



INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE

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MEMORANDUM

TO: Merger Committees of Winrock International, Agricultural Development Council and International Agricultural Development Service

Subject: Considerations Relating to Possible New Organization; Comments of IADS

Before addressing the 10 questions concerning a possible merger of Winrock International (WI), the International Agricultural Development Service (IADS), and the Agricultural Development Council (A/D/C), the headquarters staff of IADS considered the overall mission and broad form of the organization that could result from a merger. Our ideas have benefited from the discussions that have taken place since the idea of a merger between IADS and WI was first introduced.

Initially, IADS staff thinking focused on preserving the mandated programs of the two prospective partners, with each adding to the particular strengths of the other. We presumed that the merger would result in a single management and an integrated program, but we did not at first recognize fully the opportunity to go beyond the programs of the two partners.

Since each of the prospective partners had broad mandates, which they had only begun to address, this approach was not narrow, but it did overlook the potential of such a merger for mobilizing additional resources and enlarging the scope of the new organization. Discussions with the IADS Board, with members of the WI Board, and with others made clear that the new organization could provide a broader scope of activities and services than those currently embraced by the two separate organizations. The whole could be substantially greater than the sum of the parts, and the merger should be consummated only if such a result seemed assured. This has continued to be the IADS view. Although the possible inclusion of A/D/C in the merger would increase the initial complexity of reconciling various needs and viewpoints, it also would increase the prospect for the new organization's potential to exceed the combined achievements of its predecessors.

The base program of the new organization should be developed around the existing primary activities of the component organizations. IADS was established in 1975 to provide services to developing nations for increasing food supplies and other agricultural production and to meet the recognized need of assistance organizations for an operation and management entity to help cooperating nations strengthen their capabilities for technology-based agricultural development. The portfolio of IADS contract activities in developing countries is now about \$50 million, reflecting the record of competence achieved by IADS programs in the past 7 years.

A/D/C, established in 1953, has a distinguished history in strengthening professional capabilities to deal with socio-economic and rural development issues in Asia. This program, while relatively modest in terms of annual expenditures, is appreciated by policymakers, academicians, and administrators in Asia who, in 1981, expressed "overwhelming sentiment in favor of continuation of the A/D/C's program in Asia" (from the 1981 A/D/C/ Annual Report).

Winrock International, incorporated in 1975, gives special attention to animal agriculture, with strong emphasis on putting technology to work through interrelated research and training programs. Winrock International has a significant interest in U.S. domestic agricultural development and policy issues as well as in international activities.

The three organizations have established credibility in their respective program areas. The animal agriculture thrust of WI, the socio-economic expertise of A/D/C, and the experience of IADS in crop improvement, soil and water management, and farming systems are compatible areas that would combine effectively to serve agricultural development.

The challenge is to encompass the current related concerns and potential activities in a single professional organization that could exercise leadership, be innovative, remain flexible, and respond promptly to opportunities and requests. Such an organization also could demonstrate and promote the value of integration and continuity in technical assistance, combating the tendency of donor and assistance agencies, as well as countries, to organize efforts into uncoordinated short-term projects, many of which are ultimately ineffective.

There is need for an organization which would be concerned with promoting integration and continuity in research and development of basic food and export crops, animals, farming systems, agroforestry, fisheries, and associated rural enterprises and industries. Similarly, in research, training, extension, education, and related activities, there is a need to integrate the relevant agricultural, economic, policy, and social sciences. To an increasing extent, both donors and countries are urging technical assistance agencies and governments to find ways of encouraging and integrating the private sector into development activities.

Among the goals and objectives that the IADS staff considers of high priority for such an organization are:

- o Increased understanding of the role of agriculture in national economies (developed and developing), leading to improved public policies and greater support for institutions, infrastructure, and incentives that stimulate agricultural production, processing, and marketing.
- o Continued strong emphasis on agricultural research on food crops, livestock, other commodities, and agriculturally related factors important to national economies. This would include special attention to the needs of small farmers through farming systems approaches to research and extension.

