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H-3

Mr. M. Yudelman

December 2, 1974

Bruce M. Cheek 

Constitution of Food Policy Research Institute

I refer to your enquiry about setting up a Food Policy Research Institute in Washington under the sponsorship of the private Foundations. You raised questions of tax status and other privileges and immunities. I had a brief word with Mr. T. Asser, the lawyer who works with us on CG matters. This memo is written on the basis of talking with him but without being cleared with him as he left on Wednesday for Nigeria.

The question raised was how to proceed in securing these immunities, possibly with Bank help and given the proposed location in Washington. In due course, it will be necessary to work out what might be called a "headquarters agreement" with the U.S. Government on such matters as tax treatment, according status as a foundation to the institute, and including privileges on customs duties, visas for personnel, etc. Such immunities might be of the kind which we have already negotiated not only for the Bank itself, or that exist under the U.N. convention, but also in our ILRAD, ILCA or other Memoranda of Agreement. Presumably, the institute staff will want immunities in other countries as well as at their headquarters.

The basic point, then, is to reach an agreement on such concessions with the United States. At this stage, after talking with Mr. Assier, I would feel that the Foundations preferably with your assistance, should approach the U.S. Government, for example the Technical Assistance Bureau of USAID or the Secretary of Agriculture, at the policy level at which one would state the purpose of the new institute and explore the willingness of the U.S. to confer such privileges. Thereafter, there would be more technical discussions on the scope of these privileges and the best ways of recording them in an appropriate document.

There is also the question of the extent to which the Bank would want to use its position to support the establishment of the institute in such discussions with the U.S. Government. It is for you and Warren Baum to decide how far the Bank itself would go in supporting the Foundations in such an approach to the U.S. Government.

cc: Mr. Delaume/Mr. Asser o/r  
BMC:mcj



V. G. P. under  
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Announcement of the Organization  
of the  
INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE

In response to a recommendation of the Technical Advisory Committee of the Consultative Group on International Agricultural Research of June 1974, entitled Proposal For A World Food Policy Institute, the International Food Policy Research Institute (IFPRI) has been established.

The purpose of IFPRI is to undertake research on selected policy problems affecting the production, consumption, availability and equitable distribution of food in the world with particular emphasis on the needs of the low income countries and especially the needs of the vulnerable groups within those countries. Specifically IFPRI will work:

- (1) to identify major opportunities for expanding world food production with particular emphasis on the development actions and policies best suited to remove present constraints to production and to establish the framework for the sustained use of the potential agricultural capacities existing in low-income nations;
- (2) to determine and publicize those actions which could be undertaken and those policies which could be adopted by governments, regional and international agencies, to effect a continued increase in the quantity and quality of food supplies available to all people through enhanced food production, wider trade opportunities, and improved efficiency and equity in food distribution; and
- (3) to provide information, an expanded base of knowledge and objective analysis of world food problems, and to indicate the opportunities and options open for their solution.

IFPRI has been established as a non-profit research and education institution under the laws of the United States of America. It is governed by an international board of trustees. The Board of Trustees currently includes the following



persons: Sir John Crawford, Chairman; Ojetunji Aboyade, University of Ibadan, Nigeria; David Bell, The Ford Foundation, United States; Norman Borlaug, International Maize and Wheat Improvement Center, Mexico; Ralph Kirby Davidson, The Rockefeller Foundation, United States; Mohamed El-Khash, Arab Center for the Study of Arid Zones and Dry Lands, Syria; Nurul Islam, Bangladesh Institute of Development Studies, Bangladesh; Affonso Pastore, University of Sao Paulo, Brazil; Andrew Shonfield, Royal Institute of International Affairs, England; Ruth Zagorin, International Development Research Centre, Canada.

In addition to the above trustees invitations have been issued to others, primarily from developing countries, to join the Board of Trustees.

The trustees met July 21 and 22 in Washington, D. C. to discuss the initial plan of work and staffing pattern of the Institute.

The Board of Trustees invited Dr. Dale E. Hathaway to serve as the first Director of IFPRI. He will officially assume that position on a full-time basis effective August 1, 1975.

#### Source of Funds

The initial funds for the Institute's core budget have been provided by a grant from the International Development Research Centre of Canada. It is anticipated that the Rockefeller Foundation and Ford Foundation also will participate in the funding of the core budget. IFPRI has the legal authority both to receive contracts and to contract with other organizations for research. It is planned that, once the major staffing has been accomplished and the program of work developed, IFPRI will both accept and let contracts which are consistent with its mandate and the collaborative working relationships it wishes to establish at the national and international level.

### The Staffing Pattern

The staffing pattern that is planned for IFPRI is unique compared to most research organizations. The staff will consist of both social scientists and agricultural production scientists who will individually or cooperatively be responsible for research problem areas within IFPRI's areas of concentration. The long-term professional staff is expected to consist of 7-8 persons drawn from the international community.

In addition to the long-term staff the core budget provides for 10-12 short-term staff, drawn primarily from developing countries, who will have appointments from one to three years duration. This portion of the staff is expected to vary in seniority and also will consist of a mix of policy-oriented social and production scientists. It is hoped that these individuals will return to their home institutions and provide a continuing collaborative link between national agricultural research and policy analysis and the IFPRI program.

The support staff will be small in that much of the work such as computer analyses, accounting, etc. will be contracted to outside organizations for efficiency and economy.

### Relationships with Other Organizations

The success of IFPRI in achieving its mission will depend upon the building and maintenance of contacts with research organizations and policy makers at the national, regional and international level. Thus, the active cooperation of such groups is being and will be sought.

Discussions have already begun regarding cooperation with FAO, the World Bank, the Consultative Group on Food Production and Investment, the World Food Council Secretariat, and the network of International Agricultural Research Centers.



As staffing and program development proceeds similar collaborative arrangements will be sought with national and regional organizations.

Although IFPRI will periodically assess the world food situation, both short and long-run, and analyze its policy implications, IFPRI does not intend to generate primary statistics on food output. Instead, the Institute is intended to provide an independent source of research and analysis of the major food policy issues in both the current and long-run context.

The IFPRI staff will be located at the headquarters area with travel as necessary to perform their work. Research requiring long-term residence in other locations will be developed on a collaborative basis with national and international research organizations.

#### The Functions of IFPRI

The functions of IFPRI are research, analysis, and dissemination of information relevant to improving world food policy. At present it is not anticipated that the Institute will undertake a formal training program. As its competence in such research and analysis develops, it is hoped that its training function will be fulfilled through (a) the experience gained by short-term participants in the program and (b) the conduct of seminars and consultation on the major policy issues within the Institute's competence in response to specific requests from policy makers and researchers.

#### IFPRI Facilities

The offices of IFPRI are located at 1776 Massachusetts, Avenue, N. W., Washington, D. C. It is expected that the offices will be open on August 15, 1975. It is

hoped that all members of the Consultative Group on International Agricultural Research and the associated organizations will accept an invitation to visit IFPRI whenever they are in the vicinity, both to learn about IFPRI's program and to exchange ideas on how the new Institute can make its maximum contribution to a better solution to the world's food problem.

The address for communication purposes is:

International Food Policy Research Institute  
1776 Massachusetts Avenue, N. W.  
Washington, D. C. 20036

Telephone: (202) 833-1821

Cable address: IFPRI  
Washington, D. C.



H3

PROPOSAL FOR A WORLD FOOD POLICY RESEARCH INSTITUTE

### Proposal for a World Food Policy Research Institute

1. In considering the relevance of research in the social sciences to its mandate the TAC has explicitly recognized the importance of the work of the economists and sociologists at the International Centres in guiding the programme formulation of those Centres and in securing the successful application of the results of their technical research. TAC has also emphasized the need for strengthening national research efforts in the field of public policy related to agricultural development, and urged that suitable feed-in/feed-back mechanisms be established to transmit to government planners the findings of micro-economic research on the use and implications of new technology.
2. In addition to these aspects of socio-economic research in agriculture attention was drawn at the seminar on socio-economic research for agricultural development held in Washington in July 1973 to the need for policy studies related to certain problems affecting groups of countries or even the overall pattern of world agriculture, hopefully leading to better management of the world's food and agricultural resources, and the avoidance or at least the alleviation of recurrent famines, scarcities of critical inputs, price fluctuations, and other crises. It was suggested that means of satisfying this need might also be examined by the Technical Advisory Committee.
3. At its seventh meeting the TAC therefore discussed the research needs in this wider field of macro-economic problems and concluded that such research was both within its terms of reference and highly relevant to the objectives of the Consultative Group and the work of the International Centres as well as to national agricultural policy formulation. It considered that there might be merit in having selected aspects of research on global problems affecting



agricultural development, with particular reference to critical issues concerning food, undertaken at a specially created institute and it established a TAC Sub-Committee to study the matter further.

4. The Sub-Committee fully concurred with the TAC's views on the need for further research in this field and unanimously recommended the establishment of an institute with the independence, competence, and flexibility to undertake studies on key policy issues bearing on world agricultural development, particularly those which might have sensitive political or social connotations. It did not feel, however, that any single institute could deal adequately with all aspects of development studies related to agricultural and rural development. In view of the likelihood of continuing difficulty and uncertainty over the world food situation it recommended that the task of the proposed institute should be restricted to research and related information and training activities bearing primarily on world food policy. This would also enable it to provide most useful guidance to the work of the TAC, Consultative Group, and commodity research centres.

5. Within this general mandate it considered that the institute should be given terms of reference broad enough to enable it both to keep in view the current problems and policies of major producing and consuming nations and their probable impact on the short-term food situation in the world with particular reference to the outlook for developing countries; and, through analysis of selected key policy issues, to offer guidance to national and international planners on the measures required to improve the management of agricultural production resources to increase world food supplies, and to achieve a more equitable distribution of available food.

6. The TAC notes and endorses the recommendations of its Sub-Committee and sees a clear need for the establishment of a World Food Policy Research Institute along the lines proposed. In its consideration of the role and functions of such an Institute it has had the benefit of the report prepared by Dr Oris Wells and the advice of the Director-General of FAO, and wishes to express its appreciation of their guidance. It stresses that the main tasks of the proposed Institute should be research and the dissemination of the results of this research to as wide and influential an audience as possible. While recognizing the importance of training, it does not consider that this should be a major aspect of this Institute's work, although it supports the Sub-Committee's view that a limited component of graduate research fellowships from developing countries to participate in the programme of the Institute would be a valuable means of combining training and research.

7. The TAC therefore proposes that the Institute should be established with the following mandate:

- (1) To keep the global food and agricultural situation under continuous independent review and analysis (supply, demand, stocks, and short-term outlook for the major agricultural products, as well as fertilizer and other inputs, price and trade developments and prospects).

Its main source of intelligence for this purpose would be secondary data, drawn from FAO, IBRD, and other appropriate bodies, but utilizing both published and unpublished information.



- (ii) To examine selected major and related agricultural policy and trade problems, particularly those involving sensitive relationships between and among countries, e.g. distribution of fertilizer or other inputs in short supply; food and other aid policies; export policies of major producers; trade preferences, trade barriers, and other effects of policies adopted by developed countries on the agriculture of developing countries. This research would be done in cooperation with other international agencies and national institutions, and the results would be fed into the outlook and information activities of the Institute. A particular objective would be to help national planners identify the possible impact of problems or actions arising outside their countries on their internal economies and policies.
- (iii) To identify and research emerging and future problems of global concern likely to have an important bearing on food production and utilization (including competition between supplies for food and feed) in the longer term.

A major objective of their studies would be to indicate the actions needed in the next few years to gear up for better resource allocation and management and to improve productivity and food availability in the long run. The TAC is of the opinion that this aspect of development policy is currently receiving inadequate attention both vis-a-vis short-term emergency action and long-term perspective planning.

- (iv) To transmit up-to-date and relevant information derived from its research to policy-makers, through research monographs, seminars and workshops on selected topics and specific devices such as an annual

conference to discuss the main functions and implications of its most recent research, the results of which would be published in its annual report.

The TAC believes that in addition to improving current awareness of major changes in agricultural policy by important producing countries or the introduction of new technologies which are likely to affect their own policy decisions such meetings could provide opportunities for interchange of ideas with national planners and staff of International Centres and Agencies on critical issues of international agricultural policy and would thus also offer guidance to the Institute as to what additional research was needed and how it might be approached.

8. The TAC welcomes the recent initiatives of the FAO Council and Conference in strengthening the Organisation's work in data-gathering, food intelligence, and the establishment of an early-warning system, and also notes with satisfaction action by the United States and some other national agencies in this field. It does not therefore feel that such activities should form part of the work of the proposed new Institute, although it should draw on relevant data as a feed into its analytical work.

9. Both in this connection and in the conduct of its research programme, the TAC stresses the need for close and sensitive working relationships between the Institute and other agencies such as FAO and IBRD with major responsibilities in fields of food and agricultural policy analysis or socio-economic research bearing on the agricultural sector. To the fullest extent possible the Institute must complement and reinforce rather than compete with their activities. One way in which it might do this would be to undertake independent and



public analysis of controversial or politically sensitive issues, where the freedom of action or expression of other agencies dependent on government support might be inhibited, even if such issues were theoretically within their terms of reference.

10. The TAC envisages that much of the research of the Institute, including the kind of studies indicated above, would either have to be undertaken on a task force basis, by teams of research fellows and associates, and/or by subcontracting to appropriate universities or other research institutions. The "core" staff of the Institute would be relatively small, and in addition to participation in task forces where feasible, would have an important "think tank" role in identifying researchable topics, screening for priority, and working out methodology in collaboration with members of the task forces. A clear need is foreseen to associate staff of the International Research Centres, and of the agencies of the UN system in such studies, both to give the broad input of inter-disciplinary expertise and experience of developing countries required to supplement the background of the Institute's staff, and because the output of the Institute, if it has its feet firmly on the ground, ought to be highly relevant to their own policies and programmes.

11. However, while recognizing the important two-way benefits which ought to accrue from close links between the Food Policy Research Institute and other international as well as national agencies, the TAC considers that a prerequisite for its success in exerting a useful and effective influence on critical issues related to world food policy must be ability to speak and publish freely and authoritatively in a way which governments will listen to. This implies not only a highly competent multi-disciplinary staff, but a structure

and degree of autonomy in the exercise of its functions comparable to that of the International Agricultural Research Centres.

12. The TAC believes the latter to be of paramount importance and has therefore given very careful consideration to the type of model most likely to ensure the necessary degree of freedom, including those of the privately funded Institute of Strategic Studies (IISS), the International Centres, and the International Plant Genetic Resources Board. While leaning towards the Centre model it does not wish to foreclose the options at this time, nor does it necessarily see them as mutually exclusive.

13. A sufficient basis of solid financial support is considered indispensable to launch the Institute and to guarantee its continuance for a sufficient period to attract high quality staff. Should the Institute appear on independent review to be doing relevant and valuable research after an initial five-year period, the TAC would support the initial backers of the Institute going to the Consultative Group for a broader basis of funding.

14. A closely related matter to which the TAC has also devoted considerable attention is the location of the Institute. Bearing in mind the advantages of strong working links with other agricultural development agencies, members saw merit in basing it in Rome in close association with FAO as the principal agency responsible for food and nutrition policy, provided adequate autonomy and flexibility for the Institute could be guaranteed. Washington and Geneva were also suggested as possible sites. Clearly the advantages and disadvantages of each will have to be weighed further once agreement has been reached in principle to establish the Institute.



15. Regardless of location, however, we again emphasize the importance of linkages between the Institute, major international bodies such as FAO, IBRD, and UNDP, and national agencies such as the USDA. The TAC assumes that a form of international board appropriate to the nature of its work and location will be set up for the governance of the Institute and one way of ensuring the necessary close relations and access to their documents, library and other facilities would be representation of appropriate agencies on this governing body.

16. The TAC commends the proposal for a World Food Policy Research Institute to the Consultative Group as a worthwhile undertaking; and suggests that once funding is available, whether through a consortium of private donors or the Consultative Group itself, a steering committee be set up to examine questions of staffing and location further, and to open negotiations for the Institute's establishment and the appointment of the Board.

REPORT ON THE

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POSSIBLE ESTABLISHMENT IN LONDON

OF THE

INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE (IFPRI)

Submitted by:

I. S. Bhoi, Senior Legal Officer, IDRC  
Francis Lucas, United Kingdom Consulting Solicitor

OTTAWA  
October 25, 1974



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REPORT ON THE POSSIBLE ESTABLISHMENT OF THE PROPOSED  
INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE (IFPRI) IN  
LONDON: A STUDY OF THE LEGAL IMPLICATIONS OF ITS ESTAB-  
LISHMENT UNDER ENGLISH LAW.

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INTRODUCTION:

- I. The Technical Advisory Committee (TAC) of the Washington-based Consultative Group on International Agricultural Research (CG-IAR) recommended the establishment of IFPRI:
  - a) to keep the global food situations under continuous independent review and analysis;
  - b) to examine major and related agricultural food policies and trade problems;
  - c) to identify and research emerging and future problems of global concern likely to have an important bearing on food production and utilization; and
  - d) to transmit up-to-date and relevant information on the world food situation and outlook to national policy makers.
2. The proposal for the establishment of IFPRI enjoys the endorsement of the United Nations Development Program (UNDP), the Food and Agriculture Organization (FAO) and the International Bank for Reconstruction and Development (IBRD). A meeting of the interested parties on the establishment of IFPRI met at the IDRC Headquarters in Ottawa on September 17, 1974 and made a firm recommendation that IFPRI be established in a suitable location in a manner that would ensure:
  - a) its independence, competence and flexibility to undertake critical analysis of key policy issues bearing on the world food situation; and
  - b) its establishment through the initial financial support of the Ford Foundation, the Rockefeller Foundation and the IDRC, subject to the formal approval of their respective governing boards.
3. The purpose of this report is to study the legal status of IFPRI under English law, relating both to inter-governmental and non-governmental organizations.



PART I

STATUS OF IFPRI UNDER EXISTING ENGLISH LEGISLATION RELATING TO  
INTER-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS

1. IFPRI cannot be treated as a true international organization as presently envisaged because it is non-governmental. The criteria generally observed by the United Kingdom Government in determining whether a given institution is truly international are:

- a) that it represents a permanent association of states with lawful objects and equipped with organs;
- b) that there is a distinction in terms of the legal powers and purposes between the organization and its member states; and
- c) that there is existence of legal powers exercisable on the international plane and not solely within the national systems of one or more states.

