary on pages 3-7 which presents Missions' responses to the cable.

1. To what extent do the International Agricultural Research Centers contribute to meeting regional or agency strategies?

IARC's are important in meeting agency and regional strategies on technology development and transfer, especially for food production, and institution building primarily related to development of national agriculture research systems. Short-term training provided by the IARCs is a key element of the institution-building effort. In sub-Saharan Africa some contributions such as higher yielding hybrid sorghum in Sudan by ICRISAT and resistant varieties of cassava at IITA appear promising, while we recognize that much more can and must be done.

2. Irrespective of regional strategies, do CGIAR activities made a substantive contribution toward development throughout the LDC's? Clearly the impact of CGIAR activities have been well documented by popular and scientific writers for maize, wheat, rice and other commodities. The recent January "Front Lines" interview with the Director General of IRRI is an example. Nevertheless, these breakthroughs had little widespread impact in sub-Saharan Africa, although all 20 responding missions agreed that IARCs were addressing important problems. Thirteen of the missions provided 19 suggestions on production oriented and other areas of research, training, and extension.

3. Is there an adequate balance between basic and applied research at the centers in meeting regional needs? In general there appears to be an adequate balance between basic and applied research. Twice as many missions responded that adaptive research was provided by IARCs as compared to basic research. This view was supportive of the conclusions reached at the November 1984 meeting of the Agricultural Research Liaison Officers. However, this question generalizes for all 13 IARCs, while each IARC should be considered on a case by case basis.

85

4. What relative value do field missions in your region place upon center activities either within the region or outside?

The value of IARC activities vis-a-vis alternative research on other programs in the host country were reported as "high" by 9 of the 16 Missions responding. Another 5 said "medium" and 2 said "low". With reference to the region, 5 of 7 Missions responding placed the values as "high", 1 as "medium" and 1 as "low". Only 4 missions responded as to the value of IARCs in other regions (1 "high", 2 "medium", 1 "low").

5. Could center outreach activities be improved? How could the centers better link with national programs? With AID field missions? Sixteen Missions provided 21 suggestions. Most frequently mentioned were more visits to IARCs by AID/Government staff, and to national programs by IARC staff. Many networks established by various IARCs have been beneficial to bring together busy scientific and program leaders.

6. What kind of impact do center activities have on agricultural policies in individual countries? This very broad question found 12 responding Missions reporting little or no impact on policy for activities of IARCs. However, 5 Missions noted impact of policies on national agricultural research programs, such as reorientating subject matter research priorities, reorganization of the research and extension system and influence toward farmer-orientated research. Also major scientific breakthroughs such as high yielding varieties of crops have had profound policy effects as witnessed for rice, maize and wheat.

7. What are the contributions of center training programs? Are they geared to the needs of national programs for research personnel? For extension personnel? IARC training was found to be geared to host country agricultural research personnel (15 of 16 responses), while 9 of 16 Missions found the training geared to extension personnel.

8. The international centers are mandated to work with and through national institutions and research programs. Do the centers also have linkages to the private sector in your region? Should these be strengthened? If so, how? Linkages of IARCs with the private sector were reported by 6 of the 18 Missions responding. As to strengthening linkages, only 9 Missions responded. Of these, 8 said these linkages should be strengthened. Of 9 suggestions put forth on how to strengthen linkages, 5 suggested outreach efforts to increase knowledge of and contracts between IARCs and the private sector, and 4 suggested involvement of the private sector in provision of seeds and other production inputs, as well as in on-farm Farming Systems Research traits.

9. To what extent do field missions and regional offices utilize centers as implementing agents for their programs? How successfully? Use of IARCs as implementing agents for bilateral programs was reported by 9 of 18 Missions responding. Regarding success in the type of activity, all of the 7 responding Missions said it was successful.

10. Could ESF or PL 480 generated currencies be used to help support center collaboration (through extra-core special projects) with the national programs in your region? Fourteen of the Missions reported that they have an ESF or PL 480 program in their country and 11 of these 14 agreed that local currencies from these programs could be used to carry out programs through IARCs. Six Missions gave examples of possible or desirable programs that could be supported. Four identified local recurrent costs and 3 stated expanded research, including field trials and add-ons, such as nutrition.

