



Special Advisory Commission on Management Issues (SACMI)

## **2018-2019 Program Budget**

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San Jose, Costa Rica  
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Draft  
Program  
Budget

2018-2019



**Inter-American  
Institute for  
Cooperation on  
Agriculture**

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## I. MAIN CRITERIA USED IN DRAWING UP THE 2018-2019 PROGRAM BUDGET

This document contains the draft Program Budget of the Inter-American Institute for Cooperation on Agriculture (IICA) for the period 2018-2019, based on the 2010-2020 Strategic Plan and the 2014-2018 Medium-term Plan (MTP). The following are the main criteria applied in drawing up this program budget:

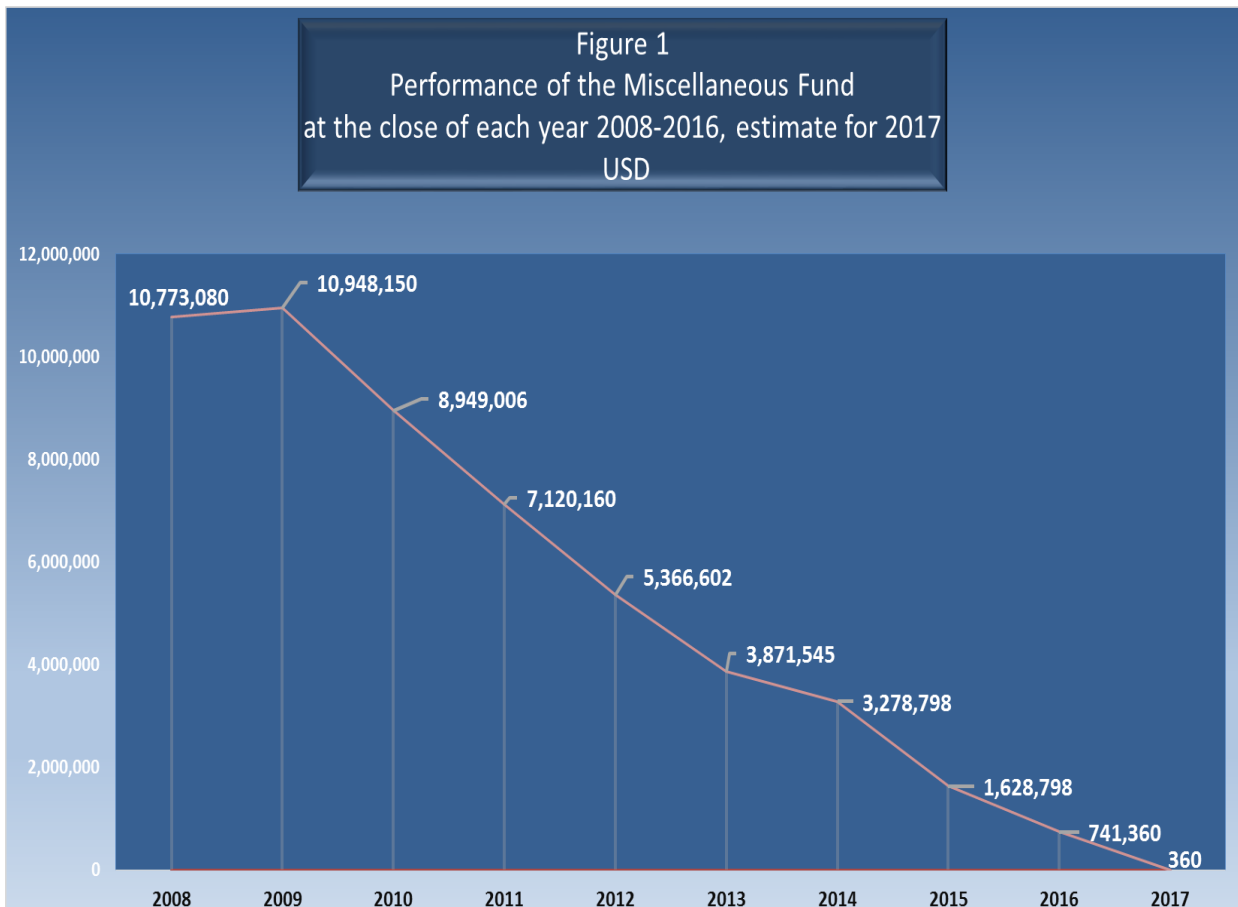
1. Definition of the quotas of the Member States based on the scale approved by the OAS in Resolution AG/RES. 2895 (XLVI-O/16), applicable to IICA during the 2018-2019 biennium, and over-quotas.
2. The consolidation of the results-based technical cooperation structure established in the 2014-2018 Medium-term Plan, managed through four instruments: flagship projects, rapid response actions, initiatives of the Technical Cooperation Fund (FonTC), and externally funded projects.
3. Based on the strategic objectives, the budget is designed to promote the changes necessary to boost technical cooperation actions to contribute to each of the countries in the Americas.
4. With this Program Budget, the Member States are assured of the institutional commitment and capacity required to help address their agricultural needs and to achieve sustainability, competitiveness, rural well-being and food security.
5. A budgetary approach that establishes a direct link between projects and their proposed results, strengthening the processes of planning, programming, monitoring, evaluation and accountability.

