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THOUGHTS ON IADS

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Both The Rockefeller Foundation and IADS are considering options for IADS for the future. A major question for both organizations is the amount (if any) and nature of further Rockefeller Foundation financial and other support for IADS as the initial five-year trial period expires. This note is to provide some thoughts which may be useful in the coming deliberations.

First, the goal of The Rockefeller Foundation in setting up IADS should be kept in mind: Since the mid-1940s the Foundation has been working to get food production up and to overcome hunger in developing countries. It has recognized that this must be accomplished country by country. Its original approach was to cooperate with individual nations - Mexico, Colombia, Chile, India - the "country program" model. Joint efforts were based on developing the necessary technology, training people, strengthening institutions, and in the more successful cases (Mexico, India, Turkey later) participating in production campaigns to boost output of the long neglected food crops.

By the late 1950s four national programs were underway involving Foundation cooperation, including a large one in India. This strained Foundation resources. It was obvious that a foundation such as the RF could work directly with only a few countries because of its limited resources.

In an effort to assist a number of Asian rice growing nations simultaneously, IRRI was established to try to develop technology necessary for high yields in the Asian tropics, to train personnel for national programs, to strengthen national institutions, to foster cooperation among nations on common problems. All these elements had been tested in Mexico. The overall objective of IRRI was simple and straightforward: to get rice yields and production up in Asia as quickly as possible. IRRI was successful and in a much shorter time than had been hoped; by 1965 the first high yielding variety for the tropics, IR-8, was released, with information on how to get higher productivity with other existing varieties. Within a few years high yielding varieties were in use on millions of hectares in a score of countries.

Between 1966 and 1973 some ten additional tropical agricultural research institutes were established or were on the drawing boards. The CGIAR had been organized and was marshaling the necessary funds. The expectation was that generation of research results, training of people, and greater cooperation would lead to production increases - as had the wheat program in Mexico and IRRI. But as the institutes grew, there was pressure both internally and externally to concentrate on science rather than production, an unfortunate development.

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By 1973 it was clear that the institutes, important as they are, could not be depended upon to stimulate the increases in production, country by country, that were so necessary. The reasons included:

- . no single institute was working on more than a few of the crops, animals, or problems important to each country
- . even the network as a whole deals with only a portion of the crops, animals, and problems important to the poorer countries
- . no institute could possibly work directly with all the countries needing help; it would be impossible logistically
- . institute orientation toward production was being replaced by an orientation toward research

By 1973 it was clear also that in addition to the institutes it would be necessary for each national program to pull in technology or to arrange for training at the institutes or elsewhere in line with the country's own needs and to do so as part of an active production effort. The objective was not research, it was development. New mechanisms appeared necessary, and they would need to counter the drift toward research for the sake of research at the institutes and in poorer countries.

IADS was created to work with the poorer countries in organizing effective agricultural programs. It intentionally was designated a "development," not research, service. The concept attracted the attention of the bilateral and multilateral donors and they agreed that they needed such an institution within the CGIAR to allow them to support individual country efforts directly. CGIAR studies indicated that a new organization - the International Service for National Agricultural Research - should be established. It has been, at The Hague. It was called a "research" service to facilitate its approval as part of the CGIAR system and in part to mollify FAO. Whether ISNAR becomes a significant force for development remains to be seen. Or will ISNAR take the more comfortable but less effective approach of simply "strengthening research?" If the latter, the likelihood is greatly reduced that food needs will be met.

Both the RF and IADS had important roles in bringing ISNAR into being. Most authorities believe that without these private efforts - beyond the political reaches of FAO - ISNAR could not have been created.

The RF should have a major interest in the orientation of ISNAR and should be supporting efforts to make it as effective as possible. It could be crucial to attainment of the Foundation's goal to conquer hunger.

It also will be important to support IADS provided the IADS objectives are sufficiently ambitious and its approach tailored to the urgent requirements of the times.

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Prior to World War II, Africa, Asia, and Latin America - as regions - were net exporters of food grains. Shortly after the war, they as regions were net importers. Their deficits continued to rise, reaching some 24 million tons by 1964-1965, when Lester Brown documented these trends, projected growing deficits to the year 2000, and concluded that the developing countries were losing the capacity to feed themselves. Deficits today are still higher - and IFPRI projections are no less alarming. There are today only a handful of food-surplus, exporting countries. The US exports (118 million tons) are the largest by several orders of magnitude, followed by Canada (18), Argentina (14), Australia and New Zealand (14), Thailand (4), and South Africa (3 million metric tons). And, the US no longer has surpluses it cannot sell at market prices. It has little to donate or sell at subsidized prices. The need to spur production in the poorer countries is as crucial today as it ever has been, if not more so.