11. Based on mission input and review by your bureau of the centers and their activities in your region, what is the relative value of CGIAR center research, training and outreach vis-a-vis alternative bilateral agricultural activities? We agree with the responses of the Missions. Sixteen Missions reported 25 examples of IARC activities that help Missions in carrying out their agricultural development programs more effectively. The examples include providing new germplasm, conducting various types of research, implementing special bilateral projects, training national professionals, supplying technical information/ assistance, and assisting in development of agricultural research strategies. Eleven examples were given of IARC activities vital to Mission programs. Furthermore, 14 of 15 Missions saw the IARC programs as complementary to other types of agricultural research programs. Also, 11 of 14 Missions saw no duplication among programs (e.g. IARCs, regional programs, bilateral programs, CRSPs, etc.). Where duplication was mentioned it was of very minimal nature.

Attachment: a/s

87

Drafted: AFR/TR/ARD:KPrussner:bb:28716

Clearances:

AFR/TR/ARD:MWinter (draft)

AFR/TR:CMartin (draft)

AFR/TR:DReilly (draft)

AFR/TR:KSherper

DAA/AFR:RLove

3086Q

JAN 28 1985

MEMORANDUM

TO: DAA/PPC, Allison Herrick
DAA/S&T, John Eriksson
Co-chairs, Joint S&T/PPC CGIAR Committee

FROM: AA/ASIA, Charles W. Greenleaf, Jr. CWG

SUBJECT: Asia Mission Responses concerning the International
Agricultural Research Centers (IARCs)

REF: State 339637

Attached is our summary of the Mission responses to the referenced cable. Our Missions recognize the high relevance of the IARCs. In particular, there has been unanimous praise for IRRI. The Missions view IARC activities as extremely complimentary to national and donor-supported programs in agricultural research. Indeed, Missions suggested IARCs carry out more training: IARC staff visit their countries more often; and, in some cases, expand their research to new crops and non-commodity areas.

I would like to note that Asia's rather impressive performance in foodgrain production in the last 15 years can be linked directly to IRRI and CIMMYT. One of the central elements of our Asia program is continued support for agricultural research. The success of our program is predicated on the continued outstanding performance of the IARCs. We believe our historical record of support for the IARCs is one in which we can take great pride. There is no doubt our investment has paid handsome dividends. Based on mission responses, the Asia Bureau expects no less in the future.

Attachments

- A. Summary of Asia Mission Responses
- B. Mission Responses

farming systems including appropriate machinery. CIMMYT was considered as having the second most important impact and potential value for the wheat and maize crops. CIMMYT also was praised for their training and for the quality of personnel they place in the field.

ISNAR and AVRDC were considered to be valuable institutes in the fields of national research development and vegetable production. Many missions stated that ICRISAT was working on crops of interest and had farming systems expertise but they did not know how to tap the resource. One mission complained that ICRISAT appeared more interested in Africa than Asia.

- G. Center research, training, and plant breeding were considered complimentary and supportive of mission projects and not duplicative of national research effort.
- H. Eight missions believe there is no duplication of effort among Centers, CRSPs, and other centrally funded A.I.D. projects. Sri Lanka thinks that the sorghum and millet CRSP duplicates work done at ICRISAT.
- I. The training programs of IRRI, CIMMYT, AVRDC, and ICRISAT were given high praise. Mission opinions were split regarding whether training was of equal value to research or extension personnel. Indonesia praised IRRI's post training activities, and Sri Lanka thought more and better publicized training was needed.
- J. Four missions reported that Centers have a decided positive impact on agricultural policy in Asian countries. Thailand stated that the government may have reduced funding to its national research program because of reliance on Centers.
- K. Missions reported no Center linkages to the private sector except in those countries where the IRRI Small Farm Machinery project was active. Thailand and Pakistan would welcome linkages with the private seed industry but conceded that government policy was an obstacle.
- L. Seven missions have successfully used Centers as implementing agents for bilateral programs; two missions have not used the Centers; two missions questioned the wisdom of their use; and Pakistan is going to increase Center use to implement projects.
- M&N. All missions reported that the centers' research programs were relevant to mission and HC research programs. When asked to compare value of center