### HOLISTIC PLANNING – BUDGETING MODEL



6. A global budget aligned with the Institute’s strategic planning and geared toward projects that contribute more efficiently to meeting the needs of agriculture in the Member States.
7. There has been an irreversible decline in the Miscellaneous Income Fund, mainly due to changes in the policies adopted by countries and donors in recent years with respect to the resources used to finance their projects:
  - Elimination of refunds on taxes paid during the management of externally funded projects.
  - Restrictions on retaining the interest generated by the external funds administered by the Institute, with the stipulation that any yields obtained must be reimbursed to the projects themselves or to government treasuries.

The Miscellaneous Income Fund has been used to complement the Institute’s quota budget. The following figure shows the trend in this fund, which will be exhausted completely in 2017 unless additional funds are channeled into it.



## II. STRATEGIC OBJECTIVES AND THEIR ATTAINMENT IN THE 2018-2019 BIENNIUM

The implementation of the 2014-2018 MTP is geared to the Institute's four strategic objectives, eleven contributions and four instruments for action, which are described below:

Strategic Objectives	Overall allocation of resources (%) 2018-2019
1. Improve the productivity and competitiveness of the agricultural sector	31.6
2. Strengthen agriculture's contribution to the development of rural areas and the well-being of the rural population	21.1
3. Improve agriculture's capacity to mitigate and adapt to climate change and make better use of natural resources	20.9
4. Improve agriculture's contribution to food security	20.4

Note: the percentages are estimates that take into account all institutional costs for each of the strategic objectives and could vary in the course of implementation.

The eleven contributions on which the Institute focuses its technical cooperation services:

1. Strengthen the capabilities of the Member States at the national, regional, multinational and hemispheric levels to establish public policies and institutional frameworks in order to make agriculture more productive and competitive, improve the management of rural territories, adapt to and mitigate the impact of climate change, and promote food and nutritional security.
2. Implement, through public and private institutions, technological, institutional and business innovation processes aimed at boosting the productivity and competitiveness of agriculture and the production of basic foodstuffs of high nutritional quality.
3. Increase the capabilities of the public and private sectors to ensure agricultural health and food safety and thereby improve productivity, competitiveness and food security.
4. Strengthen the business and associative capacities of the different stakeholders in the agricultural production chains.
5. Increase the capacity for area-based social management among stakeholders in rural areas, especially those involved in family agriculture, in order to improve food security and rural well-being.
6. Enhance the capabilities of different stakeholders of the agricultural chains and rural areas in the integrated management of water and sustainable use of soil for agriculture.
7. Increase the capacity of public and private institutions to promote and implement measures for adapting agriculture to climate change and mitigating its effects, as well as promoting integrated risk management in agriculture.
8. Improve the efficacy and efficiency of the food and nutritional security programs in the Member States.
9. Ensure that producers and consumers benefit from greater use of native species, promising crops and genetic resources with food potential.
10. Improve institutional capacity to reduce losses of food and raw materials throughout the agricultural chains.
11. Strengthen the Member States' capacity for consensus and participation in international forums and other mechanisms for the exchange of knowledge and mobilization of relevant resources for inter-American agriculture.

Technical cooperation instruments
1. Flagship Projects
2. Rapid Response Actions
3. Pre-investment initiatives through the Technical Cooperation Fund (FonTC)
4. Externally Funded Projects

### III. BUDGET FOR THE 2018-2019 BIENNIUM

The Institute has been financing its technical cooperation and operating activities, as mandated by its governing bodies, with resources from the Regular Fund, which is made up of Member State quotas, and miscellaneous income.

In addition, the Institute expands its cooperation actions by implementing externally funded projects under legal instruments signed with partners and counterparts.