IFPRI does not qualify as a true international organization in accordance with the above criteria.

2. The position of international organizations in Britain is governed by the International Organizations Act 1968 which spells out the status, privileges and immunities of international organizations. The provisions of this act apply

"to any organization declared by Order in Council to be an organization of which

- a) the United Kingdom or Her Majesty's Kingdom in the United Kingdom and
- b) one or more foreign sovereign powers of the Government or Governments of one or more such powers are members. "

Section 1(1)

Under sub-section (2) of Section 1 of this Act, Her Majesty may by Order in Council specify an organization to which this section applies and make any one or more of the following provisions in respect of the organization as specified:

- a) confer on the organization the capacities of a body corporate;

b) confer on the organization, its representatives and the various grades of its officers privileges and immunities of varying extent. Part 1 of Schedule 1 of the Act, for instance, specifies the following institutional privileges and immunities:

- 1) Immunity from suit and legal process;
- 2) Inviolability of official archives and premises;
- 3) Exemption or relief from taxes;
- 4) Relief from rates on premises occupied by such organizations;
- 5) Exemptions from customs duties and taxes on the importation of goods for, or on behalf of, the organization, including publications;
- 6) Refund of customs duties on hydrocarbon oils used by and for the purposes of the organization.

Part I Schedule II of the Act deals with personal as opposed to institutional privileges and immunities for the representatives and high officials of the organizations. They are granted such privileges and immunities as are extended to diplomatic agents accredited to the Court of St. James's under the Diplomatic Privileges 1964 (it incorporates into English domestic law the provisions of the Vienna Convention on Diplomatic Relations in so far as they are concerned with the privileges and immunities of diplomatic agents and diplomatic missions). It should be noted that persons falling into this category also enjoy freedom from immigration restrictions, national service obligations and social security dues.

Part 1 Schedule III deals with the limited immunities and privileges of the junior staff and servants of the organizations. Whereas a high official enjoys immunity from suit and legal process during the tenure of his accreditation, a junior officer, in contrast, enjoys immunity only "in respect of things done or omitted to be done in the course of the performance of official duties". Likewise, privileges in respect of taxation and customs duties may be limited.



To date, the following inter-governmental organizations of which Her Majesty's Government and one or more foreign sovereign Governments are parties, are covered by Orders in Council under the International Organizations Act 1964 and granted the privileges and immunities specified thereunder:

Asian Development Bank  
Central Treaty Organization  
Commission of the European Communities  
Commission for Technical Co-operation in Africa South of the Sahara  
Commonwealth Secretariat  
Council of Europe  
Customs Co-operation Council  
European Free Trade Association  
European Launcher Development Organization  
European Organization for the Safety of Air Navigation (Eurocontrol)  
European Space Research Organization  
Food and Agriculture Organization  
International Centre for the Settlement of Disputes  
Inter-Governmental Maritime Consultative Organization  
International Atomic Energy Agency  
International Civil Aviation Organization  
International Coffee Organization  
International Labour Organization  
International Sugar Council  
International Telecommunication Union  
International Tin Council  
International Wheat Council  
North Atlantic Treaty Organization  
Organization for Economic Co-operation and Development  
South East Asia Treaty Organization  
United Nations (including the International Court of Justice)  
United Nations Educational, Scientific and Cultural Organization  
Universal Postal Union  
Western European Union  
World Health Organization  
World Intellectual Property Organization  
World Meteorological Organization

It should be noted that the International Bank for Reconstruction and Development (IBRD), the International Monetary Fund (IMF), the International Finance Corporation (IFC) and the International Development Association (IDA) are covered by special legislation. The Commonwealth Secretariat was established and granted the status of an international organization under the Commonwealth Secretariat Act 1966.



CONCLUSIONS:

IFPRI does not qualify for any privileges or immunities under existing British legislation respecting international organizations. As presently conceived as an institution comprising membership of the Ford Foundation, the Rockefeller Foundation and the IDRC, it is non-governmental and to that extent, not a true international organization within the meaning of the Act. Moreover, Her Majesty's Government and one or more foreign sovereign powers not being parties to its membership, the International Organizations Act 1968 will not apply to IFPRI.

The above position has been confirmed by the Legal Advisors to the British Foreign and Commonwealth Office.

## PART II

### POSITION OF IFPRI UNDER BRITISH LAW NOT RELATING TO INTERNATIONAL ORGANIZATIONS

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Under this heading incorporation of IFPRI under the Companies Act 1948 as amended in 1967 will be examined. Charities Act 1960 is also applicable. Immigration position for personnel of IFPRI under the Immigration Act 1971 will be examined. It will therefore be noted that all legislation relating to diplomatic privileges and immunities will be excluded from examination on the ground that it will be inapplicable to IFPRI and its staff.

### INCORPORATION OF COMPANIES

#### COMPANIES

The following types of companies can be incorporated under English law:

#### Chartered Companies

Incorporation is effected by the grant of a charter from the Crown and such companies are usually public bodies, e.g. the British Broadcasting Company.

#### Statutory Companies

These are formed under private Acts of Parliament. Most statutory companies are public utilities, e.g. gas and electricity undertakings. Since the increase in nationalization, the number of statutory companies has declined. The majority which remain are water supply companies. It is still possible, however, to form a statutory company but the procedure is lengthy (approximately 2 years) and formation costs very high.

#### Registered Companies

Such companies formed under the Companies Acts 1948-1967 may be private or public. To constitute a private company, the company must, by its Articles of Association:

- a) restrict the right to transfer its shares;
- b) limit the number of members to 50 (exclusive of employees). (There is a minimum of two members);  
and
- c) prohibit invitation to the public to subscribe to its shares or debentures.

Companies may limit the liability of its members either as to the amount (if any) unpaid on its shares (company limited by shares), or as to the amount which the members may undertake to contribute in the event of a company being wound up (company limited by guarantee). The advantages of a limited company are that it enjoys special legal identity and consequently:

- a) no personal liability attaches to members of the company for its debts;
- b) no personal liability arises on contracts entered into in the name of the company;
- c) the property vests in the company so there is no necessity to transfer property on change of membership;
- d) the company has perpetual succession and therefore death or bankruptcy of individual members does not affect the company; and
- e) there is facility for transfer of shares.

#### Companies limited by Guarantee

Such companies are usually formed to incorporate professional trade and research associations. Like other companies, a company limited by guarantee has a Memorandum of Articles of Association which must include certain matters prescribed by the Act as follows:

The Memorandum of Association must include "inter alia":

- a) Name - generally any name can be chosen but the word "limited" must be included unless Board of Trade approval is given to dispense with it. The Board of Trade does have discretion to refuse a name mainly for the purpose of preventing a company being registered with a misleading name.
- b) Registered Office - situation of the registered office determines nationality and domicile of the company. If the registered offices are in England the relevant documents must be submitted to the Registrar of Companies.
- c) Objects Clause - objects must be stated and they are normally sufficiently widely drawn to embrace any possible activities of the companies so that a company will not look acting "ultra vires".



d) Limited liability Clause - the Memorandum must state the fact that members' liability is limited either by shares or guarantee.

e) Share Capital Clause - the amount of the company's share capital must be stated and also its division into shares of a fixed amount. However, a company limited by guarantee may register without share capital.

The Articles of Association regulate the rights of members, the management of the company's affairs, the internal regulations of the company's business, e.g. regulations for the issue of shares, appointment of directors, etc. It is usual to adopt the pro forma Articles of Association appended to the Act with such alterations as may be desired.

### UNINCORPORATED BODIES

These are organizations or associations like partnerships, trusts, clubs and other associations which do not have separate legal identity and do not enjoy the advantages listed above. They must be established under the laws of the United Kingdom and involve no special formalities. For example, to establish a trust, all that is needed is a trust deed appointing the initial trustees and establishing the objects of the trust and setting out the basic regulations under which the trust is to be carried out.

### CHARITIES

An institution is regarded as charity for the purposes of English law if established for one of the following four purposes:

- a) the relief of poverty;
- b) the advancement of education;
- c) the advancement of religion; or
- d) other purposes beneficial to the community in the United Kingdom.

IFPRI can be registered as a charity in the United Kingdom whether or not it is incorporated under the Companies Act, provided it is established for the purpose of fulfilling certain specified charitable aims. It would appear that the Institute would almost certainly be eligible to be treated as a charity in the United Kingdom as falling within the categories a) and b) above. It does not matter for the purposes of these two categories that the activities of the Institute may be devoted entirely to matters outside the United Kingdom.

Charities are registered with the Charity Commissioners under the Charities Act 1960. The Commissioners are empowered to approve any proposed charity and may refer to the Inland Revenue.

The Charity Commissioners have powers of control including the right to examine accounts, etc., and the Commissioner's Consent will be required before any sale of property forming part of the permanent endowment of the charity takes place.

The principal advantages which charities enjoy are the following:

a) a United Kingdom charity enjoys, in effect, almost complete relief from United Kingdom tax to the extent that its income and gains are devoted to or expended on its charitable purposes. Exemption from taxation is enjoyed on dividends, interest and annuities, rents and profit from land and chargeable gains.

b) a charity enjoys 50% relief from local authority rates in respect of premises occupied by the charity, but not the private residences of the charity's employees or officers. In certain circumstances, the local authority may give relief beyond the 50% standard concession;

c) exemption from value added tax (VAT). Such tax is normally paid and then periodically reclaimed from the Inland Revenue in accordance with prescribed procedures.

#### GENERAL POINTS ON CHARITIES

The employees of charities do not enjoy any special tax privileges or advantages.

The control exercised over the charities is not in practice stringent, and the Commissioners' main function is to exercise a general "watchdog" role to ensure that the charity's funds are employed in fulfilling its charitable aims.

Registration formation costs are rather small and formalities simple. There are tax advantages to donors to charities provided payments to the charities are made in specified ways. To enjoy the advantages of registration as a charity, the organization must be resident in the United Kingdom and established under the jurisdiction of the United Kingdom codes.

There are generally no restrictions under United Kingdom law as regards funds coming into the United Kingdom to a United Kingdom registered charity. Exchange control consent from the Bank of England is, however, normally required for any remittances abroad whether for the payment of goods, services, or otherwise. Generally, no difficulties exist in practice in obtaining such consent, although it is, of course, always open to the Bank of England or the United Kingdom Treasury to block funds. It is considered highly unlikely that such powers would be exercised in the case of a charity remitting funds overseas for the purpose of fulfilling its charitable aims.



## CONCLUSIONS ON INCORPORATION OF IFPRI

It seems clear that the most appropriate method of incorporation for the establishment of IFPRI is to incorporate it as a company limited by guarantee. There would be nothing to prevent IFPRI at a later stage, if it so desired, to wind up or transfer its activities to different organizations, e. g. if it later decided to convert into an international organization, but incorporation under Act of Parliament. As IFPRI is proposed as a non-profit making organization, there seems no desirability in the company being limited by shares which would be more appropriate for a commercial enterprise. It is also desirable that IFPRI should be a company limited by guarantee, so as to demonstrate clearly that its intentions are non-profit making and further would prove useful in its registration as a charity.

Formation is a relatively simple and swift process (one to three months) and the formation costs are estimated at £250.

## TAXATION - THE PROPOSED INSTITUTE

Should IFPRI be incorporated as a company limited by guarantee and subsequently registered as a charity, it will enjoy complete exemption from taxation on dividends, interest and annuities, etc., provided that such receipts are expended in conformity with its charitable aims. This aspect has already been examined above (see Section (a) Page 9).

## TAXATION - EMPLOYEES OF THE PROPOSED INSTITUTE

In general the liability to United Kingdom taxation of employed persons does not depend on the status or identity of their employer. Their position is governed by Income Tax Acts as amended by the Finance Act 1974. In the case of an international charity, taxation position of employees may be summarized as follows:

- I. Individuals resident and domiciled in the United Kingdom are liable to tax on their income from all sources wherever arising. For the year 1974-75 the basic rate of tax is 33% on the first £4,500 of taxable income and rises to the rate shown:

Part of excess of 4,500 .....	Higher rate
The first £500 .....	38%
The next £1,000 .....	43%
The next £1,000 .....	48%
The next £1,000 .....	53%
The next £2,000 .....	58%
The next £2,000 .....	63%
The next £3,000 .....	68%
The next £5,000 .....	73%
The remainder .....	83%



An individual is resident in the United Kingdom for the purposes of Income Tax and Capital Gains Tax if:

- a) he is present in the United Kingdom for more than six months in any one fiscal year;
- b) he has (being a British subject) been resident in the United Kingdom and has gone abroad for the purposes of "occasional" residence only;
- c) he habitually spends a substantial period in the United Kingdom. In practice an individual is treated as resident under this head if he spends more than 12 months in the United Kingdom in any 4-year period; and
- d) he has available for his use a place of abode in the United Kingdom and (subject to certain exceptions) he spends any time in the relevant year in the United Kingdom.

An individual is domiciled in one of the constituent parts of the United Kingdom if his father was domiciled there at the date of his death and he has not adopted a domicile of choice in any other territory or he has taken up residence in that part of the United Kingdom with intention of making it his permanent home.

- 2.
  - a) Individuals resident in the United Kingdom but not domiciled there are (subject to (b) below) liable to United Kingdom tax on any earnings in respect of employment in the United Kingdom with United Kingdom resident employers.
  - b) Where the duties of an employment are performed wholly abroad the earnings are not taxable if the employee performs the duties abroad and is abroad performing them for more than 365 consecutive days (certain visits to the United Kingdom being disregarded). If the period abroad is less than 365 days 75% of the earnings are taxable.
  - c) Individuals resident in the United Kingdom but not domiciled there who are employed by non-resident employers are liable to tax on only 50% of their earnings unless they have been resident for more than 9 out of the previous 10 years in which case they are liable to tax on 75% of their earnings.

Such individuals with such an employer are not liable to tax, even if resident, on earnings in respect of duties performed wholly abroad.

- d) Individuals resident in the United Kingdom but domiciled abroad are liable to tax on investment income to the extent, but only to the extent that it is brought into the United Kingdom.
3. Individuals who are not resident in the United Kingdom are liable to tax on any earnings from employment in the United Kingdom unless they are not domiciled in the United Kingdom and their employer is not resident in the United Kingdom. In this case they are liable to tax on 50% of their earnings.

They are not, of course, liable to United Kingdom tax on any overseas income, earned or invested.

4. An employer resident in the United Kingdom is obliged to deduct tax at the appropriate rate from any remuneration he pays to employees.

An employee who receives remuneration from any other source must notify the Inland Revenue that he is liable to tax and will be required to make a return of such income, and pay tax thereon as assessed.

5. It will be observed that where non-United Kingdom domiciled staff are employed by a non-resident employer, considerable savings of tax can be achieved. A non-resident employer is not itself concerned with the United Kingdom fiscal position.

#### TAXATION - INDEPENDENT CONTRACTORS, CONSULTANTS, ETC.

Not all individual services are, of course, provided under contracts of employment. In certain cases services may be obtained from independent consultants (either individuals or companies). Such independent consultants will, if resident, be fully liable to United Kingdom tax.

In the case of non-residents the liability to tax, if any, will depend upon whether the independent consultant in question is "carrying on business" in the United Kingdom. If the consultant in question is carrying on business in the United Kingdom then he will be liable to United Kingdom tax on any profits arising in the United Kingdom. The rate of tax payable, in the case of a corporation will, if the corporation has a branch or agency in the United Kingdom, be the corporation tax rate (52%). Corporations not having a branch or agency in the United Kingdom will be liable only to income tax at the basic rate (currently 33%).

Individuals carrying on business in the United Kingdom will be liable to tax at the normal rates on any profits earned in the United Kingdom.

An employer is not obliged to deduct tax from payments made to an independent consultant whether resident in the United Kingdom or elsewhere.



## EXCHANGE CONTROL

A charity resident in the United Kingdom is subject, like all other residents, to United Kingdom Exchange Control.

The United Kingdom legislation restricts the remittance of funds from the United Kingdom and, in general, such remittance may only be made with the permission of the Bank of England. In certain cases permission is granted generally or may be obtained from a commercial bank. In other cases the specific permission of the Bank of England is required. At the present time no serious difficulty is encountered in remitting funds required abroad by a United Kingdom charity in order to carry out its charitable functions.

## CONCLUSIONS ON TAXATION FOR EMPLOYEES OF IFPRI

Employees domiciled outside the United Kingdom who have not been resident in the United Kingdom for 9 out of the preceding 10 years are liable to tax on only 50% of earnings received from non-resident employers.

If IFPRI wishes to take full advantage of this situation, then the establishment of the Institute in London should be linked to the establishment of a similar body resident outside the United Kingdom. Such a non-resident body could be responsible for the employment of overseas employees, such employees being seconded to the United Kingdom resident charity. The appropriate funds would, of course, have to be channelled to the non-resident body.

An incidental advantage which could be obtained if there were to be a separate charity resident outside the United Kingdom would be the preservation of freedom from the United Kingdom Exchange Control regulations to the extent that the funds were retained by the non-resident charity and only remitted to the United Kingdom as and when required to meet United Kingdom expenditures. Such a non-resident entity could be established in parallel with the proposed Institute in the United Kingdom, or it could be established as the parent of the proposed Institute.

The function of the non-resident entity could be reduced to a minimum although it would be necessary for some functions to be carried on. The extent of such functions would only be such as would require the immediate attention of perhaps one person and could perhaps be carried out by the Secretariat of one of the promoting organizations.

Consideration of the country in which any non-resident entity should be established is not particularly problematic. There is no difficulty, for example, in establishing an entity with tax-free status in Switzerland. It is not thought necessary that the administration of any Swiss entity would need to be carried out in Switzerland although it would be necessary to have a Swiss representative, perhaps a member of the firm of lawyers instructed in the formation.



Implementation of the above scheme will result in considerable reductions in the overall tax burden of the employees of the proposed Institute, particularly if they are non-United Kingdom domiciled employees employed by a non-resident employer. There are no provisions in the United Kingdom tax code which would prohibit the establishment of arrangements along the lines suggested above.

#### IMMIGRATION STATUS OF IFPRI EMPLOYEES

Immigration control on entry and after entry into the United Kingdom is governed by the Immigration Act 1971 and subsequent rules made thereunder. Different sets of rules apply to Commonwealth citizens on the one hand and to the EEC and non-Commonwealth nationals on the other.