1. Summary of the responses of Asia Bureau Missions
 - A. The first question really consisted of two questions, "What Centers are located in your country?" and "What Centers operate in your country?" Not all missions were certain which Centers were CGIAR supported and which were not. Four non-CGIAR supported Centers were also mentioned (AVRDC, IFDC, ICLARM, AND IIMI) which will not be included in our report. From among the 13 CGIAR supported centers three Centers had representatives in more than two Asian countries; IRRI in six, CIMMYT in four, and CIP in three.
 - B. Many missions had explained their interaction with the Centers in question A and, therefore, passed question B. Refer to attached spread sheet for descriptions of interactions.
 - C. Question C asked in what way (TA, training, germplasm, research information) did the Centers provide assistance to mission projects. The Centers were most active in technical assistance, training, and germplasm dispersal. Bangladesh included research information; Indonesia mentioned program reviews; and Pakistan stated that IRRI and CIMMYT were active in strengthening PARC.
 - D. Are Mission staff familiar with HC, regional, and global operations of Centers? As can be expected, mission staff were most familiar with Centers operating in the host country (present and past), followed by those situated in the region, and basically only knew of the other stations by reading CGIAR bulletins. Commodity orientation of the Centers was an important factor, as in the case of CIMMYT, IRRI, and to some extent CIP. CIMMYT and IRRI also appear to have the most sought after training programs, and germplasm, and their staff appear to aggressively visit missions and national institutes.
 - E. The missions consider training and germplasm as the Centers' most important activity, followed by adaptive and basic research, consulting, and information sharing.
 - F. When asked to identify the most important Centers in the region, IRRI was unanimously selected as the most important Center in Asia in terms of its impact on rice production and also for its strong training, technical assistance and research into all aspects of rice based

activities vis-a-vis alternative agricultural research programs, the missions gave a wide range of answers. Bangladesh warned against over building national centers. Burma remarked about limited national capability to absorb, Indonesia mentioned IRRI's research modification to comply with Indonesia's changing priorities, Nepal believes centers are crucial to the national program and that the national capability should be improved, and five missions stated that the centers' basic research program was essential to the adaptive HC effort.

- O. The missions were asked what additional activities should the centers address. The answers included additional outreach programs in farming systems, dryland, mechanization, and HC training. They also suggest research on animal drawn equipment, forages, livestock, minor crops, and non commodity research such as entomology and soil management. Sri Lanka wanted ICRISAT and IITA to give more attention to Asia.
- P&Q. When asked how the value of center activities could be improved the missions recommended that the centers should increase their visibility by more frequent visits by center staff and by informing the missions and HC counterpart of what the centers have to offer. The missions also suggested that in addition to their basic commodity improvement research, the centers should give more attention to direct approaches to small farmer concerns, i.e., a systems approach. While most missions recommended that the centers increase their outreach activities, India and Philippines thought they should stay clear of extension activities. Thailand suggested the centers have host national representatives in appropriate countries.
- R. Five missions merely stated they had no PL-480 or ESF funds. Pakistan, which has both ESF and PL-480, is using local currencies generated from PL-480 to carry out numerous research projects. These funds could be used for center activities with the mutual agreement of USDA and GOP. Bangladesh uses PL-480 local currencies funds to support BRRI, which is assisted by IRRI.
- S. What are the constraints to closer links between AID and the centers? A shortage of OE funds for AID officers to visit the centers was considered a major constraint. Many missions did not think there was an important constraint to mission/center linkage but considered the center/national research system link as more relevant.

2. Other Issues.

- A. Bangladesh asks the question, "Since PPC is primarily a policy/budget institution, is there a danger that a highly successful, long term technically oriented research program will be hampered or neutralized because of short run, non technical, political/policy issues?"
- B. Manila raised an issue with respect to the shifting of the IARCs budget to PPC. They suggested that this may obfuscate the real issue of how to allocate the ARDN grant funds instead of having a clear trade-off between S&T and the Missions in the budgeting process as before.

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20521

MEMORANDUM

JAN - 7 1985

TO : S&T/PPC Committee on CGIAR
FROM : AA/LAC, Victor Rivera *VR*
SUBJECT : Transmittal of LAC Mission Response to Your
Questionnaire on International Agricultural Research
Centers (IARCs)

The attached paper summarizes LAC mission response to your questionnaire, which was transmitted to the field (State 336173). Your staff has copies of these cables.

In interpreting these responses, please keep in mind that we no longer have LAC missions in the advanced developing countries such as Mexico, Venezuela, Colombia, Chile, Argentina, or Brazil. Most of the countries in which we still have missions are small, with limited material and human resources, and some suffer from severe economic and political instability. Our interest in developing the national agricultural research capacity essential for maximizing the impact of the international agricultural research centers confronts serious problems of resource priorities. At the same time, we all recognize that the most effective contributions to these national research programs have come from the IARCs, which conduct the basic research, provide the germplasm, and assist the countries in their testing of this material.