Technical and administrative personnel are required to manage external resources and implement the respective projects (direct costs), which has an impact on indirect costs. Those indirect costs are recovered through what was formerly called the Institutional Net Rate (INR) that counterparts agree to pay IICA, and is now known as the Indirect Costs Recovery (ICR).

#### Income Budget of the Regular Fund

The income budget of resources from the Regular Fund is USD 34,364,900 for each year of the 2018-2019 biennium, made up of USD 30,064,900 from Member State quotas, some over-quotas, and USD 4,300,000 in miscellaneous income. **Table A** provides a breakdown of the income budget of resources from the Regular Fund.

The Kingdom of Spain contributes an annual quota of USD 60,000 as an Associate Member, under an agreement adopted at the First Plenary Session of the Eleventh Regular Meeting of the Inter-American Board of Agriculture, held on 26 November 2001 in Bávaro, Dominican Republic.

TABLE A

Income Budget 2016-2017 and 2018-2019 Program Budgets (Thousands of USD)					
SOURCE	2016	2017	2018	2017	Variation between 2016-2017 and 2018-2019
Member State Quotas	30,064.9	30,064.9	30,064.9	30,064.9	-
Miscellaneous Income	4,300.0	4,300.0	4,300.0	4,300.0	-
<b>TOTAL REGULAR FUND</b>	<b>34,364.9</b>	<b>34,364.9</b>	<b>34,364.9</b>	<b>34,364.9</b>	<b>-</b>



## Expenditure Budget of the Regular Fund

A detailed allocation of the resources in the expenditure budget for 2018 will be presented, along with a general estimate for 2019, so as to afford the new administration the flexibility necessary to propose the allocation of resources for that year.

With the allocation of the expenditure budget, the Institute will continue to provide its technical cooperation, perform its corporate functions and deliver its products, services and results through three instruments for action financed with Regular Fund resources — flagship projects, rapid response actions and pre-investment initiatives of the Technical Cooperation Fund (FonTC) — and a fourth type of instrument consisting of technical cooperation projects financed with external resources.

Rapid response actions are designed to address specific needs and opportunities for cooperation in a given country, or group of countries, in the face of political, social or economic changes, or in the event of environmental emergencies or other factors affecting the agriculture sector that require immediate attention and are related to the issues set forth in the MTP.

The pre-investment initiatives of the Technical Cooperation Fund (FonTC) focus on topics that are relevant to the projects and are used to secure additional funding and mobilize fresh resources to complement the Regular Fund and enhance the value of knowledge and its impact, through technical cooperation.

Similarly, the expenditure budget covers the costs of the basic structures of the delegations in the member countries, as well as other services and technical support actions, such as the cooperative programs, integration projects and technical support services, including the contributions to CATIE and CARDI, and the management units and corporate activities.

**T**he 2018-2019 Program Budget will be executed in strict adherence to the strategic management and thematic orientation model established in the 2014-2018 Medium-term Plan, which will enhance the organization's response capacity, flexibility and contributions to the member countries.

It will also address in a responsible manner the financial constraints, the constant rise in personnel and operating costs, and the gradual loss of competitiveness in labor markets, ensuring IICA's operational viability for the coming years.

Within the framework of the Regular Fund budget approved by the Member States, emphasis will be placed on the technical cooperation priorities, the results-driven approach, and criteria such as quality, effectiveness, rationality, equity, transparency and accountability, as part of a policy of continuous improvement for the benefit of agriculture in the Americas.

#### IV. LIST OF TABLES ATTACHED

<b>Table No. 1</b>	Quota scale of the Member States, Over-quota Contributions and Miscellaneous Income 2018-2019 (USD)
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**TABLE No. 1**  
**Scale of Quotas and Contributions of Over-quotas of Member State**  
**and Miscellaneous Income 2018-2019**

