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FOR A/D/C DEVELOP.

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IADS

July 10, 1981

Dear Bill and George:

Attached is my first go at a draft proposal to consider the merger of A/D/C - IADS - WILRTC. This, along with your own versions, might serve to identify those issues which will need study, negotiation, elaboration, etc.

At this point, I think that it is important to keep these draft documents as highly confidential. Too much discussion may create uneasiness among the staffs and boards of the respective institutions. At some point, however, we may want to give a full green light to a feasibility study leading to a proposal. Then the boards and staffs should be deeply involved.

I expect to be away at meetings until August 10, but I can be reached if necessary. My office will know my whereabouts (call Ms. Schad or Mrs. Haines).

Sincerely yours,

John A. Pino

Dr. William M. Dietel
Rockefeller Brothers Fund
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Dr. J. George Harrar
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Scarsdale, New York 10583

JAP:mjs
Enclosure

Note: With copy to JGH, sent annual reports of Winrock Intl. for 1980
Winthrop Rockefeller Fdn. for 1979
A/D/C for 1979

cc To Raven -
11/2/81

Discussion Document

POSSIBLE ASSOCIATION OF IADS - A/D/C - WILRTC

World Needs

There are still many nations whose food-producing systems are inadequate to meet their own requirements. A general condition which prevails in many of these same nations is the inadequacy of their institutions to provide the professional and technical services to farmers and agribusinesses. A further deficiency occurs at the political level where agricultural policy making takes place.

Providers of Technical Assistance

There are now a large number of public and private assistance agencies. The multilateral agencies of the UN system, the CGIAR, the World Bank, regional institutions, bilateral assistance agencies of most donor countries, plus the many PVO's and for-profit consulting firms, all vie for an opportunity to work with LDC's. Motives vary but include political, financial, religious, or altruistic. In the light of this fact, one must ask what, if anything, can any new organization do which is not simply more than what existing agencies now provide.

Each of the three institutions under consideration, i.e., IADS, A/D/C, and WILRTC, has specific but different capabilities. If we can assume for the sake of argument that the respective institutions are highly qualified professionally to do their jobs, what other qualities do they have which, taken in the context of world food needs and the development process, would set them apart from other agencies? These might be listed as follows:

- 1) They each carry the name and identification of a Rockefeller enterprise.

The reputation of The Rockefeller Foundation especially in international agriculture is unmatched. WILRTC and A/D/C also have

established enviable records. They are not newcomers to the field.

- 2) They are apolitical in that none of these institutions is, or is perceived to be, representing the official position of the United States.
- 3) They do not depend exclusively on contractual services for support and therefore can be discriminating in what they do.
- 4) They can and do approach technical assistance on behalf of the nation being assisted.
- 5) They can work at the interface of other institutions and activities because they are trusted as nonpartisan third parties.
- 6) They can bridge the gap between the corporate sector and LDC governments.
- 7) They can relate directly to PVO's in a way that no state or government agency can. The PVO's need what these three organizations can offer.

I am convinced that the combined qualities of IADS - A/D/C - WILRTC are a formidable array of advantages which are unmatched by other public or private agencies. These qualities should be attractive to nations requiring agricultural development assistance. The combined institutions would represent a broad agricultural development service which could be placed at the disposal of U. S. institutions and, indeed, serve American agriculture as well as that of other nations.

Current Capabilities

Each of the institutions has different capabilities, each was designed to focus on a particular facet of agricultural activity. WILRTC has designed its programs with a specific emphasis on ruminant livestock and rangeland resource development. The IADS focuses on crop resource development, while A/D/C has stressed the development of social science (economics) capability. IADS has an activity in producing development-oriented literature. WILRTC has an excellent

communications group which is able to produce educational films, video, and literature. Each institution is able to handle its own administrative work. They provide fellowship guidance and administer funds for that purpose. They maintain lists of potential staff and consultants. In reality the capabilities are highly complementary.

Crop and livestock development go hand in hand. It is silly that a development country need apply to two or more agencies for projects involving crop and animal production. It is also absurd that we separate economics and policy capability from production-oriented capacity. A glaring fault in the food and agricultural policy sector of LDC's is the distance that separates the policy and planning structure from the production, research, and extension units. As IADS - A/D/C - WILRTC association would be an example of full integration of importantly related activities.

Some of the capabilities of the three institutions should be fused, such as communications, administration (finance, purchasing, etc.), and fellowship management. Obviously such fusion of services would represent substantial savings in administrative costs. A display of qualities and capabilities is shown in the accompanying table.