This regional bureau benefits from the existence of the CGIAR/IARC system, and hopes that it can be maintained at current levels of activity. Countries of the hemisphere (including the U.S.) have received significant benefits from the three Latin American commodity-oriented centers (CIMMYT, CIAT, and CIP). ISNAR has conducted a number of assessments of national agricultural research agencies, and the bureau works directly with this center, at both country and regional levels. We recently initiated conversations with IFPRI on expanding their work in LAC. A number of the country missions also cited assistance received from IRRI, ICRISAT, and IITA, and from AVRDC.

attachment: Summary Mission Comments on the International
Agricultural Research System

94

Summary Mission Comments to a Questionnaire on the
INTERNATIONAL AGRICULTURAL RESEARCH SYSTEM

from the
S&T/PPC Committee on the CGIAR

Responses were received from all LAC missions except San Salvador, ROCAP and Guatemala. These replies are on file in LAC/DR/RD and with the S&T/PPC staff. The following paragraphs summarize their comments on each of the questions raised in the Committee's questionnaire:

BACKGROUND

A. WHAT IARC'S ARE LOCATED IN, OR OPERATE IN YOUR COUNTRY?

Three IARCs are located in Latin America and the Caribbean: CIMMYT in Mexico; CIAT in Colombia; and CIP in Peru. We no longer have AID missions in the Advanced Developing Countries of Mexico and Colombia, but the AID Population/Training Officers attached to our embassies there provide continuing liaison. These officers are very familiar with CIMMYT's and CIAT's programs and of the general characteristics of the CGIAR/IARC system, but they are not agricultural professionals and their knowledge of other IARC programs is limited. The mission in Peru is in frequent contact with CIP. CIMMYT also has representatives stationed in Ecuador (for the Andean region), Haiti (for the Caribbean), and Costa Rica (for Central America), and CIAT has a rice expert located in the Dominican Republic (for the Caribbean). The remaining countries are visited occasionally, at varying frequency, by these or other representatives of the three IARCs.

These three IARCs are mentioned most frequently by responding missions as being the best known, the most helpful, and those with whose personnel missions have had most frequent contact. Other IARCs with which LAC missions have had contact, through correspondence, visitation, or training, include ISNAR, ICRISAT, IITA, and IRRI. IRRI stations a rice expert at CIAT, and ICRISAT has a sorghum expert located at CIMMYT. The non-CGIAR AVRDC has also provided useful information.

B. IF YOU HAVE AN IARC IN YOUR COUNTRY OR REGION, DO YOU HAVE ANY INTERACTION WITH THEM? IF YES, WHAT KIND?

Most IARC interaction is with the country's agricultural research organization rather than the AID mission. In most cases interaction is through correspondence, consultation, training, and provision of germplasm. Mission interaction cited ranges from "none" (Belize) to intense program involvement (Peru and Panama, see below). Several missions expressed a desire for more personal interaction, and would like IARC personnel to visit them when in country.

C. DOES YOUR MISSION HAVE A SPECIAL INTEREST OR PROGRAM IN AGRICULTURAL RESEARCH? IF SO, DOES IT INVOLVE THE INTERNATIONAL AGRICULTURAL CENTERS?

The country missions with the strongest current agricultural research involvement are Peru, Panama, Honduras, Dominican Republic, Ecuador, and Haiti. All interact in some way with IARCs:

Peru: Project with INIPA provides the basis for an integral research, extension and education system which receives financial assistance from USAID, World Bank and the InterAmerican Development Bank. Each of five national production programs has a link to an IARC for technical assistance, improved planting and production materials, and training. CIP also provides administrative support for staff from the other two IARCs.

Panama: Project with IDIAP finances special research projects with all three LAC IARCs and ICRISAT. CIMMYT and CIAT have trained INIPA and Faculty of Agronomy researchers, and CIAT provided the Faculty with a complete set of 37 auto-tutorial audiovisual tapes on tropical agricultural research. ISNAR is undertaking an assessment of IDIAP.

Honduras: CIAT, CIP, and CIMMYT Directors are permanent members of the board of directors of the USAID-supported national agricultural research foundation.

Dominican Republic: ISNAR conducted an assessment of the national agricultural research division. Mission has used this assessment as the basis for submitting a PID for a project to create an autonomous agricultural research institute.