Non-United Kingdom employees of international organizations that are truly inter-governmental enjoy complete exemption from immigration controls under the Immigration (Exemption for Control) Orders made pursuant to, *inter alia*, the International Organizations Act 1968, the Immigration Act 1971, etc. Identical exemption applies to diplomatic and consular agents under applicable British legislation which incorporates with English law the provisions of the Vienna Conventions on Consular and Diplomatic Relations respectively.

The non-United Kingdom nationals employed by IFPRI will require work permits which are issued by the Department of Employment after applications are submitted to it and approved. In other words, the normal provisions of British legislation would apply to the proposed Institute staff from overseas. The Immigration and Nationality Department of the British Home Office has confirmed that, in principle, there will be no difficulty over the issue of work permits to the limited number of professionally qualified personnel recruited by the Institute.

#### POSITION OF OTHER SIMILAR ORGANIZATIONS OPERATING IN THE UNITED KINGDOM

Amongst the many non-governmental institutes and bodies operating in the United Kingdom, the following are worthy of note:

a) The International Wool Secretariat - It is comprised of the Wool Boards of Australia, New Zealand, South Africa and Uruguay. The principle aim of the Secretariat is to increase the use and usefulness of wool throughout the world by means of publicity, education and research. It was established as a company limited by guarantee. Institutionally it does enjoy tax exempt status. A subsidiary body, the Wool Foundation is in the process of being registered as a United Kingdom charity for conducting research and seminars and for making grants and scholarships to various Universities, etc.

The international staff are liable to United Kingdom taxation under United Kingdom laws. Work permits are freely granted by the Home Office after a case has been made out for each specialist on an "ad hoc" basis.

b) The Institute of Strategic Studies - This also has been registered as a company limited by guarantee and not having a share capital, and subsequently established as a charity. The position of its international staff is the same as in the case of the International Wool Secretariat.

c) The World Federation for Mental Health - Its legal status is that of a registered charity, limited by guarantee and not having a share capital. Its international staff enjoy no special Income Tax exemptions.

d) International Planned Parenthood Federation - It is not a company limited by guarantee. It has a rather loose constitution which describes it as "a non-profit membership organization" without any separate legal identity under United Kingdom laws. It has a governing body and several committees dealing with management and specialist issues. In effective terms, it operates as a charity and institutionally, it is not subject to any form of taxation because it conducts non-profit-making operations.

Also examined were the International Agricultural Development Corporation, International Copper Development Council, International Institution for Cotton, and International Tea Committee. There is nothing exceptional to report on these organizations that bears special relevance to the proposed establishment of IFPRI in London.

#### CONCLUSION ON IMMIGRATION STATUS

IFPRI will not experience any difficulties in obtaining work permits for its professionally recruited international staff. Non-specialist support staff that can be recruited locally will be denied work permits by the Home Office.



### PART III

#### IFPRI UNDER SPECIAL NEW LEGISLATION

- I. The British Foreign and Commonwealth Office recognized that IFPRI, as a non-governmental entity not covered by the International Organizations Act 1968, was nevertheless unique in concept and admirably innovative in its proposed program of action. It was noted with interest that:
  - a) it was intended to meet the urgent and critical needs of the developing countries in the areas of food and food policy. This is today a matter of equal concern to the developed nations as well;
  - b) it enjoys the sponsorship of such important international bodies with membership drawn from around the world like the Food and Agriculture Organization, the World Bank and the United Nations Development Program;
  - c) it undoubtedly enjoys the tacit support of many countries deeply committed to the cause of social and economic development of newly emergent nations; and
  - d) it may in course of time, actually enjoy the membership of sovereign governments or their state-controlled development assistance agencies.
2. Considering the "unique position" and proposed activities of IFPRI, it was "exceedingly difficult" but not "entirely impossible" to pass special legislation in Britain on the establishment of the Institute, endowed with an appropriate corporate status and entitled to privileges relating mainly to:
  - a) exemption from Income Tax for its non-British, professionally recruited staff;
  - b) duty-free importation of goods intended for its official use;
  - c) highly circumscribed immunity for the professional staff for acts done or omitted to be done in the course of performance of official duties; and
  - d) freedom from immigration restrictions for the overseas professional staff.



3. Before any special legislation can even be contemplated, the British Government must take a policy decision on this matter at the Cabinet level. Therefore a high level approach to the British Prime Minister, at the level of the President of the World Bank, Director General of the FAO, representative of U. N. Secretary General and the President of the IDRC may prove "highly rewarding".
4. Under existing schedule of legislation in the United Kingdom, it would take a minimum of two years for such legislation to be enacted. However, should the British Government take a positive decision to pass special legislation, the legislative program can be re-scheduled so that "the time lapse may be considerably reduced".
5. Well informed sources indicated that the main objections to the establishment of IFPRI in London were expected to come from the British Overseas Development Ministry. The Foreign and Commonwealth Office would have definite objections to any forms of immunity being granted to IFPRI or its personnel. The objections are of the following nature:
  - a) That FAO has adequate powers and resources at the international level to cope with world food problems. The present situation indicates that policy and structural reforms are urgently needed within the FAO rather than proliferation of bodies like the proposed Institute;
  - b) that at the present time private research bodies and universities the world over are doing a commendable job into some world food problems. This effort should be strengthened through international co-ordination and international channels. These channels have not been defined but they apparently refer to United Nations and the Specialized Agencies;
  - c) that if IFPRI were established in London, its critical studies, recommendations and operations might be viewed as enjoying the endorsement of the British Government which, after the recent energy crisis and economic difficulties, is rather reluctant to be fixed in "embarrassing situations".
  - d) that the British Government has never passed any form of special legislation to grant a privileged status to a non-governmental international organization. Such bodies have always operated under normal existing laws. The one and sole exception made was under the European Coal and Steel Community Act 1955, under which diplomatic privileges and immunities were conferred on the Community at a time when Britain was not a party to it. However, the Community itself did have the status of a true international organization in that it was inter-governmental by nature. It was clearly not comparable to the position of IFPRI.

The International Organization Act 1968 in Section 4 provides:

"Where an organization other than the Commission of the European Communities of which two or more foreign sovereign powers, or the governments of two or more such powers, are members but of which neither the United Kingdom or Her Majesty's Government in the United Kingdom is a member, maintains or proposes to maintain an establishment in the United Kingdom then for purposes of giving effect to any agreement made in that behalf between the United Kingdom or Her Majesty's Government in the United Kingdom and that organization, Her Majesty may by order in council specifying the organization, make either or both of the provisions in respect of the organizations:

- 1) confer on the organization the legal capacities of a body corporate; and
- 2) provide that the organization shall, to such extent as may be specified in the order, be entitled to the like exemption or relief from taxes on such income and capital gains as is accorded to a foreign sovereign power."

It is to be noted that the above provision is inapplicable to IFPRI so long as its membership does not include two or more Sovereign Governments.

e) that both Houses of Parliament have a traditional abhorrence of grant of immunities and privileges beyond the limits set by existing legislation and customary international law, i.e. that on consular and diplomatic relations and that applying to international organizations under law-making conventions. The objection mainly is on the ground that the grant of privileges and immunities to non-governmental bodies and their personnel, particularly when the United Kingdom is not a party to them, creates an element of inequality of treatment under the law. A string of decisions of the British courts and speeches of lawyers, politicians, judges and statesmen in both Houses of Parliament can be traced in the British parliamentary records going back to well over a century.

6. Should the British Government decide in principle to treat IFPRI exceptionally as an organization entitled to limited immunities and privileges, such a decision could be translated into reality, not only by the enactment of a special Act of Parliament, but under the provisions of the Annual Finance Act. This is a method that has been used a great deal in the post-war era to implement legislatively certain governmental policies.

#### CONCLUSION

It is exceedingly difficult, but within the realm of possibility, to have special legislation passed in Britain provided that the British Government took a positive decision to do so under properly orchestrated pressure of the World Bank, the United Nations Development Program, the Food and Agriculture Organization and the International Development Research Centre applied at the highest level within the British Government.



## SUMMARY OF FINDINGS

### PART I: STATUS OF IFPRI UNDER ENGLISH LEGISLATION RELATING TO INTERNATIONAL ORGANIZATIONS

IFPRI is not an international organization within the meaning of the International Organization Act 1968. Therefore it is not entitled to enjoy any privileges or immunities that are normally extended either to inter-governmental organizations or to diplomatic and consular missions and their entitled staffs.

### PART II: STATUS OF IFPRI UNDER EXISTING LEGISLATION NOT RELATING TO INTERNATIONAL ORGANIZATIONS

#### 1. INCORPORATION

IFPRI can be established as a registered company without share capital limited by guarantee, under the Companies Acts 1948-67, and subsequently registered as a charity under the Charities Act 1960.

#### 2. INSTITUTIONAL TAX STATUS

IFPRI, if incorporated as suggested in para I above, will enjoy complete exemption from income tax, substantial exemption from local government property rates and part relief from Value Added Tax (VAT).

#### 3. PERSONAL TAX STATUS

- a) IFPRI staff members who are resident in the United Kingdom but not domiciled there and who are employed by non-resident employers will be liable to tax on only 50% of their earnings when they have been resident for more than 9 out of the previous 10 years in the United Kingdom in which case they will be liable to tax on 75% of their earnings.
- b) It is suggested that the establishment of IFPRI in London should be linked to the formation of a similar body resident outside the United Kingdom as a charity. Such a non-resident body should employ overseas staff and second them for work with the United Kingdom resident charity, i. e. IFPRI. Funds should be channelled to the non-resident body. By such procedures, non-United Kingdom domiciled international staff recruited to work for IFPRI in London will legitimately be entitled to 50% personal tax relief on their earnings generated by the exercise of employment in the United Kingdom.

- c) The function of the non-resident entity could be reduced to a minimum, e. g. one person to carry out functions for IFPRI at the Secretariat of one of the promoting organizations or a member of the firm of lawyers instructed in the formation of the company and its registration as a charity.
- d) United Kingdom residents, whether domiciled or not, but in the employ of United Kingdom resident employers, are liable to United Kingdom taxation on any earnings generated by employment in the United Kingdom. Full relief from United Kingdom taxation can be obtained only if the duties of employment are performed wholly outside the United Kingdom for more than 365 consecutive days. If the period abroad is less than 365 days, 75% of the earnings are taxable.

#### 4. IMMIGRATION STATUS

Provision of the Immigration Act 1971 will apply. Applications for work permits will be issued by the United Kingdom Department of Employment. No difficulties are envisaged in obtaining work permits for professionally recruited staff. IFPRI will be required to recruit non-specialist support staff locally; no work permits will be issued to them.

#### PART III: STATUS OF IFPRI UNDER NEW LEGISLATION

It is unprecedented and exceedingly difficult but within the realm of possibility to have special legislation passed in Britain to confer a corporate status and limited immunity and privileges on IFPRI provided:

- a) pressure is exerted on the British Prime Minister by the President of the World Bank, the Director-General of FAO, representative of the United Nations Secretary-General, and the President of the IDRC through diplomatic channels; and
- b) the British Government agrees to sponsor legislation in the British Parliament to establish IFPRI as a quasi-international organization endowed with a special status.

Strong resistance from the United Kingdom Ministry of Overseas Development and the British Foreign and Commonwealth Office are expected.



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4-3  
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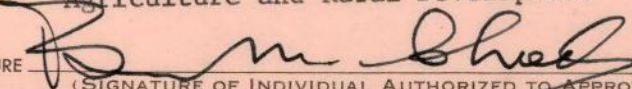
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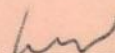
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A-3

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

H3

1818 H St., N.W. Washington, D.C. 20433 U.S.A.  
Telephone (Area Code 202) 477-3592  
Cable Address - INTBAFRAD

October 22, 1974

TO: Members of the Consultative Group  
FROM: Executive Secretariat  
SUBJECT: International Food Policy Research Institute

Attached for the information of members of the Consultative Group are the minutes of a meeting of the steering committee on the International Food Policy Research Institute. The meeting took place under the chairmanship of Sir John Crawford in Ottawa on September 17, 1974.

Attachment

Report of Meeting on the Proposed  
International Food Policy Research Institute (IFPRI)

at IDRC Headquarters, Ottawa, September 17, 1974

The Meeting was chaired by Sir John Crawford of Australia with  
the following participants:

David Bell, Ford Foundation  
Ralph Cummings Jr., Rockefeller Foundation  
R. K. Davidson, Rockefeller Foundation  
Lehman B. Fletcher, USAID  
Harold Graves, IBRD  
Lowell S. Hardin, Ford Foundation  
Dale Hathaway, Ford Foundation  
W. David Hopper, IDRC  
E. Ojala, FAO  
Peter Oram, FAO  
M. Yudelman, IBRD

1. The Chairman welcomed the participants and read a letter from Mr. Mashler, regretting that the UNDP would not be represented at the meeting, but expressing full support for the proposal under consideration. Although the meeting was to be informal, the Chairman proposed that a report be prepared to be presented to the Consultative Group (CG) at their meeting on October 30 and 31, 1974. The Chairman presented the agenda and it was approved.

Item 1: Review of TAC Recommendations

2. As background, the Chairman referred to his report to the Consultative Group on behalf of TAC. (see attachment). He gave a resumé of TAC's consideration leading to its firm recommendation that an International Food Policy Research Institute be established.



3. The Chairman then reported the discussions at the Consultative Group meeting and referred to Mr. Baum's summary which supported further consideration at the next meeting of the Consultative Group on October 30 and 31.

4. Reference was made by Dr. Yudelman to the fact that, while strong support for the proposal was voiced at the August meeting, some had expressed doubts and a wish to delay deliberation until resolutions of the World Food Conference were available for consideration. Mr. Graves reported that he had had discussions with Dr. John Hannah, Deputy Director-General of WFC, and had received his encouragement and opinion that consideration of the IFPRI should proceed. (See his letter to Dr. Hopper attached) It was noted that Chapter 13 of The World Food Problem - proposals for national and international action, Item 9 of the Provisional Agenda for the WFC, proposing a world food information system, would be of interest to this group.

5. There was full acceptance, by those present, of the TAC proposal for an independent food policy research institute, and an endorsement of its general outline of functions and establishment. As recommended by TAC, the institute would have the independence, competence and flexibility to undertake critical analysis of key policy issues bearing on the world food situation. The institute would have the following mandate:

- a) to keep the global food and agricultural situation under continuous, independent review through research utilizing both published and unpublished data drawn from FAO, IBRD and other appropriate bodies.
- b) to examine selected major food and agricultural policy and trade problems, particularly those involving sensitive relationships between and among governments.
- c) to identify and research future problems of global concern likely to have an important bearing on food production.
- d) the proposed institute would also analyse the requirements for bringing in new areas not previously used for food production and would study the redevelopment needs of old land in need of reclamation action, for example the saline areas of India and the Sahelian zone of Africa.
- e) While TAC did not consider that training should be a major aspect of the Institute's work, it recommended there be a limited number of graduate research fellowships for participants from developing countries.

6. The proposed IFPRI would transmit up-to-date and relevant information derived from its research to policy-makers, through research monographs, seminars and workshops on selected topics, and specific devices such as an annual conference. Its most recent research and its implications would be discussed at the annual conference as well as published in the annual report.

7. TAC had stressed the need for close and sensitive working relationships between the Institute and other agencies, with major responsibilities in fields of food and agricultural policy analysis or socio-economic research bearing on the agricultural sector, such as FAO and IBRD. Dr. Ojala, for FAO, welcomed the closest working relationship possible. This could be arranged independently of any question of legal relationship.

Item 2: Structure of the Institute

8. The Chairman briefly outlined the TAC thinking on the organizational structure of the Institute. In parallel with other international centres, it recommended that an international board be set up to establish the institute and to provide close relationships with the other international agencies concerned. In accordance with CG practice, it looked to the establishment of a steering committee to examine such questions as the level and type of staffing and the location of the Institute, and also to open negotiations for the establishment and appointment of the proposed international board.

9. The meeting endorsed the general approach and emphasized certain points:

- a) As with the agricultural research centres, the independence of the Institute must be protected - the more so because of the potentially controversial nature of its work.



- b) It was judged that the international Board of Trustees should include about twelve to fifteen members. Focussing on the independent and professional nature of the proposed institute, the meeting favoured that a variety of nationalities be represented and that related professional experience be an important qualification in a significant proportion of the members. Those eligible for nomination to the board should include professionals in the field and could usefully include people with governmental responsibilities, but not as representatives of their governments. A small Board was considered desirable and the suggestion made that the large representation from the host country on the international centres' Boards would not be necessary in this case.
- c) TAC envisaged a professional staff of about 12, half of whom would be senior staff. The number could be kept small by the use of contract task forces or universities for specific studies. A number could be staff from the less developed countries working on a rotation basis and then returning as principal advisers and policy makers to their own countries. The staff of the international Centres would be closely associated with the work of the Institute.

10. The question of the need for a research or program committee of the IFPRI was raised, but it was thought that the partly professional nature of the Board would permit a sub-committee of the Board to act in this capacity. Moreover, it would be open to the director to arrange a committee of advice as he felt the need.

11. Names for the Board were put forward by some members and some geographical and professional criteria for selection were mentioned. It was agreed that Dr. Hopper should act as repository of these suggestions.

Item 3: Financing (and legal identity)

12. The Ford Foundation, the Rockefeller Foundation and the IDRC have indicated willingness, subject to the formal approval of their respective governing boards, to provide initial financial support. Some governments may also be willing to provide funding. (eg. The CIDA position was reported as "preferring not to be a founding member, but might be willing to be an early contributor".)

13. Given the sensitive nature of some of the Institute's anticipated research topics and the possibility of the need for a critical stance on some issues, some expressed fear that government support may affect or appear to affect the IFPRI's independence. Therefore support by private foundations may be the best approach, but this would be a matter for the Consultative Group.

14. It was agreed that requesting and receiving Consultative Group endorsement was extremely important. Endorsement from the CG normally implied:

- a) work controlled by an international board,
- b) work is genuinely independent of political interference,
- c) members of CG back financially,
- d) reports at Centres' week, and
- e) subject to review procedures.

15. There would appear to be no constitutional problem for the Consultative Group to endorse establishment of the institute even with the understanding that for an initial period it would be financed by private organizations which are part of the Consultative Group.

16. The intention is that the IFPRI would submit a report of its activities for review at Centres' week each year, and a budgetary report which would be open for examination in the usual way. TAC would also feel free to review the work of IFPRI from time to time. The IFPRI could also accept special project funds from outside the three agencies.