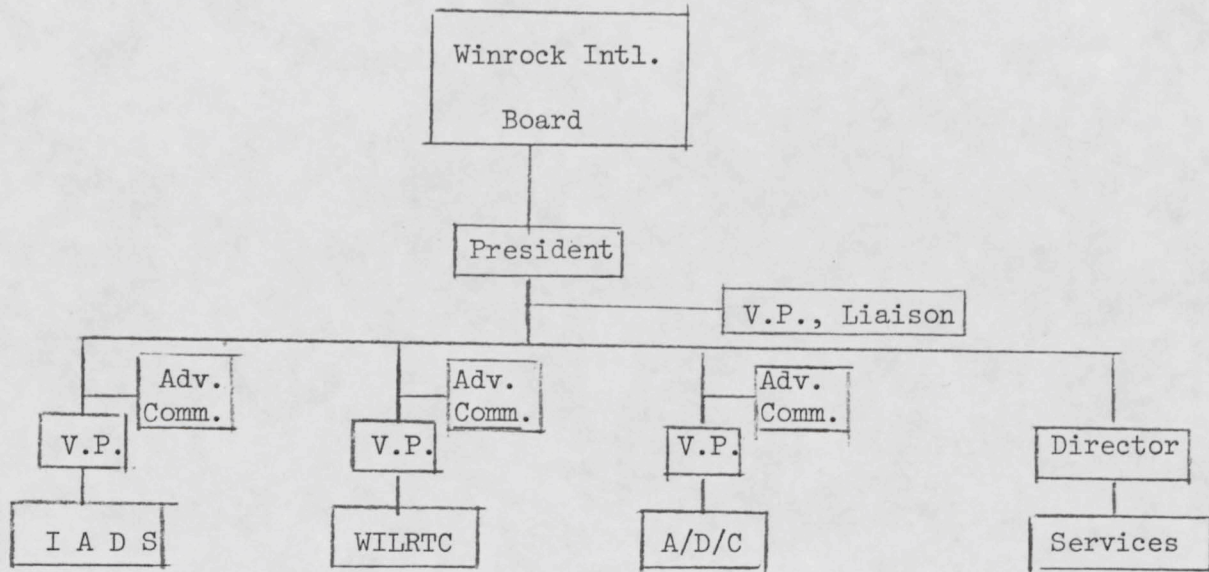
A Possible Structure

No attempt is made to define the organic structure of an organization which would amalgamate the three existing institutions. Indeed, the word amalgamate implies some form of fusion creating a new institution. In reality an important feature would be to retain the identity and quality which each of the institutions now has. That would be the key then: how to bring the institutions together while retaining some degree of identity for each.

Display of Qualities Possessed by A/D/C - IADS - WILRTC

| <u>Capability</u> | <u>A/D/C</u> | <u>IADS</u> | <u>WILRTC</u> |
|-------------------------|--------------|-------------|---------------|
| Crops | | X | |
| Animals | | | X |
| Literature | X | X | X |
| Films | | | X |
| Fellowships | X | X | X |
| Postdoctorals | X | X | X |
| Administrative | X | X | X |
| Finance | X | X | X |
| Computer | | | X |
| Specialists List | | X | X |
| International Contracts | X | X | X |
| Domestic Programs | | | X |
| Board of Trustees | X | X | X |
| Operating Staff | X | X | X |

The real benefits would be derived from physical proximity of the staffs of the respective institutions. Furthermore, administratively the three institutions should form part of an integrated program which organically might look as follows:



I would expect that the separate boards would gradually phase into a single board. Each institution might retain an advisory committee. Operationally the three organizations would seek to draw upon each other's strengths so that they would, for all practical purposes, operate as a single organization.

Location of Headquarters

The WILRTC now has an excellent physical plant. It has room for expansion of physical facilities including additional office space, library, and meeting rooms (including housing for conference participants). Staff housing is available in surrounding communities although some additional staff housing could be built on Petit Jean Mountain.

Communications are good. The International Airport at Little Rock has good connections to the East and West Coasts, as well as to major cities in the

interior of the U. S. With the landing strip at Petit Jean, the new Winrock International might even consider purchasing its own airplane, primarily for service between Little Rock and Petit Jean.

I envision that all of the staff and organizational operations would be at Petit Jean headquarters.

Liaison Office

An expanded operation would require a presence in Washington. Each of the organizations has sufficient business with various Washington and New York agencies that a staff person should be located in either of the two cities, preferably Washington. That individual should have the rank of Vice President and be responsible for all liaison activities with government, state, private, and corporate agencies.

Programs

Each of the three institutions has an active involvement internationally. These activities should continue and expand. Winrock also has a domestic program involving both livestock production and agricultural policy projects. Some re-ordering of programs would be possible under the new structure. For example, I would broaden and strengthen the agricultural economics (food and agricultural policy related activity) and place that in the A/D/C unit. Development of food policy capacity should be undertaken on a worldwide basis. The RF has some experience in this area. One could also draw on other experiences. This would be quite a change in range of activities for A/D/C. The IADS should continue to focus on food crop research, production, and development, while Winrock focuses on ruminant livestock research, production, and development.

Training, publications, conferences, etc., would be common to all units of the new institution.

Future Projections

With a solid base in the crop and livestock sectors, supported by well-guided social sciences, the institution would then be in a position to incorporate other activities. Among the first of these would be Forestry. Little need be said here about the denuding of hillsides, the depletion of fuel wood resources, the destruction of tropical forests, and almost complete lack of government intervention in those areas where these processes are taking place. The fact is that we have not applied the principles that we learned in agricultural development programs to the problems of forest and rangelands. In view of this, I would propose adding the fourth unit, Forestry and Natural Resources, as soon as practical. We might even negotiate a merger with the Conservation Foundation.

There may be other activities which would fit and complement those under consideration. These might include a Water, Soils, and Irrigation (Drainage) Unit and an Aquaculture Unit.

Budget and Finance

Of the three institutions under discussion, only one is approaching the position of having sufficient income from endowment to retain its nucleus operation.

I believe it is important to establish the principle that the kind of institutions we are discussing should have an assured income which would sustain all essential operations including the nucleus staff, physical plant, and non-reimbursable services and activities. In general terms, a minimum annual income of \$1,500,000 would be required to sustain essential staff and services. In other words, we are talking of a minimal budget of \$5-6,000,000 for the combined operation. To obtain that income would require an endowment of approximately

\$55-60,000,000. To maintain the operation at the same level would require an endowment growth somewhat under inflation levels.

JAP:mjs
July 10, 1981