Ecuador: A major element of the rural technology transfer project with INIAP supports interaction primarily with Title XII universities, but also involves CIAT, CIP and CIMMYT.

Haiti: CIMMYT has stationed one outreach technician in Haiti since 1981. Within the last three years, Haiti has been visited by representatives of CIMMYT, ICRISAT, CIAT, CIP, and IITA

D. HOW FAMILIAR ARE MISSION AGRICULTURAL STAFF WITH IARC'S OPERATIONS?

All mission ARDO staff are familiar with the existence of the CGIAR/IARC system, and, generally, of the activities of the three IARCs located in Latin America. However, few of the ARDOs had actually visited an IARC before the recent LAC ARDO conference at CIMMYT. Two or three of the LAC ARDOs have visited IARCs in other regions, notably IRRI, ICRISAT, IITA, but ARDO familiarity with the programs of non-LAC IARCs is largely the result of publications from these Centers and other information provided by AID/W.

ok

PROGRAM INFORMATION AND INTERACTIONS:

E. WHAT ACTIVITIES CARRIED OUT BY THE CENTERS OPERATING IN YOUR COUNTRY ARE MOST VALUABLE?

Provision of germplasm, training, and consultation were the activities most commonly mentioned.

F. WHICH CENTERS ARE DOING WORK OF THE MOST IMPORTANCE OR POTENTIAL VALUE TO YOUR COUNTRY OR REGION?

CIMMYT, CIAT and CIP are involved with national research programs in most LAC countries, through provision and testing of germplasm, training, and consultation. The priority commodities with which these Centers work are of primary importance in most countries, although the relative value of these commodities varies from country to country. ISNAR has conducted assessments of national agricultural research capability in several countries. All of these activities are considered to be relevant and usefully related to problems of significance. Both the basic research performed by the Centers, and their assistance to national centers in its application were considered vital.

G. ARE THERE CERTAIN ACTIVITIES THAT YOUR MISSION CAN DO MORE EFFECTIVELY BECAUSE OF CENTER ACTIVITIES?

IARCs are seldom involved in direct implementation of mission programs. However, because of their specific knowledge of the region and with research on the commodities with which they work, their ability to provide national research and education programs with training in research methods, assistance in collaborative research, and improved germplasm would be impossible to duplicate.

H. DO THE DIFFERENT TYPES OF AGRICULTURAL RESEARCH PROGRAMS SPONSORED BY AID COMPLEMENT EACH OTHER? IS DUPLICATION OF EFFORT A SERIOUS PROBLEM?

Programs tend to be complementary; duplication is not a serious problem.

I. WHAT ARE THE CONTRIBUTIONS OF CENTER TRAINING PROGRAMS?

Training is one of the most important contributions which the IARCs make. This training is strongly geared to research, rather than extension. The numbers are large, e.g., more than 100 trained in several countries. Training has been provided to university faculty members as well as to staffs of the national agricultural research organizations.

J. WHAT KIND OF IMPACT DO CENTER ACTIVITIES HAVE ON AGRICULTURAL POLICIES IN INDIVIDUAL COUNTRIES?

Very little. IFPRI is the only IARC which considers policy impact as a part of its mandate. Some of the other Centers believe that attempts on their part to modify national policies would undercut their biological research activities.

K. DO THE CENTERS ALSO HAVE LINKAGES TO THE PRIVATE SECTOR IN YOUR COUNTRY OR REGION?

Linkages with the private sector are generally weak and informal. CIAT's involvement in helping private sector seed producers is an exception. Most missions believe that these linkages should be strengthened, but recognize this to be as sensitive an area for the IARCs as involvement in national policy. One suggestion is that the IARCs actively seek an understanding with host country governments which would enable them to work with relevant private sector entities.

L. TO WHAT EXTENT DO FIELD MISSIONS AND REGIONAL OFFICES UTILIZE CENTERS AS IMPLEMENTING AGENTS FOR BILATERAL PROGRAMS?

Direct action as an implementation agent is virtually nil, but IARC technical advisory services and consultation has been built into many agricultural research programs.

EVALUATION AND ASSESSMENT:

M. WHAT IS YOUR ASSESSMENT OF THE RELEVANCE AND CONTRIBUTIONS OF THE IARC RESEARCH PROGRAMS TO NATIONAL AGRICULTURAL RESEARCH PROGRAMS?