- o Increased attention to soil and water resource management and related conservation measures.
- o Continued emphasis on fellowship programs and in-service training of professionals, specialists, technicians, teachers, extension workers, and farmers.
- o Improved management of institutions and organizations engaged in agricultural and rural development.

In the new organization the identity of the three component current organizations could be sufficiently retained to ensure continuing credibility, while common programs and functions could be consolidated to the extent possible. It would be desirable to phase the consolidation so that, initially, the activities of IADS in developing national research systems, of A/D/C in socio-economic and human resource development, and of WI in livestock-based agricultural development are recognized as ongoing functions. As the new organization gains stature and recognition, greater integration of the activities could occur.

Some of the critical characteristics of a combined new organization would be:

- o A broad mandate that recognizes the complexity of agriculture, the broad spectrum of activities possible and necessary in agricultural research and development, and the relationships between agricultural and rural development.
- o Well-articulated and integrated philosophies and programs related to agriculture, research, development, and training.
- o Qualified professional staff with international credibility and experience, with the imagination and initiative to direct new development ventures, and with the stature to ensure access to decision makers on agricultural development policy, funding, and operations.
- o Operational flexibility so as to be able to respond rapidly to requests for assistance or to new opportunities for action.
- o The willingness and ability to engage in development activities in concert or cooperatively with other organizations, either formally or informally.
- o A location permitting rapid, easy, and frequent interaction with representatives of assistance agencies, developing countries, or other clients. The headquarters and other offices should be attractive, visible, distinctive, and appropriate to the mission and nature of the organization and the clients served.
- o A board comprising administrators and scientists with broad interest in the development of agriculture in the United States and internationally, and cognizant of the interdependent roles of public and private activities related to agriculture.

The funding of the new organization will require prompt attention to provide a long-term financial base, such as an endowment, to give the organization stability over time and to support a basic level of program activity.

In 1983 IADS is providing about \$11 million of services under contractual projects and programs. As a non-profit organization, IADS provides these services on a cost-reimbursable basis; this precludes accumulation of a reserve fund. As a step to overcome this problem IADS has created a wholly-owned, for-profit subsidiary that presumably will generate a flow of flexible funds. However, the lack of an endowment or continuing core grants limits the ability of IADS to take desirable initiatives in the development field.

There is continuing need to explore and test agricultural and rural development processes, and the new organization should engage in such activities. Core funding to support training and workshops, travel awards, and special studies to explore new development initiatives would strengthen the performance of the new organization and would enhance its position of professional leadership in agricultural development. Similarly, core funding would foster beneficial development information programs, building on the record of influential books, symposium proceedings, and papers, produced by A/D/C, and, more recently by IADS and WI.

A new organization that combines the capabilities, experience, and resources of IADS, A/D/C, and WI would provide an exceptional depth and scope of professional competence and credibility based on many years of experience with developing nations, private foundations, international agricultural centers, and numerous other national and international organizations. With this demonstrated performance, the new organization is likely to attract the interest of foundations and other organizations prepared to finance efforts to improve food production and agricultural development.

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The foregoing provides a base for considering the 10 questions posed.

1. What does each organization see as its comparative advantage?

The comparative advantage of IADS lies in its international experience in the improvement and management of agricultural research and development systems for food crops. The 12 headquarters' staff have worked an average of 22 years in international development, with an average of 15 years each in posts in developing countries. They have held positions in Mexico, Colombia, Brazil, Philippines, India, Pakistan, Kenya, Zaire, Nigeria, and Morocco, and carried out short-term assignments in 40 other countries.

A special strength of IADS, stemming from its base in the Rockefeller Foundation agricultural sciences field programs, is the long-term primary commitment to international agricultural development. This covers a period of about 40 years. Similarly, A/D/C has operated for about 30 years in international activities. WI has established its international activities more recently but is committed to career staffing.