Since World War II, much has been done to create institutions to respond to development needs. The international banking system is in place. A multilateral and bilateral technical assistance system has been organized though it does not function nearly as well as it might. The world research system is taking shape. Most financial, technical, and research agencies are concerned with assistance in the public sector.

The one critical component of world capabilities not yet appreciated or mobilized is that of business and industry, not just agribusiness but the entire spectrum of enterprises important to any aspect of development, and from rural traders to multinationals.

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IADS originally was created in the hope that it would speed agricultural and rural development in every way possible, that it would use its unique flexibility to enable other organizations, public and private (including business and industry) to become involved in more effective ways in the development of the poorer countries, with emphasis on food production, processing, and marketing, and an increase of incomes of people in rural areas in any appropriate way - to overcome poverty.

There still is a critical need for such an organization. The RF cannot yet count on ISNAR to meet these requirements; it probably will be too narrow in its approach. Nor is the array of other institutions adequate. The need is for an aggressive, innovative, cooperative institution working at the interfaces of the public-private sector, with accelerated development as its goal.

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For a number of years, The Rockefeller Foundation itself responded to requests from governments for help in designing their own programs, or in acquiring the help of consultants or other organizations for such purposes. For example, when Kasetsart University was planning to relocate its campus from Bangkok to Kamphangseng, it needed help in orchestrating the planning by its several faculties, in redesigning its curriculum, in campus planning. The RF helped by arranging for Dr. James Jensen, then president of Oregon State, to serve as acting vice-chancellor for planning and development. The University of California, Davis helped with

campus planning. Cornell assisted with overhaul of the curriculum. When the World Bank team came to Bangkok, they found that not only had the preparation been professionally carried out, but Jim Jensen was sitting on Thailand's side of the negotiating table.

The Rockefeller Foundation could provide only a fraction of the services which the poorer countries need to be able to deal effectively with the world financial and assistance community. One reason: The RF cannot receive funds from other sources for specific purposes. IADS was created to assist wherever possible on the country side of the table, or working to bring together LDCs and the help they need, and with funds from a variety of sources. IADS was to have more flexibility than the RF itself, and to use it to promote cooperation however that would be helpful - as the RF had tried to do.

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IADS has a remarkable list of achievements for a handful of people working for only five years.

It has worked in various ways with at least 36 countries, as described in the docket for its board meeting of November 10, 1980.

Among its more important contributions in my view are its consultations with governments of developing countries which led to initiation of programs by the country, either on its own or with help of other organizations with which IADS put them in touch. Countries so assisted include

Africa: Botswana, Kenya, Sudan, Senegal, Ghana, Tanzania, Cameroon, Nigeria, Uganda, Morocco, Swaziland

Asia: Malaysia, Thailand, Western Samoa, Sri Lanka, Philippines

Latin America and Caribbean: Brazil, Dominican Republic, Honduras, Panama, Paraguay, Ecuador, Bolivia, Colombia

IADS has undertaken, through multi-year contracts, assistance with the following:

Nepal: Cereal production and farming systems. A breakthrough has been achieved in tailoring crops technology to needs of Nepal's hill regions. (USAID financed) Seed production project (USAID)

Indonesia: Strengthening the Agency for Agricultural Research and Development (World Bank) Improvement of the agricultural research network on the island of Sumatra (USAID)

Bangladesh: Strengthening crops programs of the Bangladesh Agricultural Research Council (USAID)

Panama: Assistance with design and establishment of the national agricultural research institute, IDIAP (USAID)

Ecuador: Assistance with vegetable, fruit, rice, and poultry research (IADB)

The IADS major contracts are or should be self-supporting. Consultations of the type that the RF traditionally has provided over the years are in some cases funded by other agencies; some, however, require quick response and great flexibility to be effective. Grant funds can be very effectively used for these purposes.

Other major IADS contributions are (a) articulation of agricultural development strategies, (b) development oriented literature, (c) arranging cooperation across continents of developing country institutions, and (d) facilitating informal cooperation among official agencies. Its contributions in these areas in my view are at least as significant as direct cooperation with countries.

In my view, the contribution of IADS may be far more important than any other current activity of the COH program, with the possible exception of support of and participation in the CGIAR system.