Virtually all missions feel that the IARC research programs are highly valuable to national agricultural research programs. This answer also reflects the thinking of staffs of the national agricultural research institutions queried by the USAID. Relevance of the IARC to the mission's activities depends directly on the extent to which the mission program focuses on agricultural research. IARCs are not very good at extension or other non-research technical assistance activities which do not form part of their mandate. The ability of IARC research output to have an impact on productivity depends on the capacity of national agricultural research agencies to adapt that output to national ecosystems (see below).

Responses revealed widely varying interpretations of the following questions, which were frequently answered together.

98

N. WHAT RELATIVE VALUE DOES YOUR MISSION OR REGIONAL OFFICE PLACE UPON CENTER ACTIVITIES VIS-A-VIS ALTERNATIVE AGRICULTURAL RESEARCH OR OTHER AGRICULTURAL PROGRAMS IN THE HOST COUNTRY?

O. ARE CENTERS ADDRESSING IMPORTANT PROBLEMS? WHAT SHOULD THE CENTERS OPERATING IN YOUR COUNTRY OR REGION BE ADDRESSING THAT THEY ARE NOT NOW ADDRESSING?

P. HOW COULD THE VALUE OF THE IARC RESEARCH, TRAINING AND COMMUNICATION ACTIVITIES TO NATIONAL PROGRAMS AND AID BE IMPROVED?

Q. HOW COULD CENTER OUTREACH ACTIVITIES BE IMPROVED? HOW COULD THE CENTERS BETTER LINK WITH NATIONAL PROGRAMS? WITH A.I.D. FIELD MISSIONS?

An interpretive response would be the following: IARCs are doing an essential job, and they are doing it well. What they are doing is better done by them than by anyone else. However, it is only part of the research job which needs to be done, both in terms of commodity lines, e.g., tree fruits, in terms of linkages to and development of the national agricultural research capability, and in terms of non-production research. And there are many other problems of the agricultural production/marketing system which are critical to the ultimate impact of the IARC output, but which the IARC could not resolve.

There are probably too many IARCs. Some consideration should be given to combining them, e.g., ILCA and ILRAD; ICARDA and ICRISAT, on the basis that semi-arid and dry areas are a similar mandate; CIAT and IITA and CIP might be recombined into two. On the other hand, tree fruits are important and absent, and IARCs provide no support to traditional or prospective export crops.

The weak national agricultural research capability, and the lack of government support to research are the greatest continuing limitations on the productivity of the IARC system. Weakness of the national agencies was cited by both IARC Directors and ARDOs as the most critical problem in the system at the recent LAC ARDO conference..IARCs should all give greater attention to this factor and consider how to improve this situation. Suggestions range from the definition and enunciation by the IARC of each IARC's objectives in a given country, to avoiding the problem by working with national private commodity associations.

R. DO YOU HAVE AN ESF OR PL 480 PROGRAM IN YOUR COUNTRY? COULD LOCAL CURRENCIES GENERATED FROM THESE PROGRAMS BE PROGRAMMED BY THE GOVERNMENT TO CARRY OUT PROGRAMS THROUGH THE IARCS?

Most countries have ESF or PL 480 programs. Few believe that local currency generations should be reprogrammed to support IARC activities, since many are already programmed to support national agricultural research activities.

CA

S. WHAT ARE THE CONSTRAINTS ON CLOSER LINKS BETWEEN AID MISSIONS AND THE IARCS?

Lack of effective communication between IARC representatives and mission staff, including the flow of data on IARC activities relevant to the mission and on country priorities to the IARCs. IARC representatives seldom contact mission personnel on their country visits. Country and mission priorities, which tend towards diversification for higher farm family income and export for foreign exchange, are at variance with the IARC emphasis on food crops. However, the IARC work on food crops has improved the productivity of national food crop investigators, enabling countries to pursue diversification.

SLT/AGR

06 FEB 1985

MEMORANDUM

TO: DAA/PPC, Allison Herrick, Co-Chairman
DAA/S&T, John Eriksson, Co-Chairman
Joint S&T/PPC, CGIAR Committee

FROM: AA/NE, W. Antoinette Ford

SUBJECT: AID's Support of CGIAR

Ref. #02208-04
TO: Brady
Eriksson
Heeder
Robins
Bestrand
Ch

In response to your memorandum dated November 7, 1984, the following reply is provided to the questions on AID's support to International Agriculture Research Centers. This reply was prepared with the assistance of responses obtained from the questionnaire included in your memo which was sent to all Near East field missions (Egypt, Yemen, Jordan, Morocco, Tunisia, Oman and Portugal).

