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REPORT AND RECOMMENDATION OF THE PRESIDENT

TO THE EXECUTIVE BOARD ON A PROPOSED

TECHNICAL ASSISTANCE GRANT

TO THE

**TROPICAL AGRICULTURAL RESEARCH AND TRAINING
CENTRE (CATIE)**

FOR A

**PROGRAMME FOR IMPROVING THE TECHNICAL CAPACITY OF LOCAL
ORGANIZATIONS TO SUPPORT RURAL INVESTMENT PROJECTS IN CENTRAL
AMERICA, MEXICO AND PANAMA**



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ABBREVIATIONS AND ACRONYMS

CATIE	Tropical Agricultural Research and Training Centre
FIDAMERICA	Internet-Based System of Information Exchange for IFAD Programmes Throughout Latin America
ICRA	International Centre for Development Oriented Research in Agriculture
R&D	Research and development
RUTA	Regional Unit for Technical Assistance
TA	Technical Assistance



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AMERICA, MEXICO AND PANAMA**

I submit the following Report and Recommendation on a proposed technical assistance (TA) grant to the Tropical Agricultural Research and Training Centre (CATIE), Costa Rica, in support of a programme for Improving the Technical Capacity of Local Organizations to Support Rural Investment Projects in Central America, Mexico and Panama, in the amount of USD 880 000 for a three-year period.

I. BACKGROUND

1. The seven countries that comprise the Central American isthmus stand at a critical juncture in their political and economic development. The present challenge for the new democracies of the region is to forge a stable socio-political consensus conducive to long-term, sustainable development that will benefit all socio-economic groups. To face this challenge, the Central American governments are introducing economic and political changes that include a redefinition of the role of the state, tighter fiscal control, more open economies and increased trade.
2. Since agriculture constitutes approximately 25% of the region's gross domestic product (GDP) and employs about 42% of its labour force, such macroeconomic changes have had a significant effect on the agricultural sector. Decentralization, targeting of development efforts to specific sub-sectors or ecological areas within the country, private-sector implementation of different rural activities and farmer empowerment are among the most important changes taking place in the region.
3. Given the critical, expanding role of information in the overall development of agriculture, changes in the extension services constitute the most important of all the reforms taking place in the agricultural sector of the Central American region as a whole. These changes have been aimed both at decentralization and at increasing private-sector participation in the provision of rural information services and TA.
4. Private, civil-society organizations are in contact with farmers on a daily basis and act as the main technology intermediaries. Their role is critical to the success of projects in that they identify and resolve constraints that limit production, economic efficiency and sustainability at the farm level.
5. The private, decentralized system for technology development has several advantages, notably the broader spatial coverage of its services. However, a major disadvantage of such private organizations is the lack of opportunities they offer to upgrade the technical capacity of their staff. Young, very active but mostly inexperienced personnel make up the private organizations involved in agricultural development projects in Central America. This is particularly true of small organizations such as those present in the most remote rural areas, where poverty and the degradation of natural resources are more acute.



6. The lack of opportunity to upgrade its technical skills and its limited access to, and acquisition of, new knowledge limits the capacity of the private technical advisory service to identify, develop and apply, with the farmers, the most appropriate techniques for enhancing productivity. An important element here is the lack of skills in participatory technology development, which limits the performance of private institutions.

II. RATIONALE/RELEVANCE TO IFAD

7. The performance of extension services depends on the quality and applicability of the knowledge they share with the beneficiaries and the methods they apply to interact with farmers and stimulate their initiatives. If private extension systems are to be improved and sustained in Central America, their success will depend to a large extent on the capacity of the individuals that establish and operate the systems. Therefore, such entities should have continuous access to new knowledge and emerging methodologies. Knowledge access and acquisition, in addition to methodological improvements in decentralized systems, is a recent area of intervention and calls for creative solutions such as innovative information transfer and a skills-upgrading system for private technical advisory services.

8. Central America lacks a coherent private advisory/development system for information-sharing and skills development, which is essential for private organizations providing technological services to investment projects. Such a system should be flexible and properly coordinated so as to ensure an efficient development output. Without technological upgrading and information transfer, new knowledge, improved technologies and modern methods will continue to be beyond the reach of local development workers, thereby reducing the effectiveness of rural investment projects.

III. THE PROPOSED PROGRAMME

Goal and Objectives

9. The goal to which this programme will contribute is the widespread use of improved production and natural resources management technology on the part of small farmers, as a way of improving their incomes and livelihood in a sustainable manner.

10. The purpose of the programme will be to promote better use of technology and participatory methodologies among members of organizations providing technical advisory/development services to more than 15 IFAD projects in Central America.

Key Programme Activities

11. In order to establish strategic links with private-service providers, with the support of ongoing IFAD-financed projects and government research and extension organisms, CATIE will undertake an initial survey of private contracted institutions to determine the scope and nature of their technical demands. The information so obtained will be used to prepare the initial programme of training activities. Feedback mechanisms will be established to systematically monitor changes in technological demands. The TA grant will also facilitate the development of an effective partnership among extensionists, national, regional and international research organizations on the one hand and, on the other hand, individuals or groups of farmers who request the technical service. Activities undertaken with the TA grant should also promote an approach that enables the joint production of practical knowledge between researchers and practitioners.