Certainly when one considers the cost to the RF of the past IADS work, relative to cost and returns from other COH activities, IADS has a remarkably good record.

It is worth noting that this small organization has been sufficiently useful to cause both the President of Cornell University and the Governor of North Carolina to propose that it be established in their areas.

IADS has been successful to a large degree. Yet it has operated with handicaps not foreseen. First, SW served as first president in 1976 and part of 1977 and was able to give a substantial amount of time to IADS. But, in September 1977, SW began to devote much more time to RF affairs at the request of JHK. Then, after December 1978, SW was able to give little time to IADS. Colin McClung became acting president of IADS. Both IADS and the RF were faced with uncertainties.

Meanwhile, USAID was immobilized abroad because of contests between (a) USAID and its country missions, and (b) the Board on International Food and Agricultural Development (BIFAD). The last few years have not been productive ones for USAID, or those trying to work with it.

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Future of Conquest of Hunger

In my view, the decision on nature of Foundation support for IADS should be based on longrange plans for the Conquest of Hunger program.

The COH program and the agricultural programs from which it evolved have been underway for nearly forty years. In its prime Agricultural Sciences had some sixty career scientists on its staff, mostly in the field. With the elaboration of the institute system, many were assigned or otherwise joined the staffs of these centers or other organizations, including US universities and IADS. Others have retired. The point is that most of those with substantial firsthand experience in developing countries are in their mid-fifties or older. Within a decade virtually all these people

will be gone from the RF staff. And, the RF really has no way of training a new generation of comparable authorities, though it could find replacements who have obtained experience elsewhere. Other institutions, including US universities which have experienced personnel on their staffs also face the problem of the aging of their authorities. This is a national problem.

A key choice should be made by the Foundation. Does it wish to continue the Conquest of Hunger program as is, with such evolution as would normally occur, for the next decade? Or should the Foundation do whatever it can to assure that other appropriate organizations are brought into being, strengthened as necessary, then permitted to continue on without further RF involvement? Historically, the Foundation has sought to transfer responsibilities to others wherever possible and desirable. Is the next decade the one to spin off agricultural and rural development activities to other competent organizations? In my view, it is. Conquest of Hunger would be brought to an orderly conclusion as an RF program, permitting the RF to explore new opportunities in the agricultural and natural sciences or other fields.

If the RF is committed to alleviation of hunger and poverty, it needs to make a particularly strong push in that direction over the next decade, for the world situation is still grave. One component of that intensive effort could be a greatly strengthened and independent IADS, moved away from the RF to facilities adequate for its activities and an image as an independent organization. However, if the RF is to consider this option, it should first satisfy itself that IADS will in fact implement the kind of program that will provide world leadership in acceleration of agricultural and rural development, that it will be a catalyst (as the RF has been) in work with all other organizations.

2 | As part of its effort to strengthen other organizations the RF should work through them in every possible way in the next decade and not try to compete with them.

Choices for the IADS Board

There are a number of conflicting viewpoints represented on the IADS Board. In the final analysis, the IADS Board has the responsibility and right to determine the preferred future course for IADS. The RF, on the other hand, has the right to determine what, if anything, it is willing to consider supporting in the future.

One element on the IADS Board believes that IADS as originally projected should be a contractor of last resort, and should concentrate on (a) helping developing countries find ways to organize their own national programs with a minimum of outside help, using consultants of their own choosing when necessary, (b) assisting countries in designing programs, identifying potential contractors (public or private), and arranging for necessary financial support, (c) promoting accelerated development by any feasible means, including articulation of strategies, marshaling information,

and arranging short-term training, and (d) promoting effective involvement of business and industry, universities, and private voluntary organizations - and cooperation among public and private organizations. In short, IADS should be a catalyst of accelerated development, using its extreme flexibility primarily to advance the causes of developing countries and other organizations, rather than its own. As I explained to the IADS Board at its first meeting, IADS should receive two brownie points if it helps a country solve its problem without an IADS long-term contract, one brownie point if IADS has itself to take a contract, and no points at all if it is not helpful. Under this model, IADS would need to seek grant funds to cover many of its activities. It started to seek such funds in 1976 and in fact received \$500,000 from Lilly. Then, fund raising stopped as negotiations on ISNAR got underway.

Others on the IADS Board feel that IADS should concentrate on contracting, seeking out opportunities, and vigorously competing for them with other organizations, commercial or non-profit, with a substantial overhead charge to cover home office costs as well as those of other pro bono activities. Under this model, IADS would be self-supporting and presumably would not need much additional help from the Foundation.