If I can be of further assistance, please do not hesitate to inform me.

AID's Support of CGIAR

1. Question: To what extent do the International Agricultural Research Centers contribute to meeting regional or agency strategies?

Answer: Two IARC centers, ICARDA and CIMMYT, have a long history of providing agricultural research support to Egypt, Jordan, Morocco, Yemen, Portugal and Tunisia. This research support has been primarily with wheat, barley and corn. In addition, IRRI is involved in an AID-funded Rice Research and Training Project in Egypt. ICARDA has established a regional office in Tunisia to assist Tunisian researchers with the development of superior lines of barley. ICRISAT presently has active research support programs in Egypt and Yemen. ISNAR is working with Moroccan researchers to develop a long-term agriculture research strategy.

In general, it can be said that the IARCs are making valuable contributions in agricultural research to NE countries in the basic cereals, food legumes, citrus, and some tuber crops.

2. Question: Irrespective of regional strategies, do CGIAR activities make a substantive contribution toward development throughout the LDCs?

Answer: Yes - since the establishment of the IARCs, LDCs in the NE depend on these research centers as a source of:

- germplasm (for superior crop lines for research purposes).
- training in agricultural research and extension.
- new high-yielding varieties of cereal grains developed by the IARCs.
- technical assistance in resolving acute agriculture production problems.
- collaborative research scientists.

The level of involvement of IARCs in each country varies considerably with the host country's potential to conduct agriculture research.

3. Question: Is there an adequate balance between basic and applied research at the centers in meeting regional needs?

Answer: Yes - The IARC's attempt to balance both basic and applied research at the centers has been admirable. The majority of current research activities are designed to address existing agricultural production constraints in each host country. However, as host country research capability improves, greater emphasis is placed on increasing basic research.

4. Question: What relative value do field missions in your region place upon center activities either within the region or outside?

Answer: Field missions consider the IARC's country representatives to be part of the resources available to solve agricultural problems within each NE country. The advice and counsel of the IARCs is frequently sought by mission agricultural staff members as well as host country Ministry of Agriculture officials. The information provided is of high value.

5. Question: Could center outreach activities be improved? How could the centers better link with national programs (with AID field missions)?

Answer: Yes - Present IARCs outreach activities, in most countries, are very successful within a limited scope. CIMMYT, for years, has conducted training programs for extension agents both in Mexico as well as in host countries. ICARDA's outreach activities are adequate for the present, however, improvement could probably be made through the addition of funds for research/information networks, as well as for more specific extension targets. Excellent IARC linkages already exist between some national programs as well as with some AID field missions. Linkages with national scientists and country institutions should be extended and enhanced through the establishment of regional networks.

6. Question: What kind of impact do center activities have on agricultural policies in individual countries?

Answer: IARC impact on host country agricultural policies is very difficult to determine and, in general, has not been significant. Most NE countries are reluctant to accept advice of foreigners in such fields as agricultural policy. In Egypt, where present agricultural price policy is considered to be a detriment to increased production, IARC

representatives have been attempting to influence changes in agricultural policy, but have had minimal success. The impact contributed by IARCs is difficult to determine.

In Morocco, ISNAR is currently fielding study teams which may have future impact on national agriculture research priorities.

7. Question: What are the contributions of center training programs? Are they geared to the needs of national programs for research personnel? For extension personnel?

Answer: The contribution of IARC training programs in NE countries has been primarily to research management. Host countries' researchers have benefited well from programs in wheat, maize, faba beans and barley. These programs, for the most part, have been well suited to the national programs, however, they are tailored particularly for research oriented personnel. CIMMYT and ICARDA have conducted some training for extension personnel, but continued improvement is necessary to reach parity with the research programs.

8. Question: The international centers are mandated to work with and through national institutions and research programs. Do the centers also have linkages to the private sector in your region? Should these be strengthened? If so, how?

Answer: There has been limited linkages established between IARCs and the private sector in NE countries. However, research results obtained by IARC activities, in all NE countries, are readily available to the private sector. The CGIAR should promote strengthening of IARC/private sector linkages. Missions and IARCs could survey private sector potentials in each NE country and develop strategies to fully incorporate the private sector in research and extension programs.