Among private agencies, the staff of IADS (40 individuals in the field and 12 in headquarters) is emerging as one of the larger and more experienced group of specialists in international agricultural development. (In the early 1960's when the Rockefeller Foundation cooperative country programs in the agricultural sciences were at their largest, the foundation had about 50 professional staff members in the field).

Through the implementation of projects in developing countries, IADS provides younger professionals opportunities to gain experience and develop expertise. Currently, more than half the professionals employed abroad on long-term contracts are less than 45 years of age.

The distribution of the field staff as of April 1983, by degree and age, was as follows:

<u>Degree</u>	<u>26-35</u>	<u>36-45</u>	<u>Age</u> <u>46-55</u>	<u>56-65</u>	<u>TOTAL</u>
Doctorate	2	11	5	6	24
Master's	3	4	1	1	9
Bachelor's	1	2	3	1	7
Total	6	17	9	8	40

Most of IADS' 15 long-term contracts, and numerous short-term contracts, over the past 7 years have related to national agricultural research and production systems. In many of these projects, innovative approaches to farming-systems research and extension have been developed and implemented. Also, there has been progress in moving into new development-related fields such as water resource management, input supply systems, data bases for planning, vocational agricultural education, and rural development. IADS has demonstrated administrative flexibility and the ability to handle such logistic services as management of expatriate fellowship programs and procurement of equipment and supplies to support national programs.

IADS has been effective in recent years in achieving closer cooperation among donor agencies supporting related agricultural research and development in a given country--such as the World Bank and USAID projects in Bangladesh and Indonesia--and also in integrating, formally or informally, national projects in research, extension, seed production, area development, etc. originally initiated as discrete activities. Activities in Nepal, where IADS has been working since 1976, provide a good example. IADS is working with the Nepalese on the Integrated Cereals Project (USAID-supported), the Seed Project (USAID) and the Hill Food Production Project and Agricultural Research and Extension Project (both of which are supported by UNDP and administered by the World Bank). IADS promotes cooperation among these projects, and some staff members serve more than one project.

IADS carries out its activities with a commitment to national systems and to developing effective links with international research centers, universities, and the private sector. It has a good reputation with host countries and donor agencies.

2. What could the three organizations do collectively that they cannot do separately?

Given the present staffing, orientation, and activities of the three organizations, consolidation would produce an organization capable of responding to a wider range of opportunities (financial, programatic, geographic, etc.) than any one could individually. The extended spectrum of competencies possessed by the collective staff, as well as complementarities in disciplinary knowledge, would make this possible.

Although many organizations participate in international agricultural development projects, for most such activities are sidelines and involve persons diverted temporarily from their classroom or other duties. Among the organizations that furnish consultants or operational support services comparable to those of IADS, few have as much experience or the expertise in a wide range of disciplines.

The new organization would further broaden the scope of professional competence and would continue the primary commitment to international development work. It would be able to exercise more leadership in more areas and thus be able to participate in more program areas than any one of the three existing organizations. A broader and more stable financial base--which the capabilities of the new organization should be able to attract--would also encourage innovation.

The new organization would be an especially appropriate instrument for aiding agricultural development as the large private foundations shift away from direct participation in agricultural development. It would be managed and staffed by individuals with a career commitment to international agricultural development, rather than by persons deputed from other duties or on sabbatical leave. It would be non-political--its advice would not be compromised by competing agendas. It would be highly competent--able to draw on the best qualified specialists regardless of nationality. It would be small enough to be non-bureaucratic, innovative, flexible, and fast-acting.

A consolidated new organization would facilitate the undertaking of a number of specific activities, including:

- o Exploratory or planning missions to help the smaller, poorer countries to identify problems, define projects, and prepare proposals for funding.
- o Developing and demonstrating more effective approaches to farming-systems research and extension, taking into account animals, plants, and social environments.
- o Cooperation with other organizations in the development of approaches and materials for improving the management of agricultural research and development institutions and activities.
- o Organizing and conducting orientation tours for national leaders interested in observing or studying agricultural research and development activities, particularly those with farming systems and small farmer orientation.