MEMBER STATES	2018				2019			
	IICA				IICA			
	OEA <sup>1</sup>	ASSESSED QUOTA	OVER-QUOTA	TOTAL QUOTAS	OEA <sup>1</sup>	ASSESSED QUOTA	OVER-QUOTA	TOTAL QUOTAS
	%	USD <sup>2</sup>	US\$	USD <sup>2</sup>	%	USD <sup>2</sup>	US\$	USD <sup>2</sup>
Antigua and Barbuda	0.022	6,500	1,100	7,600	0.022	6,500	1,100	7,600
Argentina	2.400	703,600	247,000	950,600	2.400	703,600	247,000	950,600
Bahamas	0.049	14,400	7,000	21,400	0.049	14,400	7,000	21,400
Barbados	0.034	10,000	5,500	15,500	0.034	10,000	5,500	15,500
Belize	0.022	6,500	1,100	7,600	0.022	6,500	1,100	7,600
Bolivia	0.056	16,400	600	17,000	0.056	16,400	600	17,000
Brazil	12.427	3,643,200		3,643,200	12.427	3,643,200		3,643,200
Canada	10.583	3,102,600		3,102,600	10.583	3,102,600		3,102,600
Chile	1.347	394,900	14,600	409,500	1.347	394,900	14,600	409,500
Colombia	1.311	384,400		384,400	1.311	384,400		384,400
Costa Rica	0.230	67,400	2,500	69,900	0.230	67,400	2,500	69,900
Dominica	0.022	6,500	1,100	7,600	0.022	6,500	1,100	7,600
Dominican Republic	0.317	92,900	3,500	96,400	0.317	92,900	3,500	96,400
Ecuador	0.322	94,400	3,500	97,900	0.322	94,400	3,500	97,900
El Salvador	0.086	25,200	12,500	37,700	0.086	25,200	12,500	37,700
Grenada	0.022	6,500	1,100	7,600	0.022	6,500	1,100	7,600
Guatemala	0.145	42,500	13,800	56,300	0.145	42,500	13,800	56,300
Guyana	0.022	6,500	1,700	8,200	0.022	6,500	1,700	8,200
Haiti	0.026	7,600	4,200	11,800	0.026	7,600	4,200	11,800
Honduras	0.042	12,300	3,200	15,500	0.042	12,300	3,200	15,500
Jamaica	0.070	20,500	5,100	25,600	0.070	20,500	5,100	25,600
Mexico	6.788	1,990,000	487,300	2,477,300	6.788	1,990,000	487,300	2,477,300
Nicaragua	0.026	7,600	2,800	10,400	0.026	7,600	2,800	10,400
Panama	0.176	51,600	6,000	57,600	0.176	51,600	6,000	57,600
Paraguay	0.075	22,000	8,800	30,800	0.075	22,000	8,800	30,800
Peru	0.860	252,100	9,400	261,500	0.860	252,100	9,400	261,500
Saint Lucia	0.022	6,500	1,100	7,600	0.022	6,500	1,100	7,600
Saint Kitts and Nevis	0.022	6,500	1,100	7,600	0.022	6,500	1,100	7,600
Saint Vincent and the Grenadines	0.022	6,500	1,100	7,600	0.022	6,500	1,100	7,600
Suriname	0.026	7,600	4,200	11,800	0.026	7,600	4,200	11,800
Trinidad and Tobago	0.135	39,600	15,000	54,600	0.135	39,600	15,000	54,600
United States of America	59.470	17,435,300		17,435,300	59.470	17,435,300		17,435,300
Uruguay	0.247	72,400	7,900	80,300	0.247	72,400	7,900	80,300
Venezuela	2.144	628,600		628,600	2.144	628,600		628,600
<b>SUB TOTAL</b>	<b>99.568</b>	<b>29,191,100</b>	<b>873,800</b>	<b>30,064,900</b>	<b>99.568</b>	<b>29,191,100</b>	<b>873,800</b>	<b>30,064,900</b>
Cuba	0.431	126,400		126,400	0.431	126,400		126,400
<b>TOTAL QUOTAS</b>	<b>99.999</b>	<b>29,317,500</b>	<b>873,800</b>	<b>30,191,300</b>	<b>99.999</b>	<b>29,317,500</b>	<b>873,800</b>	<b>30,191,300</b>
<b>MISCELLANEOUS INCOME<sup>2</sup></b>		<b>4,300,000</b>		<b>4,300,000</b>		<b>4,300,000</b>		<b>4,300,000</b>
<b>TOTAL REGULAR FUND<sup>3</sup></b>		<b>33,491,100</b>		<b>34,364,900</b>		<b>33,491,100</b>		<b>34,364,900</b>

Note: The Kingdom of Spain contributes an annual quota of USD60,000 as an Associate Member, pursuant to the agreement adopted in the First Plenary Session of the Eleventh Regular Meeting of the Inter-American Board of Agriculture, held on November 26, 2001, in Bávaro, Dominican Republic.

1/ As per Resolution AG/RES. 2895 (XLVI-O/16) of the General Assembly of the OAS.

2/ In USD rounded out to the nearest hundred.

3/ The total of the Regular Fund does not include Cuba.