9. Question: To what extent do field missions and regional offices utilize centers' as implementing agents for their programs? How successfully?

Answer: In Egypt, IRRI has been subcontracted to implement two components of the Rice Research and Training Project. This project has been very successful in developing a package of rice cultivation practices as well as the testing of new superior lines of rice imported from other countries or produced locally. Egypt is the only NE country presently using IARCs for Mission project implementation. ICARDA is also working with Egyptian scientists in the development of superior lines of Fava beans.

10. Question: Could ESF or PL 480-generated currencies be used to help support center collaboration (through extra-core special projects) with the national programs in your region?

Answer: Yes - in two NE countries both ESF or PL 480-generated currencies are being used to support center collaboration with national programs (currently occurring in Morocco and Egypt).

11. Question: Based on Mission input and review by your Bureau of the centers and their activities in your region, what is the relative value of CGIAR center research, training and outreach vis-a-vis alternative bilateral agricultural activities?

Answer: The value of the CGIAR center research, training and outreach activities has been a source of institutional development for research agencies in NE countries. IARC collaboration with these research agencies would be sorely missed if removed in favor of bilateral agricultural activities. The absence of political presence and the technical orientation of IARC's activities in the NE countries adds to the value in support of long-term agricultural research programs. Bi-lateral programs are generally short in duration and subject to disruptions caused by changes in political relationships between donors and the recipients.

ANNEX 4: ADMINISTRATION AND MANAGEMENT OF CGIAR AFFAIRS IN A.I.D.

The Committee has stated in its report that it sees little change needed in the handling of CGIAR affairs in A.I.D. However, the Committee felt that it would be useful to discuss some of its observations on management-related issues and then outline in some detail the management mechanism to be used by A.I.D. in funding the CGIAR centers.

1. Administrative Guidelines

The Committee believes the A.I.D. responsibility for the CGIAR centers should continue to be shared by the S&T and PPC Bureaus. The S&T Bureau continues to provide project management, oversight and evaluation for the core programs of the CGIAR centers. It performs these activities in conjunction with others within and outside A.I.D., relying on significant in-house expertise, input from Regional Bureaus and Missions and expert outside opinion, for example from A.I.D. liaison scientists to the individual centers. The S&T Bureau also provides A.I.D. representation to the CGIAR and the centers through its participation in system-wide and center board meetings, donor consultation and other activities related to program assessment and research policy for the CGIAR centers.

The PPC Bureau provides a budgetary overview function, conducting periodic assessment of the impact of support to the CGIAR centers on A.I.D. resources, particularly those intended for support of agricultural development and research programs. In the event that growth in the CGIAR account, or a shift in Agency resources or priorities led to significant change in the status of the CGIAR account vis-a-vis other relevant A.I.D. funding levels, PPC will advise the members of the PPC-S&T Committee on the CGIAR of the situation, suggesting possible alternatives that the Committee could consider.

2. Interaction in Budgetary Matters

A.I.D. internal budgetary documentation (ABS, CP, etc.) will be developed by S&T. S&T and PPC will prepare documents for the Administrator's authorization of the total core budget pledge made by the SAA/S&T at International Centers Week. After the pledge is made and A.I.D.'s Operational Year Budget is established, S&T/AGR will develop the proposed contribution level for each center. A memorandum stating the A.I.D. contribution to the total core CGIAR budget and the recommended allocation of that amount among the individual centers will be cleared by PPC/PB and transmitted by the SAA/S&T to the AA/PPC. The Memorandum will also request the transfer of the indicated amounts from the PPC Bureau to S&T/AGR for programming according to standard procedures.

10/27

Of primary importance to AID's management of core grants to the CGIAR centers is effective communication and interaction between PPC and S&T, especially between S&T/AGR and PPC/PB staff responsible for AID's CGIAR contribution and involvement. Day-to-day direct consultation between staff of the two offices should be sufficient to handle the major share of CGIAR-related matters. However, the Committee believes it would be useful to retain the Committee mechanism with joint chairpersons as DAA/PPC and DAA/S&T. The Committee would not meet regularly or at any specified time, nor would it become involved in normal management of grants to CGIAR centers. The main purpose of the Committee would be to assess the overall core budget contribution policy, should there be a significant increase in the ratio of the total U.S. contribution to CGIAR center budgets to A.I.D. resources, or should a difference over funding matters require its review of the pertinent issues.

103