17. The existing international centres have a variety of legal identities ranging from incorporation within the regular corporate laws of the host country, statutory creation by host government, to international status by agreement between host government and other international agencies or governments. Any specific form of establishment depends upon the arrangement with the host country, therefore, a decision on the location must come first.

18. The Chairman explained that a relationship with FAO was considered for two reasons:

- a) to ensure a smooth working relationship, and
- b) to have a legal relationship between the two.

While a close working relationship with FAO was essential, and was assured, it was recognised that this did not necessitate a legal tie to FAO.



19. The legal relationship with FAO could take several forms:

- a) The FAO Conference could undertake to create a separate, but complementary organization under article XV of the FAO constitution.

This would require the involvement of at least two governments.

- b) A trust fund arrangement was available and would impose certain responsibilities on the Director-General of FAO.

It was recognized that these matters called for further examination.

#### Item 4: Location

20. The Chairman suggested some criteria which might be taken into consideration in evaluating options for location:

- a) a good intellectual climate and library,
- b) good links with FAO, IBRD and other international bodies,
- c) access to other work going on in the field,
- d) the possibility of international status,
- e) recruiting prospects,
- f) effective links or relations with other centres.

21. In the Chairman's view, Rome or Washington offered the best location, but he would also consider London, Paris, Geneva and Canada. Scandinavia was added to the list as a possible site. Of paramount importance was that any choice of location neither interfere with the independence of the institute nor hamper, in any serious way, recruitment through restrictive staff legal status and immigration procedures.

22. A Ford Foundation representative stated that they favoured Rome as a first choice, because Italy held a neutral position in world food policy and because of the proximity to the FAO, with a European city as a second choice. The IDRC President also supported Rome as the best choice if an assured connection with FAO could be arranged, with Washington as the second choice because of the presence of USDA and IBRD, both doing well-respected work in this field. London or Copenhagen could also be considered.

Item 5: Institute Staff

23. The IDRC is currently building a potential staffing list and would be pleased to receive suggestions.

Item 6: Next Steps

24. It was agreed:

- a) that a report of this meeting be transmitted to the Consultative Group for their meeting on October 30 and 31, 1974.
- b) that the CG be invited to consider extending its endorsement to the Institute and, as in the case of previous centres, to consider setting up a CG committee of interested parties, with one organization acting as executing agency, to establish the international Board for the Institute.

25. Further work will go forward in building potential lists for both Directors and staff for the IFPRI.

26. The meeting expressed the hope that a definitive statement might be prepared for the Consultative Group meeting on the possible relations with FAO. A detailed interpretation of the nature of legal establishment in Rome was desired, including assessment of whether Article XV applies to governments only and whether it applies only to an institute established in Rome. It was also agreed to explore, in detail, establishment in Washington and other locations.

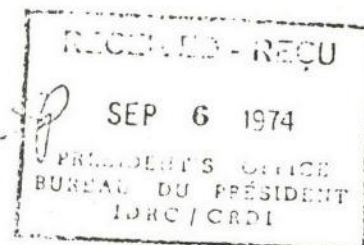


CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

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September 3, 1974

Dr. W. David Hopper  
President  
International Development Research Centre  
Box 3500  
Ottawa  
Canada K1G 3H9



Dear David:

You will remember that during International Centers Week, the Consultative Group discussed the question of whether there would be anything inconsistent between planning the establishment of an International Food Policy Research Institute and the various plans which might be expected to emerge from the World Food Policy Conference.

At the conclusion of the discussion, the Consultative Group Chairman said that he believed that the matter of establishing the Institute should continue to be considered within the framework of the Consultative Group. He suggested that there were two ways of pursuing the question of the relationship to the work of the World Food Conference: it might be pursued by the steering committee or by the Consultative Group Secretariat, but in either case, the procedure should be quite informal.

I mentioned to you on the telephone several weeks ago that I intended to visit the United Nations and to speak to Dr. John Hannah, the Deputy Secretary-General of the World Food Conference, about this matter. I made that visit on August 20. Dr. Hannah told me that in his opinion the establishment of the proposed Institute should by all means proceed.

It was subsequently pointed out to me that approval, in effect, is given to the idea of a food policy research institute by the draft recommendations which the Preparatory Committee of the World Food Conference will consider in its meetings that begin next September 23. The relevant draft recommendation occurs in Paragraph 307 of the Conference paper, "The World Food Problem: Proposals for National and International Action." That paragraph reads in part, "... It would be a mistake to neglect other problems... a solution to which could benefit all parts of the world. These global topics might better be undertaken

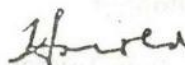
Dr. W. David Hopper

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September 3, 1974

in developed countries because of their sophisticated requirements, their high cost and their long-term nature. Examples include... developing more sensitive global machinery for analyzing and understanding issues related to world food policy, the factors bearing on it, and their future implications...." The complete text of this part of the paper is attached.

Sincerely yours,



Harold Graves

Enclosure

## THE WORLD FOOD PROBLEM

### proposals for national and international action

306. In Chapter 3 it was shown that to meet the food requirements of 1985 large areas of new land will have to be brought into cultivation especially in Africa and South America. To make this possible the necessary resources should be allocated to studying the soil problems of the savannah belts and to the management of the soils which are exposed for the first time when tropical rain forests are cleared. There is here a complex of problems which needs to be solved before arable farming can be maintained permanently in these districts.

307. While, as can be seen from the foregoing examples, the topics have immediate application in some or all developing countries, it would be a grave mistake to neglect other problems of a much more fundamental character, a solution to which could benefit all parts of the world. These global topics might better be undertaken in developed countries because of their sophisticated requirements, their high cost and their long-term nature. Examples include the evolution of new "genetic engineering" and propagation techniques; better understanding of the nitrogen-fixing mechanism; further insight into energy/agriculture relationships, including the better and cheaper utilization of sunshine, wind and water as energy sources, the improvement of photosynthetic efficiency of plants, basic aspects of radiation technology;<sup>1/</sup> pollution studies as related to agriculture; improved means of monitoring and understanding weather and relating weather patterns to crop and livestock production and research (perhaps one of the more grossly neglected aspects of science); developing more sensitive global machinery for analyzing and understanding issues related to world food policy, the factors bearing on it, and their future implications; and so on.

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<sup>1/</sup> There are, of course, already wide uses for techniques derived from atomic energy resources in agricultural research. These include the induction of mutations as an aid to plant breeding; numerous applications in pest control, such as the sterile male technique; the use of tracer isotopes, neutron probes, etc. in work on soil-plant-water relationships and plant nutrition; food preservation by irradiation; the development of radiation-attenuated vaccines for the control of pathogenic parasites in livestock etc. Further advances may be expected from future basic research.



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APR 20 2021

WBG ARCHIVES

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

TECHNICAL ADVISORY COMMITTEE

Eighth Meeting, Washington D.C., 24 July - 2 August 1974

PROPOSAL FOR A WORLD FOOD POLICY INSTITUTE

Report of TAC Sub-Committee

(Agenda Item 6)

12

TAC SECRETARIAT

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

ROME, 1974

WS/F1172

Item 6:

PROPOSAL FOR A WORLD FOOD POLICY INSTITUTE

DECLASSIFIED

Report of TAC Sub-Committee

APR 20 2021

A. Background

WBG ARCHIVES

1. In considering the relevance of research in the social sciences to its mandate the TAC has explicitly recognized the importance of the work of the economists and sociologists at the International Centres in guiding the programme formulation of those Centres and in securing the successful application of the results of their technical research. TAC has also emphasized the need for strengthening national research efforts in the field of public policy related to agricultural development, and urged that suitable feed-in/feed-back mechanisms be established to transmit to government planners the findings of micro-economic research on the use and implications of new technology.
2. In addition to these aspects of socio-economic research in agriculture attention was drawn at the seminar on socio-economic research for agricultural development held in Washington in July 1973 to the need for policy studies related to certain problems affecting groups of countries or even the overall pattern of world agriculture, hopefully leading to better management of the world's food and agricultural resources, and the avoidance or at least the alleviation of recurrent famines, scarcities of critical inputs, price fluctuations, and other crises. It was suggested that means of satisfying this need might also be examined by the Technical Advisory Committee.
3. A further consequence of the Washington seminar was the appointment by the Ford Foundation of a consultant (Mr. O.V. Wells) to report on the need for research related to world food policy, and the approaches which might be followed in undertaking it. Coincidentally, FAO was evolving a proposal (which it had already conceived prior to the seminar), for the sponsorship of a semi-autonomous Development Research Centre, which would also work inter alia on certain aspects of world food policy problems, but which was envisaged as having a wider role in undertaking socio-economic studies related to the whole process of rural development.
4. An FAO paper related to this proposal within the overall context of socio-economic research was discussed by TAC at its seventh meeting, and the members also met Mr. Wells informally concerning his report. As a result of these discussions, the TAC concluded that there were important policy issues of a global or inter-country nature on which research appeared to be needed, and where an analytical approach conducted by an independent and high level group could enable governments and agencies concerned with agricultural development to be better informed and thus permit more rational and international policies to be shaped. It was pointed out that the outcome of such research could have a significant bearing on the research priorities and direction of future programmes supported by the Consultative Group, by providing guidance on the changing supply outlook for commodities and inputs, and the possible global constraints on the adoption of new technology imposed by economic factors. TAC ought therefore to be concerned with such a service because it affected the viability of its advice.
5. It was accordingly decided to set up a sub-committee to clarify the nature of the problems requiring research in this field, and possible approaches to initiating the work required, as a basis for a paper to be discussed at the July TAC meeting. It was agreed that the sub-committee would be composed of Sir John Crawford, Dr. Hopper, Dr. Ruttan, and Mr. Oram.



B. Report of the Sub-Committee

1. Agreement in principle on need for an independent World Food Policy Institute

6. The Sub-Committee met in Washington, D.C. on 3 May and was informed by Mr. O.V. Wells concerning the reasons for changes made in his revised report, and also by Mr. Oram of the development of FAO's thinking on this matter.

7. It was apparent from this exchange of views that there was a broad measure of coincidence concerning the need for strengthened inter-disciplinary research on policy issues of world or inter-country significance bearing on agricultural development with particular reference to matters affecting world food production, consumption and trade. Because such research could involve highly sensitive inter-relationships between countries, and ought to be conducted without political impediment it was also recommended both by Mr. Wells and by FAO, that it be undertaken at a newly created institute with a basis of independent funding and governance. For reasons of economy and working efficiency, however, there was a consensus that any such institute should be located in close proximity to a major agricultural agency with broad-based expertise, good contacts with developing countries, and modern library, data compilation, information, and computer facilities. Rome was suggested as the most convenient location, with a close association between the proposed Institute and FAO.

8. The Sub-Committee concurred with these ideas and unanimously supported the proposal for the establishment of a new Institute to study global problems affecting agricultural development. It felt, however, that no single institute could cope effectively with the entire field of socio-economic research covering all aspects of agricultural and rural development as originally proposed by FAO, and, in view of the likelihood of continuing uncertainty and difficulty over the world food situation, it recommended that the mandate of the institute now being considered should be circumscribed to research and related activities concerned primarily with world food policy. It might in fact be named the "World Food Policy Institute".

9. Within this general mandate it should be given terms of reference broad enough to enable it both to keep in view the current problems and policies of major producing and consuming nations and their probable impact on the short-term food situation in the world with particular reference to the outlook for developing countries; and, through analysis of selected key policy issues, to offer guidance to national and international planners on the measures required to improve the management of agricultural production resources to increase world food supplies, and to achieve a more equitable distribution of available food.

10. In the light of the endorsement given by the Sub-Committee to the need for such an Institute, Dr. Hopper informed the Sub-Committee that an outline proposal based on Mr. Wells' report had been submitted to his Board of Governors for provisional approval, and that this had been given. He believed that the Ford Foundation would also be sympathetically inclined to towards a soundly based proposal for a World Food Policy Institute, and that other non-governmental donors might be interested. He felt that the TAC could accept that sufficient funds were in sight to enable such an Institute to be established, and to support it for up to five years.

11. Nevertheless, the governing bodies of the sponsors wished to have reasonable assurance that, provided an independent review of its programme (to be undertaken after it had been in operation for about three years), gave justification for its continuation, an approach could be made to the Consultative Group for additional financing of the proposed Institute after the initial five years had elapsed.

12. For this reason, he believed that it was extremely important that the Sub-Committee should present its ideas on the proposal in a way which spelled out to the TAC the role, mandate, and structure of the Institute in a clear and precise form so that it could make specific recommendations to the Consultative Group endorsing support in principle or otherwise for their proposals.



## 2. Mandate and functions for a World Food Policy Institute

### Mandate

13. The Sub-Committee recognized the need for an autonomous institution having a broad mandate to undertake independent critical analysis on major problems and policy issues bearing on the world food situation as indicated in paras. 8 and 9 above.
14. It considered that its two main tasks should lie in research, and in the dissemination of the results of this research to as wide a public as possible, but particularly to national and international agencies concerned with higher agricultural policy decisions so as to enable administrators to make better informed decisions.
15. In its research programme, the new Institute should endeavour to complement rather than to compete with or duplicate the work of FAO, IBRD, and other Agencies with major programmes in fields of food and agricultural policy analysis or socio-economic research related to agriculture. This it could do by focussing its effort particularly on the analysis of controversial or politically sensitive issues, where the freedom of action or expression of other agencies dependent on government support might be inhibited, even if such issues were theoretically within their terms of reference. Conceivably the Institute could also examine constructively the policies, priorities, and approaches of those agencies as a means of offering guidelines for their future activities. In any case, close and sensitive working relationships would have to be evolved from which both the Institute and the agencies concerned would benefit.
16. The Sub-Committee also stressed that the Institute would have to be highly selective in its choice of topics for research. Dr. Ruttan pointed out that it could not hope to review the food policies of every country, nor should it attempt to tackle agricultural sector analysis or long-term perspective studies. These should be considered as part of FAO's regular activities. It was agreed, however, that selected comparative studies of development experiences and the lessons to be drawn from them could form part of the Institute's work; and that even though it was undesirable as well as unfeasible for it to attempt to cover the whole gamut of agricultural development, partial analysis could be very valuable if it was concentrated on really crucial problems involving policy decisions of world significance for future food supply where it was often possible to identify common elements affecting countries which were widely dispersed geographically. This should probably be the major role of the Institute.
17. The collection and compilation of national statistics on a routine basis, although an important feed-in to the work of such an Institute, was not envisaged as part of its task, since this work is handled adequately by FAO and other Agencies such as IBRD and OECD. The Sub-Committee believed, however, that a mine of useful information existed in unpublished data and studies in the archives of such Agencies, as well as outside the UN system and in the private sector. Not infrequently these reports were restricted because of their political implications, and collection, collation, and critical analysis of such information and its comparison with official published data could shed fresh light on the problems and motivations conditioning food policies of major countries or groups of countries. This should be an important continuing research task of the Institute, particularly as a contribution to its food policy and agricultural outlook activities.
18. The Sub-Committee shared Mr. Wells' concern with the weakness of short-term intelligence on the global food situation, which had left the world unprepared for the crisis of 1972.<sup>1/</sup> It believed, however, that actions taken since, e.g. by the United States, and by FAO with additional Regular Programme support, to improve reporting and to initiate

<sup>1/</sup> Intelligence is defined as the information available at any given time as a basis for decision-making: it differs from full statistics in the sense that the latter often come too late to help in a critical situation.



an early warning system of emergency situations, should greatly improve current awareness of food supplies and stocks. It did not, therefore, think that the proposed Institute should undertake this type of food intelligence work, but should rather concentrate on food policy and outlook analysis, drawing on food intelligence information derived from other Agencies as part of its feed-in to this part of its programme.

19. While in no way downgrading the importance of training and technical assistance activities, the Sub-Committee felt that these were best undertaken by other means than through an Institute with the role and staff structure they were envisaging. It was agreed that technical assistance should not form any part of its duties (although it might draw the attention of appropriate Agencies to major lacunae), and that training should be confined to seminars, workshops, and the "in-service" work of the small number of associate research scholars from developing countries who would form a part of its staff component on a revolving basis.

#### Functions

20. Within this broad framework the main functions of the Institute were foreseen as follows:

→ (a) Research: Three main tasks were suggested:

(i) To keep the current global food and agricultural situation under independent surveillance (supply, demand, stocks, and short-term outlook for the major agricultural products, as well as fertilizer and other inputs, price and trade developments and prospects).

Its main source of intelligence for this purpose would be secondary data, drawn from FAO, IBRD, and other appropriate bodies, but utilizing both published and unpublished information.

(ii) To examine selected major food and agricultural policy and trade problems, particularly those involving sensitive relationships between and among countries, e.g. distribution of fertilizer or other inputs in short supply; food and other aid policies; cartels and their implications; export policies of major producers; trade preferences, trade barriers, and other effects of policies adopted by developed countries on the agriculture of developing countries. This research would be done in cooperation with other international agencies and national institutions, and the results would be fed into the outlook and information activities of the Institute. A particular objective would be to help national planners identify the possible impact of problems or actions arising outside their countries on their internal economies and policies.

(iii) To identify and research emerging and future problems of global concern likely to have an important bearing on food production and utilization (including competition between supplies for food and feed) in the longer term.

A major objective of these studies would be to indicate the actions needed in the next few years to gear up for better resource allocation and management and to improve productivity and food availability in the long run. The Sub-Committee were of the opinion that this aspect of development policy is currently receiving inadequate attention both vis-à-vis short-term emergency action and long-term perspective planning.

21. Some illustrative examples of relevant issues requiring research, all of which involve elements of contention, sensitivity, and possible conflicts between national and wider interests include:

- the implications of the energy crisis for food supply, food and input production strategy, and research on the development of new agricultural technology;



- the potential impact of promising new technologies in production of food or feed or in input manufacture, on world output of specific commodities, trade, price, and comparative advantage for location of production;
- the opportunities, costs, technical and human problems, and potential benefits to the nations immediately concerned, and externally, of developing the world's "empty lands" for agriculture;
- weather patterns, climatic change and instability, and their significance for national and world emergency reserve food stock policies;
- the magnitudes of post-harvest waste of food and the potential pay-off of remedial measures at various stages in the chain;
- the causes of, and possible remedies for, lagging growth in food production in developing countries; comparative analysis of selected development strategies (China, India, Japan, Egypt, Mexico, etc.), their successes in evolving institutional change which increases productivity, any common features determining success or failure, and the transferability of their experiences elsewhere;
- the adequacy of agricultural research policies and establishments to future needs, the resources and investments required to cover priority gaps, and the approaches to their optimum allocation;
- the inter-relations and possible conflicts between the goals of, employment, increasing food output and mass alleviation of rural poverty.