- o Expanding fellowship management activities and developing special activities to complement or supplement academic programs.
- o Expanding conference and workshop programs to address specific leadership development needs in the United States and abroad.
- o Producing and disseminating publications and training materials for specific audiences--policymakers, educators, scientists, specialists, etc.

The new organization would have the opportunity to create a comprehensive documentation center, and to prepare literature and training materials relating to the broad spectrum of agricultural development.

3. What would be the primary mission of the new organization?

The continuing need to help developing countries and to increase world food supplies argues strongly that the primary mission would be "to assist nations to increase the production and availability of agricultural products to improve human nutrition and welfare." (from WI/IADS meeting, June 16, 1982).

4. How would a new organization relate to past and prospective work of the Rockefeller Foundation, Ford Foundation, AID, university consortia, the CGIAR system, and other entities?

Broadly speaking, the new organization would be most productive to the extent that it is catalytic, supportive, and cooperative. In addition, the new entity would have the opportunity to be innovative in a wide range of development activities.

Specifically, the new organization could participate in the planning and implementation of the work of some donor agencies. IADS already is involved with USAID in this way. Because of the heavy day-to-day burden on the staff of USAID, it sometimes seeks help in formulating long-range plans. The new organization, with its broader staff--and greater flexibility of funding--probably would be welcomed by USAID and others as a source of collegial help and independent counsel and as a partner in programs of mutual interest.

It is not unrealistic to think that other institutions would feel similarly. The Rockefeller Foundation has identified the African region as one of its primary concerns in its agriculture program. The new organization should cooperate with the RF to (a) identify program opportunities, (b) explore patterns of organization and assistance operations to expedite cooperative projects, and (c) facilitate collaboration among donor organizations. A similar relationship should be explored with the Ford Foundation. The new organization could serve, in part, to implement development projects for these organizations.

The universities are generally cooperative with IADS, and we expect that this would be true for the new organization. While the universities realize that to a degree IADS is in competition with them, some of the

most experienced in international work, such as Cornell, Minnesota, North Carolina State, Oregon State, and Michigan State, have joined IADS in project proposals, demonstrating that they feel collaborative efforts have a substantial mutual benefit. There also are interesting opportunities with smaller institutions, such as Virginia State and Tuskegee Institute, which can make unique contributions internationally and domestically. (IADS has a joint proposal for work in Senegal with these two partners.) Almost anything IADS can do individually with these kinds of relationships would be enhanced by an appropriate merger.

The three current organizations have worked compatibly with university consortia and the CGIAR system so there should be no problems in continuing such relationships.

5. Would the new organization restrict itself geographically?

The new organization should not be limited geographically. IADS has had major activities in Asia and Latin America. But there have been reviews, consultations and some project implementation in scores of countries throughout the world. Requests continue to come to IADS from a wide range of donor organizations and developing nations on a worldwide basis.

A/D/C has concentrated in Asia in part because the organization was set up to focus on that region. The major constraint to expansion of A/D/C activities in other areas of the world has been the lack of funds. The A/D/C programs--fellowships and training, workshops and conferences, development-oriented publications, and selected grants--are well-suited to Latin America and African countries and should be expanded. The WI activities are in an earlier developmental stage so there should be great flexibility in selection of priority areas.

There is strong justification for special attention to Africa because the African nations have not reached the level of self-help capability characteristic of many countries of Asia and Latin America. Also, the types of initiatives and services that could be offered by the new organization would be well-suited to the needs of African countries in the earlier stages of economic development.

6. What would be the approximate split between domestic and international activities?

The foregoing discussions have focused largely on international activities because IADS and A/D/C have concentrated almost entirely on international programs. However, the WI charter embraces domestic as well as international activities, and IADS strongly favors continuation and expansion of these programs by the new organization. It is our view that association with such activities would significantly benefit IADS, and that the IADS experience in analyzing organizational structures and methods of dealing with small farmers could be usefully applied to U.S. needs.

