

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

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CGM 79/6a  
April 20, 1979

FROM: The Secretariat

Response of the Board of Directors of IFDC  
to the Recommendations of TAC

At the November 1978 meeting of the CGIAR, it was decided that the application of the International Fertilizer Development Center (IFDC) for membership in the Group should be referred to the Technical Advisory Committee. The report of the TAC mission to IFDC (AGD/TAC:IAR/79/6) and TAC's Conclusions and Recommendations (AGD/TAC:IAR/79/14) have been circulated.

Attached for the information of CG members and other participants in the CGIAR meeting on May 3-4, 1979 is a letter from the Chairman of the Board of Directors of IFDC, John A. Hannah, giving the views of the Board on TAC's recommendations.

The discussion of the application of IFDC to join the CGIAR will be considered under Agenda Item 4 of the May meeting.

Attachment

Distribution:

CG Members  
TAC Members  
TAC Chairman  
TAC Secretariat  
Center Chairmen  
Center Directors



**IFDC**

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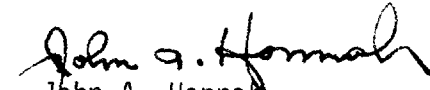
Mr. Warren C. Baum, Chairman  
Consultative Group on International  
Agricultural Research  
1818 H Street, N.W.  
Washington, D.C. 20433

Dear Mr. Baum:

As Chairman of the Board of Directors for the International Fertilizer Development Center, I respectfully submit the enclosed "Official Reply from IFDC Board of Directors - Response to TAC Conclusions and Recommendations on the Inclusion of IFDC in the CGIAR System."

We request that this reply be made available to all CGIAR Members for their deliberation prior to the May 1979 meeting in Paris.

Sincerely yours,

  
John A. Hannah  
Chairman  
Board of Directors

Enclosure

OFFICIAL REPLY FROM IFDC BOARD OF DIRECTORS -  
RESPONSE TO TAC CONCLUSIONS AND RECOMMENDATIONS  
ON THE INCLUSION OF IFDC IN THE CGIAR SYSTEM

We were disappointed in the TAC conclusion that "In terms of filling the major gaps in the priorities for international agricultural research, the Committee felt that, on balance, the work of IFDC warranted a lower order of priority for financial support through the CGIAR System."

The TAC appointed Review Panel did not assess this in the same manner and in their report made such statements as: "Undoubtedly, the increased use of fertilizers in the future is the most important way to increase crop production and help developing countries become self-sufficient in food production." The Panel reviewed the need for fertilizers based on food needs and discussed fertilizer projections based on need. They then concluded, "Obviously, such a change cannot be brought about without a major attack on the constraints that prevent fertilizer use and also improving the efficiency of fertilizer use." We feel that this is essentially another way to state IFDC's Mission of improving fertilizers and fertilizer know-how for the developing countries with special emphasis on tropical and subtropical agriculture.

It is difficult to see how IFDC's work can be judged of low priority in light of the Review Panel report and when the stated opinions of many recognized experts are that wider use of fertilizers and **better** water management will be essential if the developing countries are to be able to feed themselves. Norman Borloug has continually made such statements. Randy Barker's analysis of the increase in yields of rice in the rice producing countries of Asia has concluded that, of the increase in yields which have occurred over the past decade, at least 50% of this increase can be attributed to fertilizer. These two respected scientists played a part in the development of wheat and rice that are the hope of the developing world and became known as the "Green Revolution."

Also, a recent paper authored by Peter Oram and issued by IFPRI for the guidance of TAC and the CGIAR entitled "Criteria and Approaches to the Analysis of Priorities for International Agricultural Development" states "that on the whole factor-oriented research receives only 13% of overall expenditure. Looking at the very large expenditures on water resource development proposed by many countries, the increasingly important contribution which irrigation and fertilizer are expected to make to production in the next two decades, and the substantial related

costs of fertilizer (whether imported or domestically produced), it seems that current CGIAR expenditures on research related to improving water and fertilizer efficiency may be much too low compared to that on genetic improvement in general, and on genetic improvement of certain relatively minor crops in particular."

Even the paper entitled "TAC Review Priorities for International Support to Agricultural Research" issued by TAC after the 1978 Rome meeting, spells out the considerations that TAC feels important in setting priorities.

"IV. Criteria and Parameters for Establishing Priorities for International Agricultural Research

Having reviewed and clarified its interpretation of the objectives of international support to agricultural research in developing countries, TAC elaborated the following criteria for the consideration of the suitability of specific activities for support by the CGIAR:

- (i) The commodity or activity should be of present or potential importance to a substantial segment of agriculture and people from several developing nations (diet, income, efficiency of production, etc.).
- (ii) There should be clear evidence that there is potential for substantial progress or improvement in productivity in the sector involved.
- (iii) There should be clear evidence that such improvement is now limited by deficiencies in presently available scientific technology and lack of the required information.
- (iv) There should be a good prospect that the development of new scientific information and technology on the subject has the potential and prospect of making important and significant contributions to the level and efficiency of production of the food or other commodity concerned, and thus contributing to the improved welfare of an important segment of population in the developing world.
- (v) The proposal should address itself clearly and directly to the solution of the critical problems now limiting improvement.
- (vi) The proposal should be of such a nature that international (multilateral) support and attention is required. CGIAR multilateral support may be recommended only for those phases of the proposal which are truly international in character.
- (vii) The proposal should contribute as far as possible to an equitable access to agricultural research benefits among different income groups in developing countries."