22. Such studies would either have to be undertaken on a task force basis, by teams of research fellows and associates, and/or by sub-contracting to appropriate universities or other research institutions. The "core" staff of the Institute, in addition to participation where feasible, would have an important "think tank" role in identifying researchable topics, screening for priority, and working out methodology in collaboration with members of the task forces. There is also a clear need to associate staff of the International Research Centres, and of the agencies of the UN system in such studies, both to give the broad input of inter-disciplinary expertise and experience of developing countries required to supplement the background of the Institute's staff, and because the output of the Institute, if it has its feet firmly on the ground, ought to be highly relevant to their own policies and programmes.

#### (b) Information activities

23. An important task of the Institute must be to transmit up-to-date and relevant information on the world food situation and outlook to national policy makers. This would be done through regular periodic publications, seminars, workshops, and the device of an annual world food outlook conference.

24. In addition to improving current awareness of major changes in agricultural policy by important producing countries or the introduction of new technologies which were likely to affect their own policy decisions, such meetings would provide opportunities for interchange of ideas with national planners on critical issues of international agricultural policy and would thus also offer guidance to the Institute as to what additional research was needed and how it might be approached.

25. The Sub-Committee envisaged the Institute as having two main annual publications, supplemented by special research monographs as an outcome of its task force activities. These two publications would be:



- (1) An annual World Agricultural Policy Review, highlighting the components of agricultural policy in major producing countries or groups of countries, which might have significant effects on the short-term world food situation, as well as internally to those countries. This would be, inter alia, an attempt to define likely trouble spots related to food supply, input availability, etc.
- (2) An annual Outlook on Food and Agriculture related to a longer time horizon and a broader perspective. This would incorporate and draw conclusions from the special studies of the Institute, as well as from analysis and critical appraisal of other relevant research such as that undertaken by FAO, UNRISD, IBRD, and the Club of Rome. It would examine issues such as future availability of production requisites, (e.g. who is building new fertilizer capacity, where, what types, and with what resources based), and the probable impact on price and availability of inputs; it would draw attention to new agricultural technology and its implications (e.g. high lysine sorghum); it might review the inter-relationships between population, income growth and distribution, demand for food, and the incidence of malnutrition, and so on.

(c) Training

26. As indicated earlier, the Institute is not seen by the Sub-Committee as having a formal training role; but a limited number of graduate research associates from developing countries (probably around 10 in any one year) would be working as part of its research staff, and would in effect be receiving "in-service" training in this way. Their experience would also be invaluable in helping to ensure the relevance of the work of the Centre to the key problems affecting the food and nutrition situation in the developing countries.

27. A further contribution to training would be the programme of problem-oriented seminars and workshops, which is foreseen as an important part of the Institute's study programme and "think tank" role; and which might be conducted, at least in part, in locations outside the Institute's headquarters where typical problem situations could be studied "in situ" and local staff involved.

28. The Sub-Committee considered that for a single centre of the type proposed to be able to exert a useful and effective influence on critical matters related to world food policy it must satisfy two conditions. First, it must demonstrate its competence to select the right issues and to undertake relevant and down-to-earth research in tune with major trends in world agricultural development, from which it would produce sensible guidance on priority problems. For this it would require a well balanced and skilled inter-disciplinary staff; secondly, and indispensable to this, it must be able to speak freely and with confidence in a way which governments would listen to. For this it should have a structure apt to ensure an autonomy in the exercise of its functions comparable to that of the International Agricultural Research Centres.

3. Organization of the Institute and operational linkages

29. Two basic models which might provide this sort of flexibility were originally suggested by Mr. O.V. Wells for the proposed Institute, one modelled in fact on the pattern of the existing International Research Centres and financed through the Consultative Group on International Agricultural Research; the other analogous to the International Institute of Strategic Studies (IISS). While both of these models would have the purpose of creating an organization which would be independent of government controls on its freedom of choice of problems on which to work and publication of its results, support for the International Research Centres is now largely from governmental agencies, whereas that for the IISS is private. It comes from the membership of individuals, universities, corporations, etc. on a fee-paying basis, and members receive the standard institute publications and attend seminars appropriate to their interests.



30. While appreciating the advantages of IISS model in helping to create possible working linkages and in obtaining ideas and information, the Sub-Committee felt that this approach and that patterned on the International Research Centres were not mutually exclusive. A sufficient volume of solid financial support was considered essential to launch the Institute and to guarantee its continuance for a sufficient period to attract high calibre staff. This appeared to be in sight from private sources, as already indicated by Dr. Hopper. Once the Institute was established it could well prove possible to solicit additional private support through a scheme similar to that followed by the IISS. Should the results prove unsatisfactory or the workings of the scheme too cumbersome, but the Institute nevertheless was doing valuable work which they and the TAC felt ought to be continued, the Sub-Committee considered that there was nothing to stop the main backers of the Institute going to the Consultative Group for additional financing along the lines indicated earlier by Dr. Hopper.

31. The Sub-Committee was in agreement that the Institute should be located in Rome, in close association with FAO, with working arrangements which would enable it to draw on FAO's statistical and food intelligence data without having to duplicate it, and which would also enable it to utilize FAO's other facilities (library, computer, etc.) if necessary on a fee-paying basis. It also recognized the value of being able to draw on FAO's staff knowledge both at headquarters and in the field, either for information or for participation in research task forces, study groups, seminars, etc.

32. At the same time it was considered of paramount importance to maintain independence and flexibility in the pursuit of the Institute's activities and the Sub-Committee saw the need for very careful negotiations with FAO to ensure that adequate autonomy could be achieved before a final decision on its location was reached. While no set formula had been conceived, it was felt that an arrangement under a Trust Fund, operating under the control of an elected board analogous to that recently created for the Genetic Resources Programme should be explored.

33. Mr. Oram was asked whether FAO had been able to examine the legal and administrative questions involved here. He informed the Sub-Committee that, in connection with FAO's own thinking on a possible Development Research Centre, their legal staff had examined several lines of approach, drawing both on FAO's own experience and constitutional procedures, and on the procedures followed in creating other autonomous research-oriented institutions such as the UN Research Institute for Social Development (UNRISD), the UN Institute for Training and Research (UNITAR), the International Institute for Labour Studies of ILO (IILS), and the OECD Development Centre. While their conclusions were still somewhat preliminary and the legal technicalities would have to be spelled out in more detail, he understood that the two main solutions considered most appropriate to an institution of the type the Sub-Committee was now considering were along the following general lines :

34. (i) To establish an Institute under Article XV of FAO's Constitution, by means of an agreement between FAO and a host government (Italy). The "Guiding Principles" relating to Article XV allow for a considerable degree of flexibility in negotiating such an Agreement, but certain basic features must be regarded as more or less mandatory. These were:

First, as regards its legal status, the Institute would need to be established as an "International Foundation" and thus be endowed with the "capacity of a legal person"; not being an organ of FAO, that organization "should not assume any civil, financial or other responsibility other than those provided for in the agreement"; provision should be made for privileges and immunities of the Institute, the members of the governing body and the staff, which "should be international in character"

Second, the host government would occupy a key position, since it (rather than TAC) was expected to provide "land, buildings, premises, maintenance, protection, public utilities, etc."

Third, no specific provision existed regarding the composition of the governing body, except that the Director-General should be "represented ..... in a purely advisory capacity".



Fourth, the Director of the Institute would be appointed by the Governing Body after consultation with the Director-General of FAO, and in turn be responsible for recruiting and appointing the staff.

Fifth, with respect to the procedure for concluding an agreement, Article XV provided for two distinct stages: (a) an authorization by the Conference to the Director-General to negotiate; (b) approval of the text of the agreement by the Conference or by special delegation to the Council.

35. A major snag about this approach, assuming it were acceptable to the potential donors and to other supporters of the Institute, including the Consultative Group, would be that it could involve considerable delay arising from the need for formal approval from FAO's Governing Bodies and for negotiations between FAO and the Government. This would apply with even greater force to any institute outside the constitutional framework of FAO. Apart from the fact that there may be doubts whether the Consultative Group or a body of donors constitutes a legal entity for the Government to negotiate with, the legislative and/or administrative procedures for establishing an Institute under domestic laws are likely to be very complex. It therefore seemed desirable to explore an alternative solution (in fact that suggested by the Sub-Committee), e.g. a Trust Fund arrangement.

36. (ii) A Centre established under a Trust Fund.<sup>1/</sup> It appeared that legally this would be feasible, but certain conditions would apply. These were:

(a) As the Trust Fund would be under FAO's administration, its establishment would be reported to the Finance Committee. Its accounts would have to be audited within FAO's standard procedures. Rules for the use of funds could, however, be laid down by the donors in agreement with the Director-General of FAO.

(b) The programme could be laid down by the subscribers to the Trust Fund as in the case of a field programme, but presumably through a Board. The Programme Committee and the Council would be appraised, but their examination of Trust Fund operations is generally limited to the bearing they may have on FAO's Regular Programme and Budget.

(c) Staff would be treated as FAO staff, but not as Regular Programme employees, i.e. they would be entitled to normal FAO rights and privileges, (e.g. FAO/IBRD Cooperative Programme staff are now treated as "field staff"). Nationality quotas would not apply in recruitment. Provision could be made for the appointment of the Centre's Director in consultation with the Director-General of FAO and the Board, and for recruitment of the Centre's staff, research fellows and consultants by the Director, either acting on his own initiative or taking into account any proposals which might be made by the Board.

(d) FAO normally imposed a servicing charge to cover rent of office space, administrative and auditing costs for handling the Trust, recruitment procedures, and provision of maintenance and other facilities within the building including library and information services. However, this could be negotiable as had happened with the Genetic Resources Board. If the Centre were located outside FAO's headquarters area the Trust would have to pay the rent and related costs. Other non-standard facilities required from FAO, e.g. computer space or professional staff time for specific research tasks would have to be paid for by the Trust Fund.

<sup>1/</sup> Under such an arrangement the use of the term "Centre" is considered preferable by FAO for constitutional reasons. Since this terminology would also be in line with the trend of usage in the Consultative Group, the Sub-Committee might in any case wish to consider adopting the title "World Food Policy Research Centre" instead of "World Food Policy Institute" as proposed by Mr. Wells.



(e) Once an agreed proposal had been formulated it would then be reported by FAO to the Programme and Finance Committees and the Council.

37. The most practical approach might well be to commence with a Centre under a Trust Fund arrangement, and then to explore with the Italian Government possibilities and conditions for the establishment of an independent Institute associated with FAO as indicated in para. 34 above. Once the necessary legal formalities were completed the Trust Fund would be transferred to the administration of the Institute, and arrangements would be envisaged for transferring some or all of the Centre's personnel to the Institute as the nucleus of its "core" staff.<sup>1/</sup>

#### 4. Structure, staffing, and budget of the Centre

38. The Sub-Committee recommends that the Centre be established with a relatively small core staff, supported by a strong cadre of visiting fellows and research associates who would be selected in relation to specific research tasks with a finite time horizon. This should give it the flexibility needed to meet changing imperatives in its research programme as required by an extremely dynamic and volatile world food situation, while keeping down the overheads inherent in administering a large permanent staff.

39. As indicated in para. 36 above, the basic model envisaged is that of a Centre whose programme would be determined by an autonomous Board, operating under a Trust Fund administered by FAO and whose employees would be accorded the privileges and immunities of FAO staff.

40. The Sub-Committee feels, however, that the permanent staff nucleus of four professionals proposed in the O.V. Wells' report is inadequate to ensure continuity of management in the event of absence on duty travel, leave or sickness of one of the three senior staff, and that the addition of at least two senior professionals to the core staff is therefore desirable. The suggested grades and duties of these senior core staff are set out in Annex Table 1.

41. Similarly, the Sub-Committee sees a need for greater flexibility in hiring research fellows either as Special Consultants, or on a fixed-term contract as task force project leaders teamed up with the research associates mentioned in para. 26. At any one time around six visiting fellows might be working at the Centre. A corollary of this is that the sum of \$20,000 a year suggested in the Wells' report is clearly inadequate for an institution whose success will depend heavily on its external relationships, and it is relevant to note that international travel costs for a single outposted international technical specialist with regional responsibilities can be as high as \$ 10,000.

42. While certain aspects of the administration of the proposed Centre such as finance and auditing would be handled by FAO, the Director would be responsible for arrangements regarding personnel, recruitment, travel, purchasing, and day-to-day running of the Institute's affairs in accordance with budgetary provisions adopted by the Board to provide support services.

43. The Budget (Annex Table 1) has been calculated on FAO salary scales and gradings, although Mr. Wells expressed some reservations to the Sub-Committee as to the adequacy of the grading proposed for the Director in his report, and also concerning the flexibility of the FAO system of gradings and opportunities for promotion on merit without creating special posts in the hierarchy.

<sup>1/</sup> Under Article XV the title "Institute" would be constitutionally acceptable, but the use of "Centre" could be retained if preferred.

44. In the light of the various changes and additions discussed above the Sub-Committee anticipated an initial running expenditure somewhat in excess of the \$785,00 postulated in the Wells report, probably of an order of magnitude around \$1 million. In fact the total indicated in Annex Table 2 is \$1,005,519.

45. This sum includes a factor for rented premises, since given the extremely tight accommodation situation within FAO itself and the need for the Centre to be insulated to some degree from the hurly-burly of FAO's routine activities, renting is likely to be a necessity. A more permanent solution would seem desirable, however, and perhaps an approach might be made to the Italian Government to make available a building for the Centre at a "peppercorn" rent. Capital costs are likely to be very low by comparison with those of the International Research Centres; mainly transport (one car, one station wagon), office equipment, and desk computers.

46. In computing the future recurrent expenditure of the Centre it would be wise to note that Italy, even more than most developed countries, is experiencing a period of serious inflation. While it is to be hoped that the current increase of around 20 percent per annum will fall in the near future, it would be unwise to project an inflationary increase of less than 15 percent per annum for the next three years, even assuming there is no expansion in the actual programme of work and staff component after the Centre is fully operational.



ANNEX

Table 1: WORLD FOOD POLICY INSTITUTE :

PROPOSED STAFF LIST

<u>Post</u>		<u>Grade</u>	<u>Standard Unit Cost</u> <sup>1/</sup> U.S.\$	<u>Total</u> U.S.\$
Director	(1)	D2	42,060	42,060
Assistant Director (Chief Outlook Officer)	(1)	D1	37,620	37,620
Senior Research Officer <sup>2/</sup>	(3)	P5	35,820	109,460
Research Associates	(8)	P2	21,600	172,800
Administrative Officer	(1)	P1	17,400	17,400
Secretary/Supervisor ) Library Assistant ) Statistical Assistant )	(3)	G6	15,900	47,700
Secretaries	(2)	G5	13,860	27,720
Bilingual Stenographers and Clerk Stenographers	(5)	G4	11,880	59,400
Driver and Messenger/Clerk	(2)	G2	8,940	17,880
TOTAL:				532,040

<sup>1/</sup> Based on FAO's Standard Rates for Personnel Services, inclusive of salaries and Common Staff Costs.

<sup>2/</sup> One economist, one econometrician, one agriculturalist.



ANNEX

Table 2: WORLD FOOD POLICY INSTITUTE :

ANNUAL BUDGET (First Year)

	<u>U.S.\$</u>
1. <u>Personal Services</u>	
Headquarters "core" staff (see Table 1)	532,040
Consultant services (20 man/months D1 grade)	62,700
2. <u>Travel</u>	
Duty travel, staff and consultants (excluding appointment, repatriation and leave)	40,000
3. <u>Executive Board Meetings</u>	
15 members, twice annually, honoraria, per diem, and travel	70,000
4. <u>Meetings, Seminars and Conferences</u>	
2 large (30 participants) and 2 smaller (10 participants) annually, including travel	80,000
5. <u>Documentation and Publications</u>	
Including translation costs (at approx. \$100 per 1,000 words)	20,000
6. <u>Rent and maintenance of premises</u>	60,000
7. <u>Miscellaneous</u>	75,000
Expendable stores, postage and cables charges, contingencies	
Total U.S.\$	939,740
Assuming 7 percent project servicing costs	65,779

U.S.\$ 1,005,519

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Table 3: WORLD FOOD POLICY INSTITUTE :

CAPITAL COSTS 1/

		<u>U.S. \$</u>
<u>Office Equipment and Furniture</u>		
- 14 professional officers - each \$ 500		7,000
- 10 secretaries (including cost of typewriters, filing cabinets, shelving, etc.) - each \$ 825		8,250
- Photo-copier	(1)	1,200
- Duplicator	(1)	770
- Desk computer, with accessories	(1)	20,000
- Desk calculators	(10)	4,400
- Audio-visual equipment		2,000
- Library and registry equipment		3,300
<u>Vehicles</u>		
- Station wagon (Fiat 124)	(1)	3,000
- Saloon car (Fiat 132)	(1)	3,850
Total U.S. \$		<hr/> 53,770 <hr/>

1/ Based on figures used in FAO's 1974/75 budget with 10 percent inflationary weighting.





INTERNATIONAL  
DEVELOPMENT  
RESEARCH CENTRE

**MEMORANDUM**

CENTRE DE RECHERCHES  
POUR LE DÉVELOPPEMENT  
INTERNATIONAL

**NOTE DE SERVICE**

TO/À: Participants of the Meeting

DATE: October 3, 1974

FROM/DE: R.K. Zagorin *RKZ*

SUBJECT/SUJET: International Food Policy Research Institute (IFPRI)

1. Attached is a report of the proceedings of the meeting on September 17, 1974 on the Proposed International Food Policy Research Institute (IFPRI).
2. I would appreciate receiving an indication of concurrence or suggested amendments as promptly as possible.
3. The amended report will be forwarded to Mr. Graves for the Consultative Group meeting on October 30-31, 1974.