12. Most of the technological topics to be included in the programme will be related to hillside agriculture and natural resources management in less favourable environments, such as the semi-arid



and the low, humid tropics. The selection of technical themes will be carried out in a participatory manner with representatives of groups of farmers and private organizations to ensure that activities under the TA grant are responsive to the resultant wide variety of demand. The themes will be discussed in learning workshops and seminars and during in-service training, under the direction of experienced local, regional and international instructors.

13. Since much of the cost and infrastructure for Internet access is being removed rapidly, private organizations should be enabled to access and use information and communications technology as a tool to improve their ability to assist poor farmers and share information. Therefore, the development of an information system based on training material, workshop proceedings and local and regional research results, coupled with the identification of a cadre of on-line consultants for specific technical matters, will be another important activity under the grant. This system could be accessed through electronic networks already operational in Latin America, such as the Internet-Based System of Information Exchange for IFAD Programmes Throughout Latin America (FIDAMERICA).

14. Another activity foreseen under the TA grant is the integration and coordination of a group of professionals from various regional investment projects, private organizations and research and development (R&D) institutions into a collaborative network to improve exchanges of technological information among projects, countries and institutions.

15. The TA grant will be an integral part of a larger network of TA grant programmes providing services to IFAD investment projects in Latin America, particularly the Regional Unit for Technical Assistance (RUTA) and FIDAMERICA.

IV. EXPECTED OUTPUTS/EXPECTED BENEFITS

16. The following main outputs are expected to lead to the strengthening of private organizations presently engaged in transferring technology within the context of IFAD projects: (a) extensionists from private organizations, selected personnel from R&D institutions and staff members of investment projects would become more capable of diagnosing, in a participatory manner, farmers' technological needs and priorities, of developing technology with the participation of farmers, of transferring technological advances and of evaluating the effects of their activities; (b) inclusion of a set of activities to build on, replicate and scale up initiatives currently ongoing in Central and South America, joining the efforts of farmers and researchers in a mutual learning experience; (c) a technical information system integrated by training material, workshop proceedings and the results of research and technology development activities, plus a cadre of on-line consultants that can be accessed through FIDAMERICA; and (d) a functional collaborative network on technical issues and institutional links with the participation of private organizations, national R&D institutions and representatives of farmers, beneficiaries and IFAD project staff. This network will act as a discussion forum for various technical matters, for analysing issues affecting the decentralized system of private extension services and for improving links with national and regional R&D organizations.

V. IMPLEMENTATION ARRANGEMENTS

17. CATIE will be responsible for implementing the TA grant. The Centre has several decades of experience in technology development, research and training throughout Central America and has built up considerable expertise and information on farming systems and natural resources in the region. It is a decentralized organization with offices in all Central American countries and resident scientists that support national R&D activities. At its headquarters in Turrialba, Costa Rica, CATIE hosts one of the most important information systems and library on tropical agriculture and natural resources management in Latin America. Throughout the years, CATIE has gained considerable experience in the administration and technical management of externally-financed outreach R&D projects.



18. A network and an organization will collaborate with CATIE in implementing the TA grant: (a) FIDAMERICA, a network of projects and institutions dedicated to alleviating rural poverty in Latin America. This network will make space available on its web page and contribute with expertise in the management of electronic collaborative networks; and (b) the International Centre for Development Oriented Research in Agriculture (ICRA), headquartered in Wageningen, Holland, will make available training material in Spanish from its collaborative training programme in Mexico.

19. The programme's steering committee will comprise representatives of IFAD, RUTA, FIDAMERICA, ICRA and CATIE and at least three representatives of private-service organizations. The committee will advise CATIE on issues requiring particular attention to ensure the achievement of programme objectives.

20. In coordination with IFAD, CATIE's monitoring and evaluation unit will supervise the development of the TA grant based on annual planning and execution with Central American investment projects, periodic reporting and evaluation of activities by participants. An annual report will be prepared by CATIE as well as a six-monthly portfolio report for ongoing IFAD operations. An evaluation will be undertaken 24 months after implementation commences.

VI. INDICATIVE PROGRAMME COSTS AND FINANCING

21. The overall cost of the programme is estimated at USD 1 830 000. Of this, IFAD proposes to provide a TA grant of USD 880 000. Approximately USD 490 000 will be provided by 15 Central-American investment projects in terms of cost-sharing, participation of staff members and in-kind contributions, while CATIE's in-kind contribution will amount to USD 460 000 for the proposed three years of the programme.

PRELIMINARY COST TABLE
(USD)

	IFAD	CATIE	Projects	Total
Incremental staff salaries	279 000	168 000	-	447 000
Training	286 000	-	400 000	686 000
TA and studies	50 000	-	-	50 000
Equipment and material	61 000	57 000	30 000	148 000
Operating costs	126 000	235 000	60 000	421 000
Unallocated (contingencies)	78 000	-	-	78 000
Total	880 000	460 000	490 000	1 830 000



VII. RECOMMENDATION

22. I recommend that the Executive Board approve the proposed technical assistance grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, the technical assistance grant in support of the programme for Improving the Technical Capacity of Local Organizations to Support Rural Investment Projects in Central America, Mexico and Panama, for three years shall make a grant not exceeding eight hundred and eighty thousand United States dollars (USD 880 000) to the Tropical Agricultural Research and Training Centre (CATIE), Costa Rica, upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Fawzi H. Al-Sultan
President