Through its Research and Training Network the A/D/C has developed close working relationships with economists, social scientists, and other specialists in the U.S. and international academic and professional agricultural organizations that could be useful in pursuing future domestic research and development activities.

Since the major part of the IADS and A/D/C programs are supported by funding for specific international projects, such activities would probably predominate during the first years of the new organization. Future expansion of domestic projects would depend upon funding for them and on grants or contributions to a core fund or endowment.

The new organization might decide at the outset to apportion core resources in a different ratio from special (primarily international) project funds. For example, the core allocation might be one-third to domestic programs and two-thirds to international. Funds for special projects can be either of grant or contract origin. There are probably more opportunities for such funding in international agriculture than in the domestic area. Consequently special projects might be more heavily weighted to international, i.e., a 20 to 80 percent ratio. However, domestic special project grant funds might prove to be more plentiful once the new organization develops a track record. In the initial years the new organization would have to demonstrate its interest and capability to address issues in the domestic area.

7. Would a new organization focus mainly on consulting, projects, or programs?

The new organization would be expected to meet the obligations and commitments inherent in the current work of the three organizations. IADS was set up at a time when two major donor agencies, the World Bank and USAID, were looking for capable organizations to furnish guidance and leadership for national agricultural research and development projects for which they were providing major funding.

The IADS presence in the cooperating countries permits much broader impact than the specific project it is responsible for implementing. The fact that the organization is not carrying out its own programs--with its own funds and with the inclination to achieve a performance record for itself--has had its benefits. IADS is generally regarded as an institution working on behalf of the host country and not for credit and recognition by some external constituency.

Furthermore, the operation of projects funded by other agencies furnishes excellent field laboratories for gaining experience in agricultural development processes. This type of on-the-ground guidance and leadership is one of the best--and most needed--contributions to the building of indigenous capabilities for technology-based agricultural development. Thus the new organization should continue to respond and implement programs funded by other agencies.

In addition to the externally funded activities involving specific programs or contracts, the new organization should develop program areas that are financed primarily by resources that it controls. It needs to be able to make independent decisions to undertake specific programs or activities with the assurance that it can proceed at a worthwhile level and with an appropriate time horizon without undue pressures of annual targets or deadlines. When considering new ventures, however, the new organization would seek partners and other sources of funds to augment its own resources. The leveraging of in-house funds and capabilities has

benefits over and above the multiplication of effort. It ensures that the organization will constantly test and sell its wares in the marketplace of ideas.

While a significant portion of the organization's work should be programs that it controls internally, the work done with external funding could be substantially greater than that done with in-house funds. In international agricultural research, it is quite possible that activities funded as special projects would be 10 to 20 times larger than core-funded ones. Certain other activities, particularly domestic ones, probably would depend on core funding to a large degree. The new organization should not be highly influenced by what these multipliers are seen to be at any point in time. It should be able to explore little known or controversial areas even if other agencies are unable to participate.

In summary, the new organization should endeavor to develop a much greater capacity to study development processes and to initiate exploratory projects, while at the same time carrying out operations and management of specific development projects funded by others.

8. Who would be the major clients of the new organization? i.e., ministries of agriculture, planning and finance ministries, universities, regional authorities?

For some core activities there would be no specific client. Or perhaps it would be better to say the client in some cases would be those who depend on agriculture as producers or consumers. In other cases, generally special projects, the client would be a specific national entity in a developing country, such as a ministry of agriculture, planning, or education. It might be a university. Sometimes there might be an intermediary client. Thus a project might be carried out under contract with the World Bank or USAID to provide specific services to a given country or to a group of countries. We expect that when the organization is operational, a specific client will be identifiable for maybe three-fourths or more of the work. Although smaller, the portion in which the "client" is not specifically identifiable will provide for activities that add substantially to the organization's basic character.