*file*  
*HC*  
*HG*  
*JC*  
*CJ*  
*H3*

Report of Meeting on the Proposed  
International Food Policy Research Institute (IFPRI)

at IDRC Headquarters, Ottawa, September 17, 1974

The Meeting was chaired by Sir John Crawford of Australia with  
the following participants:

David Bell, Ford Foundation  
Ralph Cummings Jr., Rockefeller Foundation  
R. K. Davidson, Rockefeller Foundation  
Lehman B. Fletcher, USAID  
Harold Graves, IBRD  
Lowell S. Hardin, Ford Foundation  
Dale Hathaway, Ford Foundation  
W. David Hopper, IDRC  
E. Ojala, FAO  
Peter Oram, FAO  
M. Yudelman, IBRD

1. The Chairman welcomed the participants and read a letter from Mr. Mashler, regretting that the UNDP would not be represented at the meeting, but expressing full support for the proposal under consideration. Although the meeting was to be informal, the Chairman proposed that a report be prepared to be presented to the Consultative Group (CG) at their meeting on October 30 and 31, 1974. The Chairman presented the agenda and it was approved.

Item 1: Review of TAC Recommendations

2. As background, the Chairman referred to his report to the Consultative Group on behalf of TAC. (see attachment). He gave a resumé of TAC's consideration leading to its firm recommendation that an International Food Policy Research Institute be established.



3. The Chairman then reported the discussions at the Consultative Group meeting and referred to Mr. Baum's summary which supported further consideration at the next meeting of the Consultative Group on October 30 and 31.

4. Reference was made by Dr. Yudelman to the fact that, while strong support for the proposal was voiced at the August meeting, some had expressed doubts and a wish to delay deliberation until resolutions of the World Food Conference were available for consideration. Mr. Graves reported that he had had discussions with Dr. John Hannah, Deputy Director-General of WFC, and had received his encouragement and opinion that consideration of the IFPRI should proceed. (See his letter to Dr. Hopper attached) It was noted that Chapter 13 of The World Food Problem - proposals for national and international action, Item 9 of the Provisional Agenda for the WFC, proposing a world food information system, would be of interest to this group.

5. There was full acceptance, by those present, of the TAC proposal for an independent food policy research institute, and an endorsement of its general outline of functions and establishment. As recommended by TAC, the institute would have the independence, competence and flexibility to undertake critical analysis of key policy issues bearing on the world food situation. The institute would have the following mandate:

.../3

- a) to keep the global food and agricultural situation under continuous, independent review through research utilizing both published and unpublished data drawn from FAO, IBRD and other appropriate bodies.
- b) to examine selected major food and agricultural policy and trade problems, particularly those involving sensitive relationships between and among governments.
- c) to identify and research future problems of global concern likely to have an important bearing on food production.
- d) the proposed institute would also analyse the requirements for bringing in new areas not previously used for food production and would study the redevelopment needs of old land in need of reclamation action, for example the saline areas of India and the Sahelian zone of Africa.
- e) While TAC did not consider that training should be a major aspect of the Institute's work, it recommended there be a limited number of graduate research fellowships for participants from developing countries.

6. The proposed IFPRI would transmit up-to-date and relevant information derived from its research to policy-makers, through research monographs, seminars and workshops on selected topics, and specific devices such as an annual conference. Its most recent research and its implications would be discussed at the annual conference as well as published in the annual report.



7. TAC had stressed the need for close and sensitive working relationships between the Institute and other agencies, with major responsibilities in fields of food and agricultural policy analysis or socio-economic research bearing on the agricultural sector, such as FAO and IBRD. Dr. Ojala, for FAO, welcomed the closest working relationship possible. This could be arranged independently of any question of legal relationship.

Item 2: Structure of the Institute

8. The Chairman briefly outlined the TAC thinking on the organizational structure of the Institute. In parallel with other international centres, it recommended that an international board be set up to establish the institute and to provide close relationships with the other international agencies concerned. In accordance with CG practice, it looked to the establishment of a steering committee to examine such questions as the level and type of staffing and the location of the Institute, and also to open negotiations for the establishment and appointment of the proposed international board.

9. The meeting endorsed the general approach and emphasized certain points:

- a) As with the agricultural research centres, the independence of the Institute must be protected - the more so because of the potentially controversial nature of its work.

- b) It was judged that the international Board of Trustees should include about twelve to fifteen members. Focussing on the independent and professional nature of the proposed institute, the meeting favoured that a variety of nationalities be represented and that related professional experience be an important qualification in a significant proportion of the members. Those eligible for nomination to the board should include professionals in the field and could usefully include people with governmental responsibilities, but not as representatives of their governments. A small Board was considered desirable and the suggestion made that the large representation from the host country on the international centres' Boards would not be necessary in this case.
- c) TAC envisaged a professional staff of about 12, half of whom would be senior staff. The number could be kept small by the use of contract task forces or universities for specific studies. A number could be staff from the less developed countries working on a rotation basis and then returning as principal advisers and policy makers to their own countries. The staff of the international Centres would be closely associated with the work of the Institute.

10. The question of the need for a research or program committee of the IFPRI was raised, but it was thought that the partly professional nature of the Board would permit a sub-committee of the Board to act in this capacity. Moreover, it would be open to the director to arrange a committee of advice as he felt the need.



11. Names for the Board were put forward by some members and some geographical and professional criteria for selection were mentioned. It was agreed that Dr. Hopper should act as repository of these suggestions.

Item 3: Financing (and legal identity)

12. The Ford Foundation, the Rockefeller Foundation and the IDRC have indicated willingness, subject to the formal approval of their respective governing boards, to provide initial financial support. Some governments may also be willing to provide funding. (eg. The CIDA position was reported as "preferring not to be a founding member, but might be willing to be an early contributor".)

13. Given the sensitive nature of some of the Institute's anticipated research topics and the possibility of the need for a critical stance on some issues, some expressed fear that government support may affect or appear to affect the IFPRI's independence. Therefore support by private foundations may be the best approach, but this would be a matter for the Consultative Group.

14. It was agreed that requesting and receiving Consultative Group endorsement was extremely important. Endorsement from the CG normally implied:

- a) work controlled by an international board,
- b) work is genuinely independent of political interference,
- c) members of CG back financially,
- d) reports at Centres' week, and
- e) subject to review procedures.

15. There would appear to be no constitutional problem for the Consultative Group to endorse establishment of the institute even with the understanding that for an initial period it would be financed by private organizations which are part of the Consultative Group.

16. The intention is that the IFPRI would submit a report of its activities for review at Centres' week each year, and a budgetary report which would be open for examination in the usual way. TAC would also feel free to review the work of IFPRI from time to time. The IFPRI could also accept special project funds from outside the three agencies.

17. The existing international centres have a variety of legal identities ranging from incorporation within the regular corporate laws of the host country, statutory creation by host government, to international status by agreement between host government and other international agencies or governments. Any specific form of establishment depends upon the arrangement with the host country, therefore, a decision on the location must come first.

18. The Chairman explained that a relationship with FAO was considered for two reasons:

- a) to ensure a smooth working relationship, and
- b) to have a legal relationship between the two.

While a close working relationship with FAO was essential, and was assured, it was recognised that this did not necessitate a legal tie to FAO.



19. The legal relationship with FAO could take several forms:

- a) The FAO Conference could undertake to create a separate, but complementary organization under article XV of the FAO constitution. This would require the involvement of at least two governments.
- b) A trust fund arrangement was available and would impose certain responsibilities on the Director-General of FAO.

It was recongized that these matters called for further examination.

Item 4: Location

20. The Chairman suggested some criteria which might be taken into consideration in evaluating options for location:

- a) a good intellectual climate and library,
- b) good links with FAO, IBRD and other international bodies,
- c) access to other work going on in the field,
- d) the possibility of international status,
- e) recruiting prospects,
- f) effective links or relations with other centres.

21. In the Chairman's view, Rome or Washington offered the best location, but he would also consider London, Paris, Geneva and Canada. Scandinavia was added to the list as a possible site. Of paramount importance was that any choice of location neither interfere with the independence of the institute nor hamper, in any serious way, recruitment through restrictive staff legal status and immigration procedures.

22. A Ford Foundation representative stated that they favoured Rome as a first choice, because Italy held a neutral position in world food policy and because of the proximity to the FAO, with a European city as a second choice. The IDRC President also supported Rome as the best choice if an assured connection with FAO could be arranged, with Washington as the second choice because of the presence of USDA and IBRD, both doing well-respected work in this field. London or Copenhagen could also be considered.

Item 5: Institute Staff

23. The IDRC is currently building a potential staffing list and would be pleased to receive suggestions.

Item 6: Next Steps

24. It was agreed:

- a) that a report of this meeting be transmitted to the Consultative Group for their meeting on October 30 and 31, 1974.
- b) that the CG be invited to consider extending its endorsement to the Institute and, as in the case of previous centres, to consider setting up a CG committee of interested parties, with one organization acting as executing agency, to establish the international Board for the Institute.

25. Further work will go forward in building potential lists for both Directors and staff for the IFPRI.



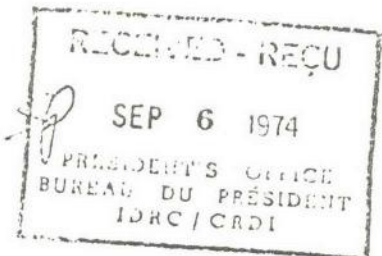
26. The meeting expressed the hope that a definitive statement might be prepared for the Consultative Group meeting on the possible relations with FAO. A detailed interpretation of the nature of legal establishment in Rome was desired, including assessment of whether Article XV applies to governments only and whether it applies only to an institute established in Rome. It was also agreed to explore, in detail, establishment in Washington and other locations.

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

1818 H St., N.W. Washington, D.C. 20433 U.S.A.  
Telephone (Area Code 202) 477-3592  
Cable Address - INTBAFRAD

September 3, 1974

Dr. W. David Hopper  
President  
International Development Research Centre  
Box 8500  
Ottawa  
Canada K1G 3H9



Dear David:

You will remember that during International Centers Week, the Consultative Group discussed the question of whether there would be anything inconsistent between planning the establishment of an International Food Policy Research Institute and the various plans which might be expected to emerge from the World Food Policy Conference.

At the conclusion of the discussion, the Consultative Group Chairman said that he believed that the matter of establishing the Institute should continue to be considered within the framework of the Consultative Group. He suggested that there were two ways of pursuing the question of the relationship to the work of the World Food Conference: it might be pursued by the steering committee or by the Consultative Group Secretariat, but in either case, the procedure should be quite informal.

I mentioned to you on the telephone several weeks ago that I intended to visit the United Nations and to speak to Dr. John Hannah, the Deputy Secretary-General of the World Food Conference, about this matter. I made that visit on August 20. Dr. Hannah told me that in his opinion the establishment of the proposed Institute should by all means proceed.

It was subsequently pointed out to me that approval, in effect, is given to the idea of a food policy research institute by the draft recommendations which the Preparatory Committee of the World Food Conference will consider in its meetings that begin next September 23. The relevant draft recommendation occurs in Paragraph 307 of the Conference paper, "The World Food Problem: Proposals for National and International Action." That paragraph reads in part, "... It would be a mistake to neglect other problems... a solution to which could benefit all parts of the world. These global topics might better be undertaken



Dr. W. David Hopper

- 2 -

September 3, 1974

in developed countries because of their sophisticated requirements, their high cost and their long-term nature. Examples include... developing more sensitive global machinery for analyzing and understanding issues related to world food policy, the factors bearing on it, and their future implications...." The complete text of this part of the paper is attached.

Sincerely yours,



Harold Graves

Enclosure

## THE WORLD FOOD PROBLEM

### proposals for national and international action

306. In Chapter 3 it was shown that to meet the food requirements of 1985 large areas of new land will have to be brought into cultivation especially in Africa and South America. To make this possible the necessary resources should be allocated to studying the soil problems of the savannah belts and to the management of the soils which are exposed for the first time when tropical rain forests are cleared. There is here a complex of problems which needs to be solved before arable farming can be maintained permanently in these districts.

307. While, as can be seen from the foregoing examples, the topics have immediate application in some or all developing countries, it would be a grave mistake to neglect other problems of a much more fundamental character, a solution to which could benefit all parts of the world. These global topics might better be undertaken in developed countries because of their sophisticated requirements, their high cost and their long-term nature. Examples include the evolution of new "genetic engineering" and propagation techniques; better understanding of the nitrogen-fixing mechanism; further insight into energy/agriculture relationships, including the better and cheaper utilization of sunshine, wind and water as energy sources; the improvement of photosynthetic efficiency of plants, basic aspects of radiation technology;<sup>1/</sup> pollution studies as related to agriculture; improved means of monitoring and understanding weather and relating weather patterns to crop and livestock production and research (perhaps one of the more grossly neglected aspects of science); developing more sensitive global machinery for analyzing and understanding issues related to world food policy, the factors bearing on it, and their future implications; and so on.

---

<sup>1/</sup> There are, of course, already wide uses for techniques derived from atomic energy resources in agricultural research. These include the induction of mutations as an aid to plant breeding; numerous applications in pest control, such as the sterile male technique; the use of tracer isotopes, neutron probes, etc. in work on soil-plant-water relationships and plant nutrition; food preservation by irradiation; the development of radiation-attenuated vaccines for the control of pathogenic parasites in livestock etc. Further advances may be expected from future basic research.



DDIR:IAR/74/24 Restricted  
June 1974

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APR 20 2021

WBG ARCHIVES

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

TECHNICAL ADVISORY COMMITTEE

Eighth Meeting, Washington D.C., 24 July - 2 August 1974

PROPOSAL FOR A WORLD FOOD POLICY INSTITUTE

Report of TAC Sub-Committee

(Agenda Item 6)

12

TAC SECRETARIAT

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

ROME, 1974

WS/F1172

Item 6:

PROPOSAL FOR A WORLD FOOD POLICY INSTITUTE

DECLASSIFIED

Report of TAC Sub-Committee

APR 20 2021

A. Background

WBG ARCHIVES

1. In considering the relevance of research in the social sciences to its mandate the TAC has explicitly recognized the importance of the work of the economists and sociologists at the International Centres in guiding the programme formulation of those Centres and in securing the successful application of the results of their technical research. TAC has also emphasized the need for strengthening national research efforts in the field of public policy related to agricultural development, and urged that suitable feed-in/feed-back mechanisms be established to transmit to government planners the findings of micro-economic research on the use and implications of new technology.
2. In addition to these aspects of socio-economic research in agriculture attention was drawn at the seminar on socio-economic research for agricultural development held in Washington in July 1973 to the need for policy studies related to certain problems affecting groups of countries or even the overall pattern of world agriculture, hopefully leading to better management of the world's food and agricultural resources, and the avoidance or at least the alleviation of recurrent famines, scarcities of critical inputs, price fluctuations, and other crises. It was suggested that means of satisfying this need might also be examined by the Technical Advisory Committee.
3. A further consequence of the Washington seminar was the appointment by the Ford Foundation of a consultant (Mr. O.V. Wells) to report on the need for research related to world food policy, and the approaches which might be followed in undertaking it. Coincidentally, FAO was evolving a proposal (which it had already conceived prior to the seminar), for the sponsorship of a semi-autonomous Development Research Centre, which would also work inter alia on certain aspects of world food policy problems, but which was envisaged as having a wider role in undertaking socio-economic studies related to the whole process of rural development.
4. An FAO paper related to this proposal within the overall context of socio-economic research was discussed by TAC at its seventh meeting, and the members also met Mr. Wells informally concerning his report. As a result of these discussions, the TAC concluded that there were important policy issues of a global or inter-country nature on which research appeared to be needed, and where an analytical approach conducted by an independent and high level group could enable governments and agencies concerned with agricultural development to be better informed and thus permit more rational and international policies to be shaped. It was pointed out that the outcome of such research could have a significant bearing on the research priorities and direction of future programmes supported by the Consultative Group, by providing guidance on the changing supply outlook for commodities and inputs, and the possible global constraints on the adoption of new technology imposed by economic factors. TAC ought therefore to be concerned with such a service because it affected the viability of its advice.
5. It was accordingly decided to set up a sub-committee to clarify the nature of the problems requiring research in this field, and possible approaches to initiating the work required, as a basis for a paper to be discussed at the July TAC meeting. It was agreed that the sub-committee would be composed of Sir John Crawford, Dr. Hopper, Dr. Ruttan, and Mr. Oram.



## B. Report of the Sub-Committee

### 1. Agreement in principle on need for an independent World Food Policy Institute

6. The Sub-Committee met in Washington, D.C. on 3 May and was informed by Mr. O.V. Wells concerning the reasons for changes made in his revised report, and also by Mr. Oram of the development of FAO's thinking on this matter.

7. It was apparent from this exchange of views that there was a broad measure of coincidence concerning the need for strengthened inter-disciplinary research on policy issues of world or inter-country significance bearing on agricultural development with particular reference to matters affecting world food production, consumption and trade. Because such research could involve highly sensitive inter-relationships between countries, and ought to be conducted without political impediment it was also recommended both by Mr. Wells and by FAO, that it be undertaken at a newly created institute with a basis of independent funding and governance. For reasons of economy and working efficiency, however, there was a consensus that any such institute should be located in close proximity to a major agricultural agency with broad-based expertise, good contacts with developing countries, and modern library, data compilation, information, and computer facilities. Rome was suggested as the most convenient location, with a close association between the proposed Institute and FAO.

8. The Sub-Committee concurred with these ideas and unanimously supported the proposal for the establishment of a new Institute to study global problems affecting agricultural development. It felt, however, that no single institute could cope effectively with the entire field of socio-economic research covering all aspects of agricultural and rural development as originally proposed by FAO, and, in view of the likelihood of continuing uncertainty and difficulty over the world food situation, it recommended that the mandate of the institute now being considered should be circumscribed to research and related activities concerned primarily with world food policy. It might in fact be named the "World Food Policy Institute".

9. Within this general mandate it should be given terms of reference broad enough to enable it both to keep in view the current problems and policies of major producing and consuming nations and their probable impact on the short-term food situation in the world with particular reference to the outlook for developing countries; and, through analysis of selected key policy issues, to offer guidance to national and international planners on the measures required to improve the management of agricultural production resources to increase world food supplies, and to achieve a more equitable distribution of available food.

10. In the light of the endorsement given by the Sub-Committee to the need for such an Institute, Dr. Hopper informed the Sub-Committee that an outline proposal based on Mr. Wells' report had been submitted to his Board of Governors for provisional approval, and that this had been given. He believed that the Ford Foundation would also be sympathetically inclined to towards a soundly based proposal for a World Food Policy Institute, and that other non-governmental donors might be interested. He felt that the TAC could accept that sufficient funds were in sight to enable such an Institute to be established, and to support it for up to five years.