IADS must choose one route or the other, it cannot do both. It cannot be both a trusted confidante of governments (as were the RF and Ford Foundations) and a seeker of their business. It cannot both promote cooperation among elements of business, academia, and other private organizations - and between these and the LDCs - and simultaneously compete with them for contracts. IADS cannot be both friend and foe.

IADS will choose one route or the other, unless there is some middle course I fail to see. I understand the Executive Committee of the Board may be inclined toward the latter course.

The RF then has a choice regarding support for IADS. If IADS becomes a competitive contracting organization, it presumably should not need continuing grant funds. It could raise its overhead charges. If it pursues the original course, it will need to seek grant funds from the RF or others or both.

Expansion of the IADS Staff

IADS management proposes to expand its staff by six full-time individuals (animal science, defined areas, marketing, small-scale industry, irrigation, and policy/planning). The purpose of the expansion is to "give IADS a broader base of expertise and experience and a competitive advantage on a wider range of projects."

Three questions are relevant for the Foundation if it is to be approached for all or part of the additional funds to move the annual subsidy from \$1.05 million to about \$1.7 million:

- (1) Is the strengthening of IADS as a competitive contracting organization an objective the Foundation should support? Is that the type of organization needed to achieve the Foundation's goal of the alleviation of hunger?
- (2) Would the financial support sought primarily subsidize the banks and aid agencies which provide contract funds - via a low overhead rate - or help the poorer countries?
- (3) How and where would the extra staff be accommodated?

There is considerable doubt in my mind that simply adding to its staff one or two experienced individuals in each new area would confer on IADS a perceived competence in the area. Working in each area with a panel of authorities from business, academia, and elsewhere could. This is a point for RF consideration.

Possible Funding for IADS

In my view, the time has come for the RF to shift from general support of IADS to funding of specific activities, as it does for most other organizations.

It is my assumption that the IADS Board expects the implementation of long-term contracts to be self-supporting financially. In my view a competitive contracting business may be financially attractive to IADS, but it is relatively unimportant to the Conquest of Hunger. One possible exception should be carefully explored: If IADS as expanded could thereby generate a substantial surplus within three or four years, and if that surplus would be used for indirect services to the poorer countries as originally envisaged for IADS, it could well be worthy of RF support of the necessary expansion.

Attached is a list of IADS activities which in my view would be worthy of generous RF support over the next several years, if IADS wishes to undertake them.

Whatever future course the IADS Board chooses to take, the RF should consider a special grant to enable IADS to relocate. If IADS is to be of special national value as a catalyst serving many institutions here and abroad, public and private, the RF should be prepared to contribute to the cost of permanent headquarters facilities.

At any rate, IADS could be requested to shift to preparation of specific proposals for support of activities it wishes to undertake. These would be presented to the RF Board and defended on their merits in the usual way.

The RF should be aware of the impact on the RF budget for central administration if and when IADS moves away. Perhaps half of the funds

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granted to IADS have been returned to the RF in payment for staff time, rent, or services.

Opportunity to Consolidate Rockefeller Interests?

In recent decades, separate initiatives in agricultural and rural development have been undertaken by organizations supported by the Rockefeller family as well as by The Rockefeller Foundation. Four immediately come to mind. First, the Agricultural Development Council, created by John D. Rockefeller, 3d, primarily is concerned with social science and planning in Asia. Its base is New York City. Second, Winrock, established with part of the proceeds of the Winthrop Rockefeller estate, is involved with animal production and related activities worldwide and operates from its base in Arkansas. Finally, there are IADS and ICLARM. Their interests are complementary.

It would be timely to determine if interests of all four organizations, the family and the Foundation, and society in general would be served by a closer association among the four entities. If so, one could imagine that family support might be found for an appropriate, longer-term arrangement among them.

It would be appropriate for the RF to explore possible interests of others, then to arrange fairly quick studies of desirability and feasibility of closer ties, including joint use of facilities.

Interest of the Ford Foundation?

Like the RF, the Ford Foundation has been active in international agricultural and rural development for many years. They are retrenching. David Bell is retiring at the end of 1981. Lowell Hardin, I understand, will take early retirement in July. Ford will be left with very little of its once knowledgeable and widely acclaimed staff.

Would it not be appropriate and timely for RWL to discuss with Frank Thomas what interest there would be in a joint effort to establish or strengthen an organization to eventually replace the Foundations' own direct activities abroad?