From a review of the above categories, considered for setting priorities, it is difficult for one to see how fertilizers and the work of IFDC to improve fertilizers and to make them more efficient can be given anything but a high priority.

Developing countries also recognize the value of a close linkage with TVA.

IFDC also functions differently than the other centers in developed countries in that it is guided by an international Board of Directors. Half are from the developed world (3--United States, 1 each from Europe, Japan and Australia) and half from the developing world (2--Asia, 2--Latin America, and 1 each from Africa and the Arab world). This Board is very firm in its direction that IFDC work on problems that exist in the developing world as a whole and not in the interest of the host country or any specific grouping of countries that are of political or economic interest to the host country, the United States. IFDC never represents the host country at international meetings or any other function. IFDC was set up from the start to be internationally governed, financed, and staffed to serve all of the developing world and not for the benefit of any political or economic interest of the host country or any other country.

The staff of IFDC represents some 18 or 19 countries. The host country, the United States, has urged international staffing from inception and took the initiative to get IFDC classified as an international organization to assist IFDC in recruiting the best staff available regardless of nationality. The United States fully recognized that this was not the most cost effective way to fill any one position but took the attitude that the interplay of expertise from all over the world would have a synergistic effect and make IFDC's efforts more productive, pertinent, and cost effective. IFDC has, from inception, tried to mold itself into the pattern of the CGIAR as far as organizational pattern, makeup of its Board, accounting, staffing, etc. The Board of IFDC and the United States believe they have recognized fully the criteria set forth by the CGIAR. The Board has noted with pleasure that "The Panel did not identify any constraint in the governance, management, and administration of IFDC which would make it difficult to include the Center in the CGIAR System."

The statement that accepting IFDC "would make it difficult to deny support for a large number of similar enterprises which are financed unilaterally" seems to negate the role of TAC. TAC should evaluate initiatives from a technical standpoint and rate initiatives on their potential to help the developing countries: the Review Team appointed

by TAC did this. It recommended to TAC that IFDC be accepted for membership in the CGIAR. It recognized that IFDC was encouraged by TAC and the CGIAR in its establishment. It also stated that the location was right and should have no bearing on the decision of whether or not IFDC was included in the CGIAR System. The Team stated, "It is its source of funds rather than its location which gives the Center its ties with the U.S."

Item 2

The review panel went into depth on the matter of reimbursable work. Their discussion centered on the theme that too much work on a reimbursable basis would divert IFDC from its mission. They felt that this should be kept to a workable minimum and suggestions of 25%-30% of total budget were discussed. On the other hand, TAC takes the attitude that this could be enlarged. This is a matter that the IFDC Board could give further consideration.

Item 3

Again, the Review Team dwelled on this item in some depth. The Team recognized that IFDC needed an involvement with initial testing. In fact, the panel urged IFDC to test products more thoroughly at an early stage to determine response and to obtain better hard data on which to make economic analysis to justify expenditures on the potentially costly research and development aspects of its research on the engineering phases of tailoring of fertilizers. It seems that TAC does not recognize this need. IFDC has taken the view that its engineering R&D is responsive to resources available and needs of developing countries. We have observed that work on fertilizers has notably advanced at the other international centers since the creation of IFDC.

Item 4

TAC implies that IFDC's work is of a type that results will be only of a long-range significance. This is a grossly wrong conclusion. IFDC has, in its short existence, worked primarily on short-term payoff

items; for example, modifications of urea essentially using existing technology and equipment. Supergranules properly placed in rice culture, for example, have been shown to improve the efficiency of applied urea by a quantum jump. IFDC is also working on equipment to place fertilizers, either normal urea, supergranules or even solutions, to take advantage of this placement and improve the efficiency through reductions in losses by volatilization, nitrification, and leaching. Such materials would not have been possible to tailor if the loss mechanisms and their magnitude were not understood.

There is a new awareness of how to utilize small rock phosphate resources either for direct application or through limited alteration to make these materials more agronomically and economically effective. Techniques that permit countries to import quantities of intermediates and to tailor their needs through small granulation or blending operations are effective in providing the right fertilizers at the minimal costs and at foreign exchange savings.

IFDC constantly has the poorest nations and the poorest farmers in mind and is searching for materials, technical know-how, equipment, distribution systems, and management practices that will assist those that receive little benefit from multi-million dollar ammonia/urea complexes and multi-million dollar mining complexes based on developed nation technology. IFDC is not emphasizing long-range research and new processes that will take years of time and hundreds of millions of dollars to develop. IFDC is striving to help get the most out of existing production facilities through technical assistance and training. Expensive fertilizer capacity not fully utilized to make products not suited to farmer needs are not the answer. If IFDC can prevent only one multi-hundred million dollar costly mistake that does not serve the needs of a country or region and can guide such a development into something useful, the total costs of IFDC can be covered for many years to come.

In time of short budgets and when the CGIAR is having difficulty in financing its initiatives, there is a natural concern about cost effectiveness. IFDC was essentially in full operation as far as facilities are concerned in less than 3 years (August 1977) after its inception

(October 1974). It believes that the results already achieved are highly significant for both short-term and long-term improvements in agricultural productivity in developing countries.

It is clear that fertilizers are accounting for up to half of the increase in the developing countries; therefore, it must be realized that fertilizers do, can, and must play a very important role in feeding the world. Possibly the next crisis can be averted or tempered to some degree by the work of IFDC.