11. Nevertheless, the governing bodies of the sponsors wished to have reasonable assurance that, provided an independent review of its programme (to be undertaken after it had been in operation for about three years), gave justification for its continuation, an approach could be made to the Consultative Group for additional financing of the proposed Institute after the initial five years had elapsed.

12. For this reason, he believed that it was extremely important that the Sub-Committee should present its ideas on the proposal in a way which spelled out to the TAC the role, mandate, and structure of the Institute in a clear and precise form so that it could make specific recommendations to the Consultative Group endorsing support in principle or otherwise for their proposals.



## 2. Mandate and functions for a World Food Policy Institute

### Mandate

13. The Sub-Committee recognized the need for an autonomous institution having a broad mandate to undertake independent critical analysis on major problems and policy issues bearing on the world food situation as indicated in paras. 8 and 9 above.
14. It considered that its two main tasks should lie in research, and in the dissemination of the results of this research to as wide a public as possible, but particularly to national and international agencies concerned with higher agricultural policy decisions so as to enable administrators to make better informed decisions.
15. In its research programme, the new Institute should endeavour to complement rather than to compete with or duplicate the work of FAO, IBRD, and other Agencies with major programmes in fields of food and agricultural policy analysis or socio-economic research related to agriculture. This it could do by focussing its effort particularly on the analysis of controversial or politically sensitive issues, where the freedom of action or expression of other agencies dependent on government support might be inhibited, even if such issues were theoretically within their terms of reference. Conceivably the Institute could also examine constructively the policies, priorities, and approaches of those agencies as a means of offering guidelines for their future activities. In any case, close and sensitive working relationships would have to be evolved from which both the Institute and the agencies concerned would benefit.
16. The Sub-Committee also stressed that the Institute would have to be highly selective in its choice of topics for research. Dr. Ruttan pointed out that it could not hope to review the food policies of every country, nor should it attempt to tackle agricultural sector analysis or long-term perspective studies. These should be considered as part of FAO's regular activities. It was agreed, however, that selected comparative studies of development experiences and the lessons to be drawn from them could form part of the Institute's work; and that even though it was undesirable as well as unfeasible for it to attempt to cover the whole gamut of agricultural development, partial analysis could be very valuable if it was concentrated on really crucial problems involving policy decisions of world significance for future food supply where it was often possible to identify common elements affecting countries which were widely dispersed geographically. This should probably be the major role of the Institute.
17. The collection and compilation of national statistics on a routine basis, although an important feed-in to the work of such an Institute, was not envisaged as part of its task, since this work is handled adequately by FAO and other Agencies such as IBRD and OECD. The Sub-Committee believed, however, that a mine of useful information existed in unpublished data and studies in the archives of such Agencies, as well as outside the UN system and in the private sector. Not infrequently these reports were restricted because of their political implications, and collection, collation, and critical analysis of such information and its comparison with official published data could shed fresh light on the problems and motivations conditioning food policies of major countries or groups of countries. This should be an important continuing research task of the Institute, particularly as a contribution to its food policy and agricultural outlook activities.
18. The Sub-Committee shared Mr. Wells' concern with the weakness of short-term intelligence on the global food situation, which had left the world unprepared for the crisis of 1972.<sup>1/</sup> It believed, however, that actions taken since, e.g. by the United States, and by FAO with additional Regular Programme support, to improve reporting and to initiate

<sup>1/</sup> Intelligence is defined as the information available at any given time as a basis for decision-making: it differs from full statistics in the sense that the latter often come too late to help in a critical situation.



an early warning system of emergency situations, should greatly improve current awareness of food supplies and stocks. It did not, therefore, think that the proposed Institute should undertake this type of food intelligence work, but should rather concentrate on food policy and outlook analysis, drawing on food intelligence information derived from other Agencies as part of its feed-in to this part of its programme.

19. While in no way downgrading the importance of training and technical assistance activities, the Sub-Committee felt that these were best undertaken by other means than through an Institute with the role and staff structure they were envisaging. It was agreed that technical assistance should not form any part of its duties (although it might draw the attention of appropriate Agencies to major lacunae), and that training should be confined to seminars, workshops, and the "in-service" work of the small number of associate research scholars from developing countries who would form a part of its staff component on a revolving basis.

#### Functions

20. Within this broad framework the main functions of the Institute were foreseen as follows:

➔ (a) Research: Three main tasks were suggested:

(i) To keep the current global food and agricultural situation under independent surveillance (supply, demand, stocks, and short-term outlook for the major agricultural products, as well as fertilizer and other inputs, price and trade developments and prospects).

Its main source of intelligence for this purpose would be secondary data, drawn from FAO, IBRD, and other appropriate bodies, but utilizing both published and unpublished information.

(ii) To examine selected major food and agricultural policy and trade problems, particularly those involving sensitive relationships between and among countries, e.g. distribution of fertilizer or other inputs in short supply; food and other aid policies; cartels and their implications; export policies of major producers; trade preferences, trade barriers, and other effects of policies adopted by developed countries on the agriculture of developing countries. This research would be done in cooperation with other international agencies and national institutions, and the results would be fed into the outlook and information activities of the Institute. A particular objective would be to help national planners identify the possible impact of problems or actions arising outside their countries on their internal economies and policies.

(iii) To identify and research emerging and future problems of global concern likely to have an important bearing on food production and utilization (including competition between supplies for food and feed) in the longer term.

A major objective of these studies would be to indicate the actions needed in the next few years to gear up for better resource allocation and management and to improve productivity and food availability in the long run. The Sub-Committee were of the opinion that this aspect of development policy is currently receiving inadequate attention both vis-à-vis short-term emergency action and long-term perspective planning.

21. Some illustrative examples of relevant issues requiring research, all of which involve elements of contention, sensitivity, and possible conflicts between national and wider interests include:

- the implications of the energy crisis for food supply, food and input production strategy, and research on the development of new agricultural technology;



- the potential impact of promising new technologies in production of food or feed or in input manufacture, on world output of specific commodities, trade, price, and comparative advantage for location of production;
- the opportunities, costs, technical and human problems, and potential benefits to the nations immediately concerned, and externally, of developing the world's "empty lands" for agriculture;
- weather patterns, climatic change and instability, and their significance for national and world emergency reserve food stock policies;
- the magnitudes of post-harvest waste of food and the potential pay-off of remedial measures at various stages in the chain;
- the causes of, and possible remedies for, lagging growth in food production in developing countries; comparative analysis of selected development strategies (China, India, Japan, Egypt, Mexico, etc.), their successes in evolving institutional change which increases productivity, any common features determining success or failure, and the transferability of their experiences elsewhere;
- the adequacy of agricultural research policies and establishments to future needs, the resources and investments required to cover priority gaps, and the approaches to their optimum allocation;
- the inter-relations and possible conflicts between the goals of, employment, increasing food output and mass alleviation of rural poverty.

22. Such studies would either have to be undertaken on a task force basis, by teams of research fellows and associates, and/or by sub-contracting to appropriate universities or other research institutions. The "core" staff of the Institute, in addition to participation where feasible, would have an important "think tank" role in identifying researchable topics, screening for priority, and working out methodology in collaboration with members of the task forces. There is also a clear need to associate staff of the International Research Centres, and of the agencies of the UN system in such studies, both to give the broad input of inter-disciplinary expertise and experience of developing countries required to supplement the background of the Institute's staff, and because the output of the Institute, if it has its feet firmly on the ground, ought to be highly relevant to their own policies and programmes.

#### (b) Information activities

23. An important task of the Institute must be to transmit up-to-date and relevant information on the world food situation and outlook to national policy makers. This would be done through regular periodic publications, seminars, workshops, and the device of an annual world food outlook conference.

24. In addition to improving current awareness of major changes in agricultural policy by important producing countries or the introduction of new technologies which were likely to affect their own policy decisions, such meetings would provide opportunities for interchange of ideas with national planners on critical issues of international agricultural policy and would thus also offer guidance to the Institute as to what additional research was needed and how it might be approached.

25. The Sub-Committee envisaged the Institute as having two main annual publications, supplemented by special research monographs as an outcome of its task force activities. These two publications would be:



- (1) An annual World Agricultural Policy Review, highlighting the components of agricultural policy in major producing countries or groups of countries, which might have significant effects on the short-term world food situation, as well as internally to those countries. This would be, inter alia, an attempt to define likely trouble spots related to food supply, input availability, etc.
- (2) An annual Outlook on Food and Agriculture related to a longer time horizon and a broader perspective. This would incorporate and draw conclusions from the special studies of the Institute, as well as from analysis and critical appraisal of other relevant research such as that undertaken by FAO, UNRISD, IBRD, and the Club of Rome. It would examine issues such as future availability of production requisites, (e.g. who is building new fertilizer capacity, where, what types, and with what resources based), and the probable impact on price and availability of inputs; it would draw attention to new agricultural technology and its implications (e.g. high lysine sorghum); it might review the inter-relationships between population, income growth and distribution, demand for food, and the incidence of malnutrition, and so on.

(c) Training

26. As indicated earlier, the Institute is not seen by the Sub-Committee as having a formal training role; but a limited number of graduate research associates from developing countries (probably around 10 in any one year) would be working as part of its research staff, and would in effect be receiving "in-service" training in this way. Their experience would also be invaluable in helping to ensure the relevance of the work of the Centre to the key problems affecting the food and nutrition situation in the developing countries.

27. A further contribution to training would be the programme of problem-oriented seminars and workshops, which is foreseen as an important part of the Institute's study programme and "think tank" role; and which might be conducted, at least in part, in locations outside the Institute's headquarters where typical problem situations could be studied "in situ" and local staff involved.

28. The Sub-Committee considered that for a single centre of the type proposed to be able to exert a useful and effective influence on critical matters related to world food policy it must satisfy two conditions. First, it must demonstrate its competence to select the right issues and to undertake relevant and down-to-earth research in tune with major trends in world agricultural development, from which it would produce sensible guidance on priority problems. For this it would require a well balanced and skilled inter-disciplinary staff; secondly, and indispensable to this, it must be able to speak freely and with confidence in a way which governments would listen to. For this it should have a structure apt to ensure an autonomy in the exercise of its functions comparable to that of the International Agricultural Research Centres.

3. Organization of the Institute and operational linkages

29. Two basic models which might provide this sort of flexibility were originally suggested by Mr. O.V. Wells for the proposed Institute, one modelled in fact on the pattern of the existing International Research Centres and financed through the Consultative Group on International Agricultural Research; the other analogous to the International Institute of Strategic Studies (IISS). While both of these models would have the purpose of creating an organization which would be independent of government controls on its freedom of choice of problems on which to work and publication of its results, support for the International Research Centres is now largely from governmental agencies, whereas that for the IISS is private. It comes from the membership of individuals, universities, corporations, etc. on a fee-paying basis, and members receive the standard institute publications and attend seminars appropriate to their interests.



30. While appreciating the advantages of IISS model in helping to create possible working linkages and in obtaining ideas and information, the Sub-Committee felt that this approach and that patterned on the International Research Centres were not mutually exclusive. A sufficient volume of solid financial support was considered essential to launch the Institute and to guarantee its continuance for a sufficient period to attract high calibre staff. This appeared to be in sight from private sources, as already indicated by Dr. Hopper. Once the Institute was established it could well prove possible to solicit additional private support through a scheme similar to that followed by the IISS. Should the results prove unsatisfactory or the workings of the scheme too cumbersome, but the Institute nevertheless was doing valuable work which they and the TAC felt ought to be continued, the Sub-Committee considered that there was nothing to stop the main backers of the Institute going to the Consultative Group for additional financing along the lines indicated earlier by Dr. Hopper.

31. The Sub-Committee was in agreement that the Institute should be located in Rome, in close association with FAO, with working arrangements which would enable it to draw on FAO's statistical and food intelligence data without having to duplicate it, and which would also enable it to utilize FAO's other facilities (library, computer, etc.) if necessary on a fee-paying basis. It also recognized the value of being able to draw on FAO's staff knowledge both at headquarters and in the field, either for information or for participation in research task forces, study groups, seminars, etc.

32. At the same time it was considered of paramount importance to maintain independence and flexibility in the pursuit of the Institute's activities and the Sub-Committee saw the need for very careful negotiations with FAO to ensure that adequate autonomy could be achieved before a final decision on its location was reached. While no set formula had been conceived, it was felt that an arrangement under a Trust Fund, operating under the control of an elected board analogous to that recently created for the Genetic Resources Programme should be explored.

33. Mr. Oram was asked whether FAO had been able to examine the legal and administrative questions involved here. He informed the Sub-Committee that, in connection with FAO's own thinking on a possible Development Research Centre, their legal staff had examined several lines of approach, drawing both on FAO's own experience and constitutional procedures, and on the procedures followed in creating other autonomous research-oriented institutions such as the UN Research Institute for Social Development (UNRISD), the UN Institute for Training and Research (UNITAR), the International Institute for Labour Studies of ILO (IILS), and the OECD Development Centre. While their conclusions were still somewhat preliminary and the legal technicalities would have to be spelled out in more detail, he understood that the two main solutions considered most appropriate to an institution of the type the Sub-Committee was now considering were along the following general lines :

34. (i) To establish an Institute under Article XV of FAO's Constitution, by means of an agreement between FAO and a host government (Italy). The "Guiding Principles" relating to Article XV allow for a considerable degree of flexibility in negotiating such an Agreement, but certain basic features must be regarded as more or less mandatory. These were:

First, as regards its legal status, the Institute would need to be established as an "International Foundation" and thus be endowed with the "capacity of a legal person"; not being an organ of FAO, that organization "should not assume any civil, financial or other responsibility other than those provided for in the agreement"; provision should be made for privileges and immunities of the Institute, the members of the governing body and the staff, which "should be international in character"

Second, the host government would occupy a key position, since it (rather than TAC) was expected to provide "land, buildings, premises, maintenance, protection, public utilities, etc."

Third, no specific provision existed regarding the composition of the governing body, except that the Director-General should be "represented ..... in a purely advisory capacity".



Fourth, the Director of the Institute would be appointed by the Governing Body after consultation with the Director-General of FAO, and in turn be responsible for recruiting and appointing the staff.

Fifth, with respect to the procedure for concluding an agreement, Article XV provided for two distinct stages: (a) an authorization by the Conference to the Director-General to negotiate; (b) approval of the text of the agreement by the Conference or by special delegation to the Council.

35. A major snag about this approach, assuming it were acceptable to the potential donors and to other supporters of the Institute, including the Consultative Group, would be that it could involve considerable delay arising from the need for formal approval from FAO's Governing Bodies and for negotiations between FAO and the Government. This would apply with even greater force to any institute outside the constitutional framework of FAO. Apart from the fact that there may be doubts whether the Consultative Group or a body of donors constitutes a legal entity for the Government to negotiate with, the legislative and/or administrative procedures for establishing an Institute under domestic laws are likely to be very complex. It therefore seemed desirable to explore an alternative solution (in fact that suggested by the Sub-Committee), e.g. a Trust Fund arrangement.

36. (ii) A Centre established under a Trust Fund.<sup>1/</sup> It appeared that legally this would be feasible, but certain conditions would apply. These were:

(a) As the Trust Fund would be under FAO's administration, its establishment would be reported to the Finance Committee. Its accounts would have to be audited within FAO's standard procedures. Rules for the use of funds could, however, be laid down by the donors in agreement with the Director-General of FAO.

(b) The programme could be laid down by the subscribers to the Trust Fund as in the case of a field programme, but presumably through a Board. The Programme Committee and the Council would be appraised, but their examination of Trust Fund operations is generally limited to the bearing they may have on FAO's Regular Programme and Budget.

(c) Staff would be treated as FAO staff, but not as Regular Programme employees, i.e. they would be entitled to normal FAO rights and privileges, (e.g. FAO/IBRD Cooperative Programme staff are now treated as "field staff"). Nationality quotas would not apply in recruitment. Provision could be made for the appointment of the Centre's Director in consultation with the Director-General of FAO and the Board, and for recruitment of the Centre's staff, research fellows and consultants by the Director, either acting on his own initiative or taking into account any proposals which might be made by the Board.

(d) FAO normally imposed a servicing charge to cover rent of office space, administrative and auditing costs for handling the Trust, recruitment procedures, and provision of maintenance and other facilities within the building including library and information services. However, this could be negotiable as had happened with the Genetic Resources Board. If the Centre were located outside FAO's headquarters area the Trust would have to pay the rent and related costs. Other non-standard facilities required from FAO, e.g. computer space or professional staff time for specific research tasks would have to be paid for by the Trust Fund.

<sup>1/</sup> Under such an arrangement the use of the term "Centre" is considered preferable by FAO for constitutional reasons. Since this terminology would also be in line with the trend of usage in the Consultative Group, the Sub-Committee might in any case wish to consider adopting the title "World Food Policy Research Centre" instead of "World Food Policy Institute" as proposed by Mr. Wells.



(e) Once an agreed proposal had been formulated it would then be reported by FAO to the Programme and Finance Committees and the Council.

37. The most practical approach might well be to commence with a Centre under a Trust Fund arrangement, and then to explore with the Italian Government possibilities and conditions for the establishment of an independent Institute associated with FAO as indicated in para. 34 above. Once the necessary legal formalities were completed the Trust Fund would be transferred to the administration of the Institute, and arrangements would be envisaged for transferring some or all of the Centre's personnel to the Institute as the nucleus of its "core" staff.<sup>1/</sup>

#### 4. Structure, staffing, and budget of the Centre

38. The Sub-Committee recommends that the Centre be established with a relatively small core staff, supported by a strong cadre of visiting fellows and research associates who would be selected in relation to specific research tasks with a finite time horizon. This should give it the flexibility needed to meet changing imperatives in its research programme as required by an extremely dynamic and volatile world food situation, while keeping down the overheads inherent in administering a large permanent staff.

39. As indicated in para. 36 above, the basic model envisaged is that of a Centre whose programme would be determined by an autonomous Board, operating under a Trust Fund administered by FAO and whose employees would be accorded the privileges and immunities of FAO staff.

40. The Sub-Committee feels, however, that the permanent staff nucleus of four professionals proposed in the O.V. Wells' report is inadequate to ensure continuity of management in the event of absence on duty travel, leave or sickness of one of the three senior staff, and that the addition of at least two senior professionals to the core staff is therefore desirable. The suggested grades and duties of these senior core staff are set out in Annex Table 1.