9. What would be the primary organizational (operational) mode for the new entity? i.e. would it work "for" third world countries or would it seek to retain primary control of programs and personnel itself?

As indicated earlier, the organization would control its own destiny by being able to fund its core program at a reasonable level over a substantial period of time. It would seek to build upon this base by obtaining special project funds or entering into various kinds of partnership or joint efforts. Thus in a new or controversial area the organization might be working on its own and controlling the program and personnel. In other cases, it might work "for" a third world country by providing services that the country recognizes it needs but lacks the expertise to provide on its own.

10. To achieve objectives, what would be the most useful make-up of staff with respect to numbers, disciplines, and locations?

The organization and staffing of the new entity will require joint consideration by the three component agencies. Among the basic issues are:

Location. We have felt that the principle to be followed in locating staff and facilities should be to place them where they can function most efficiently in accomplishing the objectives of the organization. The headquarters for the international activities should be in a location that will facilitate interaction and communication with cooperating agencies, including major donor assistance organizations in the U.S. Also, there should be easy access by U.S. cooperators and by foreign personnel, including government and professional leaders, and trainees.

Organization. The organization should be simple and encourage maximum interaction of leadership staff. A minimum structure could include an international division, a domestic division, a training and communications division, and an office services division. But no one would be tied exclusively to a given division--and most if not all staff would regularly participate in work of both the domestic and international divisions. Some activities would be undertaken jointly by these two divisions.

Staffing. The headquarters' staff should represent a range of relevant professional disciplines, but the critical competence required in the headquarters staff is imagination and initiative together with operational and managerial capability. For various field positions, specialists in specific disciplines are essential. While some of this need can be met through consultants for short-term assignments, other field posts will require long-term specialists.

The headquarters' staff should be kept small to minimize overhead costs, but should include experienced scientists in such fields as plant sciences, animal sciences, soil and water management, agricultural economics, etc. Concern about both domestic and international agriculture by individual professionals would be fostered. About 25 persons would be an appropriate size for the long-term headquarters staff. This would be augmented with short-term visiting specialists and interns on 1- or 2-year tours and by a substantial list of "senior associates" who are highly qualified in specific areas and affiliated with the organization on a continuing basis.

The field staff (at present totaling perhaps 60 to 70 persons for the three organizations) would expand as additional field programs develop. Attention should be given to enlarging the more permanent "career" roster to foster the security, loyalty, and stability that the new organization should achieve.

Regional Offices. Regional offices would facilitate identification of added opportunities for cooperative projects and would deepen understanding of needs, socioeconomic factors, and various constraints. However, regional offices can be costly and, unless properly fitted to the overall organizational pattern, could create uncertainties about division of

responsibility. The new organization should examine the needs in this area carefully before proceeding.

At present, the IADS staff responsible for supporting and managing the projects in different countries and regions are located at the IADS headquarters. This ensures continuous interaction with IADS and cooperating agency personnel with respect to policy and procedural issues. It also maintains a clear-cut and direct link between the field project leader and the headquarters.

Communications. Careful consideration will be required for management of an organization operating from several locations. Problems associated with geographic separation can be minimized by a number of organizational actions as well as effective use of telecommunications. The organizational actions critical to successful operation of split staffs include clear-cut delineation of functions, designation of responsibilities and authority to act, frequent staff meetings, and periodic, temporary revolving of some staff.

Once the merger is definite, it would be appropriate to employ a telecommunications consultant to consider the technological options to facilitate rapid and easy communication. This might include tie-telephone lines capable of handling voice, written messages, and possibly graphics (facsimile); linking of word-processing equipment and computers; an integrated, computer-assisted approach to storing and retrieving information in files, and facilities for teleconferencing (permitting frequent face-to-face meetings between staffs geographically separated). These and other techniques currently are being used by various institutions and industries. Careful selection and use of appropriate technology would contribute significantly to the successful operation of the merged organization.

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