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Attachment

12 March 1981

Appendix I

Areas of Possible RF Support

IADS has a fine board, competent to oversee a program of assistance to the poorer countries. It can and no doubt will strengthen itself in the next year or so. In fact, the IADS board, because it is composed of eminent authorities in international development, could be expected to be more effective in that area of expertise than the RF board of more general composition.

Assuming that IADS is prepared to undertake a program of work for the next decades which will accelerate agricultural and rural development in a large number of countries (with number of countries assisted in important ways being the primary measure of success), the RF could look to IADS to be the primary mechanism by which country by country development (not agricultural research alone) is to be fostered via RF help. That being the case, the RF might consider providing up to \$2-3 million per year for up to ten years for selected areas of IADS activity. Some of the Foundation funds should be provided on a matching basis to stimulate IADS to broaden its base of financial support.

The objective should be to leave in place the most effective possible mechanism for promotion of agricultural and rural development of the individual poorer countries, one that will make fullest use of the capabilities of business and industry, the universities, the private voluntary organizations, foundations, or others.

IADS is correct in wishing to broaden its expertise to include new areas. Without agreeing or disagreeing with all the six fields identified (I simply have not been present at discussions of them), I would suggest that IADS might approach each candidate area by (1) first becoming aware, via workshops, of current status of work by business and industry, universities, PVOs and others in developing countries, either by local or outside organizations, (2) identifying approaches in each area which IADS and others should adopt if greatest progress is to be made, (3) establishing an advisory panel (consultants) in each area to guide and support IADS activities, and (4) if necessary, adding a full-time person to IADS staff to develop the area in ways determined as most effective by the panel. The RF could support the process of adding strength to IADS in ways the two organizations agree is appropriate. This approach has three advantages. First, IADS will be seen by others as cooperating in advancing the effectiveness of all entities. Second, IADS will have amassed information and expertise greater than any single individual could provide. Third, prospects of development of broad financial support will be enhanced.

IADS should be encouraged to provide quick responses to poorer countries when asked for consultations. A sum of, say, \$200,000 to \$300,000 per year might be earmarked by the RF for this important help. The funds would cover IADS staff time, outside consultants, and supporting costs

(travel, clerical help). IADS should be encouraged to cover costs from other sources whenever feasible and to augment RF funds for this purpose with grants from others.

RF officers and field staff should, in my view, be used by IADS to the extent the RF can spare them, with reimbursement to the RF of their costs. This worked well in the earlier years and may still be satisfactory. As RF field activities wind down, more RF field staff might be assigned to IADS or otherwise be taken over by IADS.

The IADS program of preparation of development oriented literature is important. The RF might agree to provide some portion of the funds required, letting IADS raise the balance. This should be a multiyear grant.

The RF might provide funds to IADS to allow it to award RF-IADS fellowships to developing country individuals following standards set by the RF over the years, provided IADS would seek funds from other sources as well to support an expanded fellowship program. In my view, with such an RF lead, IADS could generate substantial funds for this purpose from a variety of sources.

IADS might be encouraged to submit to the RF proposals for working far more closely with (a) business and industry, (b) US universities, and (c) PVOs, especially on strategies of development. Experience of such groups is lacking and should be documented.

The RF is terminating its involvement in EFD. Should IADS be encouraged to establish a capability to assist developing country faculties of agriculture?

Very substantial and rapid advances in agricultural and rural development are underway abroad, in both the public and private sectors. The US (even the RF) stands to lose its awareness of these advances. A vigorous program of (a) sending US authorities abroad to study and report on these advances and (b) inviting developing country authorities to the US to lecture, would be extremely useful over the next decade. We run the risk of becoming even more provincial. This could be an RF activity, one contracted to IADS, or developed jointly. A half-million dollars a year over a decade could make a great difference.

Current RF activities which involve "in-house" work should be transferred to others, including IADS, and supported with grant funds for those specific purposes.

The RF and IADS officers might now explore means of reaching agreement on a course of action which then could be presented to each board for approval. Possibly a joint committee of officers, or a taskforce of knowledgeable consultants would be appropriate. If the latter, I would suggest a group consisting of individuals such as Paul Miller, Bob Chandler, Paul Cornelson, David Bell, Jack Rigney, or Ralph Cummings, Sr.

The goal might be a blueprint for the future by September 1981. Future RF support then, if IADS and RF trustees were to agree, would be for specific IADS program activities, beginning perhaps with appropriations for 1982.

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