41. Similarly, the Sub-Committee sees a need for greater flexibility in hiring research fellows either as Special Consultants, or on a fixed-term contract as task force project leaders teamed up with the research associates mentioned in para. 26. At any one time around six visiting fellows might be working at the Centre. A corollary of this is that the sum of \$20,000 a year suggested in the Wells' report is clearly inadequate for an institution whose success will depend heavily on its external relationships, and it is relevant to note that international travel costs for a single outposted international technical specialist with regional responsibilities can be as high as \$ 10,000.

42. While certain aspects of the administration of the proposed Centre such as finance and auditing would be handled by FAO, the Director would be responsible for arrangements regarding personnel, recruitment, travel, purchasing, and day-to-day running of the Institute's affairs in accordance with budgetary provisions adopted by the Board to provide support services.

43. The Budget (Annex Table 1) has been calculated on FAO salary scales and gradings, although Mr. Wells expressed some reservations to the Sub-Committee as to the adequacy of the grading proposed for the Director in his report, and also concerning the flexibility of the FAO system of gradings and opportunities for promotion on merit without creating special posts in the hierarchy.

<sup>1/</sup> Under Article XV the title "Institute" would be constitutionally acceptable, but the use of "Centre" could be retained if preferred.



44. In the light of the various changes and additions discussed above the Sub-Committee anticipated an initial running expenditure somewhat in excess of the \$785,00 postulated in the Wells report, probably of an order of magnitude around \$1 million. In fact the total indicated in Annex Table 2 is \$1,005,519.

45. This sum includes a factor for rented premises, since given the extremely tight accommodation situation within FAO itself and the need for the Centre to be insulated to some degree from the hurly-burly of FAO's routine activities, renting is likely to be a necessity. A more permanent solution would seem desirable, however, and perhaps an approach might be made to the Italian Government to make available a building for the Centre at a "peppercorn" rent. Capital costs are likely to be very low by comparison with those of the International Research Centres; mainly transport (one car, one station wagon), office equipment, and desk computers.

46. In computing the future recurrent expenditure of the Centre it would be wise to note that Italy, even more than most developed countries, is experiencing a period of serious inflation. While it is to be hoped that the current increase of around 20 percent per annum will fall in the near future, it would be unwise to project an inflationary increase of less than 15 percent per annum for the next three years, even assuming there is no expansion in the actual programme of work and staff component after the Centre is fully operational.

ANNEX

Table 1: WORLD FOOD POLICY INSTITUTE :

PROPOSED STAFF LIST

<u>Post</u>		<u>Grade</u>	<u>Standard Unit Cost</u> <sup>1/</sup> U.S.\$	<u>Total</u> U.S.\$
Director	(1)	D2	42,060	42,060
Assistant Director (Chief Outlook Officer)	(1)	D1	37,620	37,620
Senior Research Officer <sup>2/</sup>	(3)	P5	35,820	109,460
Research Associates	(8)	P2	21,600	172,800
Administrative Officer	(1)	P1	17,400	17,400
Secretary/Supervisor ) Library Assistant ) Statistical Assistant )	(3)	G6	15,900	47,700
Secretaries	(2)	G5	13,860	27,720
Bilingual Stenographers and Clerk Stenographers	(5)	G4	11,880	59,400
Driver and Messenger/Clerk	(2)	G2	8,940	17,880
			TOTAL:	532,040

<sup>1/</sup> Based on FAO's Standard Rates for Personnel Services, inclusive of salaries and Common Staff Costs.

<sup>2/</sup> One economist, one econometrician, one agriculturalist.



ANNEX

Table 2: WORLD FOOD POLICY INSTITUTE :

ANNUAL BUDGET (First Year)

	<u>U.S.\$</u>
1. <u>Personal Services</u>	
Headquarters "core" staff (see Table 1)	532,040
Consultant services (20 man/months D1 grade)	62,700
2. <u>Travel</u>	
Duty travel, staff and consultants (excluding appointment, repatriation and leave)	40,000
3. <u>Executive Board Meetings</u>	
15 members, twice annually, honoraria, per diem, and travel	70,000
4. <u>Meetings, Seminars and Conferences</u>	
2 large (30 participants) and 2 smaller (10 participants) annually, including travel	80,000
5. <u>Documentation and Publications</u>	
Including translation costs (at approx. \$100 per 1,000 words)	20,000
6. <u>Rent and maintenance of premises</u>	60,000
7. <u>Miscellaneous</u>	75,000
Expendable stores, postage and cables charges, contingencies	
	<hr/>
Total U.S.\$	939,740
Assuming 7 percent project servicing costs	65,779
	<hr/>
	U.S.\$ 1,005,519

Table 3: WORLD FOOD POLICY INSTITUTECAPITAL COSTS 1/

		<u>U.S. \$</u>
<u>Office Equipment and Furniture</u>		
- 14 professional officers - each \$ 500		7,000
- 10 secretaries (including cost of typewriters, filing cabinets, shelving, etc.) - each \$ 825		8,250
- Photo-copier	(1)	1,200
- Duplicator	(1)	770
- Desk computer, with accessories	(1)	20,000
- Desk calculators	(10)	4,400
- Audio-visual equipment		2,000
- Library and registry equipment		3,300
<u>Vehicles</u>		
- Station wagon (Fiat 124)	(1)	3,000
- Saloon car (Fiat 132)	(1)	3,850
Total U.S. \$		53,770

1/ Based on figures used in FAO's 1974/75 budget with 10 percent inflationary weighting.



H 3  
Central Files



Files

September 30, 1974

Harold Graves

International Food Policy Research Institute

On September 17, I attended a meeting in Ottawa, at the headquarters of the International Development Research Centre (IDRC), on the subject of the proposed International Food Policy Research Institute. Minutes of this meeting will be circulated in due course by IDRC.

✓ - NOT ATTACHED

In the meantime I attach the documentation for the meeting: an agenda (slightly amended), a list of participants and a paper (slightly amended on pages 3 and 4) entitled, "Proposal for a World Food Policy Research Institute."

Sir John Crawford was chairman of this meeting. A report of the proceedings will be made to the Consultative Group meeting of October 30-31.

Attachments

HGraves:apm

## OFFICE MEMORANDUM

H3

TO: Files

FROM: Harold Graves *HG*

SUBJECT: International Food Policy Research Institute

DATE: September 30, 1974

On September 17, I attended a meeting in Ottawa, at the headquarters of the International Development Research Centre (IDRC), on the subject of the proposed International Food Policy Research Institute. Minutes of this meeting will be circulated in due course by IDRC.

In the meantime I attach the documentation for the meeting: an agenda (slightly amended), a list of participants and a paper (slightly amended on pages 3 and 4) entitled, "Proposal for a World Food Policy Research Institute."

Sir John Crawford was chairman of this meeting. A report of the proceedings will be made to the Consultative Group meeting of October 30-31.

Attachments

HGraves:apm



H-3

September 20, 1974

Dear John:

I have had a chance to look into the question of what legal formalities would be required to establish the International Food Policy Research Institute in the United States, and have a dusty answer. To have the desired privileges (including free movement of persons) by reason of U. S. adherence to the U. N. Immunities Act (as ICRISAT does by reason of Indian adherence), the Institute would have to be a public international organization: under American law, it would have to be an organization of which the United States Government is a member. If it were, no special legislation would be necessary; it could be recognized by Executive Order of the President, and could acquire the desired privileges thereby.

I suppose that in theory, Congress could enact special legislation in favor of the Institute, but this does not seem to be a practical possibility.

It was fine to see you in such good form in Ottawa.

Sincerely,

Harold Graves

Sir John Crawford  
32 Melbourne Avenue  
Deakin, Canberra, A.C.T. 2600  
Australia

*Handwritten initials*

HGraves:apm

cc: Dr. Hopper



INTERNATIONAL DEVELOPMENT RESEARCH CENTRE  
CENTRE DE RECHERCHES POUR LE DÉVELOPPEMENT INTERNATIONAL

Box 8500, Ottawa, Canada, K1G 3H9 · Telephone (613) 996-2321 · Cable: RECENTRE · Telex: 053-3753

H3

September 5, 1974

Mr. Harold Graves  
Executive Secretary  
Consultative Group on International  
Agricultural Research  
c/o World Bank  
1818 H Street, N.W.  
Washington, D.C. 20433

Dear Mr. Graves:

At the request of Dr. W. David Hopper I am sending you a Draft Agenda for the meeting to discuss the International Food Policy Research Institute to be held in Ottawa September 17, 1974.

I have included a small map indicating IDRC headquarters and the Carleton Towers Hotel, where reservations have been made for you on the 16th and 17th.

We look forward to seeing you on the 17th.

Yours sincerely,

Lawrence M. Hannah  
Executive Assistant  
Social Sciences and  
Human Resources

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DRAFT AGENDA

Preparatory Meeting of a Working Group  
for the Establishment of an  
International Food Policy Research Institute

IDRC Headquarters, 15th Floor, 60 Queen Street, Ottawa  
September 17, 1974 - 9:30 a.m.

- |            |  |
|------------|--|
| 9:30 a.m.  | 1. Review of TAC discussions on the Institute's purpose, program and location. |
| 11:00 a.m. | 2. Structure of the Institute.   |
|            | 3. Board of Trustees.  |
|            | 4. Location of Institute.  |
| 1:00 p.m.  | LUNCH (16th Floor IDRC)  |
| 2:15 p.m.  | 5. Financing.  |
|            | 6. Institute Staff.  |
|            | 7. Next Steps.   |



NATIONAL ARTS CENTRE

ELGIN STREET

British High  
Commission

I.D.R.C.  
60  
Queen St.

ALBERT STREET

METCALFE STREET

CARLETON  
TOWERS

150 Albert  
Street

O'CONNOR STREET

ALBERT STREET

QUEEN STREET

QUEEN STREET

Confederation  
Square

GENERAL LOCATION:

Carleton Towers Hotel in relation to IDRC (60 Queen Street)

World Food Policy Institute Meeting

Take the ground floor elevator to the 15th floor. After getting off, make the first left turn and take the special elevator to the 16th floor.

AT IDRC

- 1) General Reception Area - Conference and Travel Assistance:  
Centre - 9th floor; Hotel - Carleton Towers.
- 2) Treasurer's Office: Centre - 8th floor

H-3

September 4, 1974

Dear Mr. Hannah:

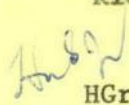
This is a follow-up on Dr. Hopper's letter of August 16, inviting me to attend the discussions to be held in Ottawa on September 17 on the subject of an International Food Policy Research Institute.

My intention is to arrive in Ottawa at about 8:30 p.m. on Sunday, September 15, and to leave Ottawa on the morning of September 18. I would appreciate it, therefore, if you would book a room for me at the Carleton Towers Hotel for the evenings of September 15, 16 and 17.

Sincerely yours,

Harold Graves  
Executive Secretary

Mr. L. Hannah  
International Development Research Centre  
Box 8500  
Ottawa, Canada  
K1G 3H9

  
HGraves:apm



4-3

Files

August 20, 1974

Harold Graves

World Food Policy Research Institute

In a telephone conversation on August 16, Dr. Hopper of IDRC informed me that the following institutions were being invited to be present at a meeting of the working party on the World Food Policy Research Institute to be held in Ottawa on September 17:

IDRC	)	
Ford Foundation	)	Co-sponsors
Rockefeller Foundation	)	

C.I.D.A.  
ODM  
USAID  
World Bank (Mr. Yudelman).

*Handwritten initials*

cc: Sir John Crawford  
Mr. Neylan

HGraves:apm

H-3

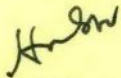
Files

August 19, 1974

Harold Graves

World Food Policy Research Institute

David Hopper said on the telephone Friday that a meeting would be held in Ottawa on September 17 to consider next steps on the World Food Policy Research Institute. The participants will be the three sponsors (Ford, Rockefeller, IDRC) and CIDA, USAID, ODM and IBRD. Mr. Yudelman has been invited to attend for the Bank.



HGraves:apm



14-3

OUTGOING WIRE

TO: BOERMA  
FOODAGRI  
ROME

DATE: JULY 22, 1974

CLASS OF  
SERVICE: **KT** TELEX No 61181

(Extn 4823)

COUNTRY: ITALY

TEXT:  
Cable No.:

HAVE RECEIVED YOUR LETTER EXPRESSING FAO'S WISH TO PARTICIPATE  
(TAC) DISCUSSION FOOD POLICY INSTITUTE PROPOSAL AND APPRECIATE YOUR  
CONCERN AVOIDANCE UNNECESSARY DUPLICATION FAO REGULAR PROGRAM  
ACTIVITIES STOP THEREFORE AGREEABLE ATTENDANCE YRIART BHATTA CHARJEE  
INITIAL TAC SESSION THIS SUBJECT SCHEDULED AFTERNOON FRIDAY TWENTYSIX  
TO CLARIFY FAO VIEWS RESPECTIVE ROLES AND EXPLAIN ANY LEGAL ISSUES  
RELATED POSSIBLE ASSOCIATION PROPOSED INSTITUTE WITH FAO STOP MUST  
EMPHASIZE HOWEVER THAT TAC WILL REACH FINAL RECOMMENDATION IN  
SUBSEQUENT CLOSED SESSION STOP REGARDS

CRAWFORD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME A.A. Neylan

DEPT. Agriculture & Rural Development

SIGNATURE *A.A. Neylan*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: ANeylan:jf

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:





April 23, 1974

WORLD FOOD DATA AND POLICY ANALYSIS

At the close of its business session on Monday, February 4, 1974, TAC continued to meet for 90 minutes in an informal session, together with several observers, so as to discuss the question of world food data and policy analysis, particularly the possibility of establishing an institute which would help developing countries in facing problems in this field which arose through conditions largely beyond their control.

Mr. O. V. Wells, a consultant of the Ford Foundation, had previously circulated his paper "Improving the World Food Situation: Outlook, Information and Analysis." This paper covered Phase I of Mr. Wells' two part assignment, namely to report by November 1973 on the world food intelligence situation. The focus of the meeting was on Phase II of Mr. Wells' work which he was to elaborate by April 1974, namely, the recommendation from his Phase I work that an institute should be established to help developing countries by providing an assessment of world food data and also policy analysis independent of the particular interests of any government or institution.

Mr. Wells presented some of the major themes from his Phase I work and some of the points that he was considering in preparing Phase II. His work, though sponsored by the Ford Foundation, was also being submitted to FAO, the IBRD, the IDRC and Rockefeller. It originated in mid-1972 when it became clear that world food experts had missed what was happening in the world situation in terms of the tightening supply situation in soybeans, wheat, rice and fertilizer and the corresponding price increases in food

products and agricultural inputs. He had therefore been asked to examine world food intelligence services and related outlook and policy activities. FAO and several governments had already acted in response to his Phase I recommendations so that more funds would be made available to improve world food intelligence.

Basic data could be greatly improved despite the major gap arising because the USSR and China did not provide information, particularly on stocks. He hoped that the November 1974 World Food Conference would examine this problem. The critical situation which had developed in fertilizers pointed to the need for intelligence not only on food production but on inputs such as seeds and fertilizer. He pointed out that food intelligence is different from food statistics: it consisted of the information available at any time as a basis for decision making; full statistics usually came too late to help in decisions.

His Phase I work made two recommendations. First there was the need for better statistics on food and agriculture and on nutritional status in developing countries. It was for the World Food Conference and the FAO to take up these questions, including proposals for a stock security scheme for world foodstuffs. The second and more important conclusion at this stage was the need for an international outlook service particularly concerned with the problems of the LDCs. It was a question of making important information and analysis available to the few selected Ministers and chief subordinates who made decisions in these countries. Some mechanism must be found to help these governments recognize serious situations and to take appropriate action.



The world food situation would continue to be one of basic scarcity for at least fifteen years on a touch and go basis. Long-term studies would not solve daily problems. He was therefore trying to devise an international agricultural outlook service which would be a mechanism for enabling countries to cope with the continuing difficult food situation. The need was for world food policy analysis which would be undertaken largely outside of government and political constraints and which would examine some of the main problems affecting the developing countries and would also examine the behavior of developed countries where needed. He concluded that, worse than intelligence errors, were errors of analysis. Complex problems gravitated to commodity specialists who were confined to narrow fields. Secondly, analysts were often overruled by policy considerations. Governments, no matter what their analysts thought, wanted their statistical materials and their analysis stated in a way that would not embarrass existing policies which they did not wish to change. Mr. Wells added that the problems that he was referring to were not problems within countries but ones which arose outside particular countries but which had to be taken into account in decision-making, for example, with respect to fertilizer or petroleum imports where the government needed to have better data on sources and costs.

The solution was to devise a mechanism at the international level, closely related to the research efforts of the CGIAR, which would allow these external problems to be analyzed. He envisaged an international food policy institute, outside the control of existing governments or international institutions, with two functions. One would be to help deal with the food problems of the hundred or so less developed countries, by reviewing information affecting these countries and analyzing problems which arise outside these countries but which have substantial effects within them. The second would be to monitor

statistics on the food situation and analyze short-term problems. Administrators of developing countries would then have the analyses put to them as a basis on which to make better informed decisions.

While Bank and FAO missions and surveys provided some of this information, the need was for an independent effort, tied in with the international agricultural research program. The institute would have a small multidisciplinary permanent staff of perhaps three or four professionals. It would also bring in ten to twelve experts from less developed countries each year to help analyze the problems affecting their countries; they would subsequently return to their own countries. In addition, consultants on particular problems would be required. The work program would include problems which call for the study of the interaction of social and physical sciences, as for example with the use of satellite photography for agricultural purposes. It would also include small seminars for decision makers in the developing countries to discuss their problems in a concrete fashion. An important aspect would be the training of staff from LDCs, especially in problems which lie outside the control of particular governments with respect to food outlook. It would have the advantage that it could criticise other groups' assessments on the basis of its own work and would not have to modify its objectivity because of any need for approval from government or other institutions.

While the institute should be related to the international centers complex and to institutions such as FAO and IBRD, its Board should be more than 50 per cent from the LDCs. He thought it should be a private association. He envisaged the cost as being between \$650,000 and \$1 million per year.

In inviting comments, the Chairman asked that discussion focus on the proposal for an institute for food policy work rather than on the early warning system on food problems and food stocks. For a single center to be concerned usefully with food policy issues, he felt that it would need to satisfy



two conditions: first, there must be confidence that the center is in tune with what is happening; for example, with respect to farm inputs, that it be well equipped to know what is critical in the population/food race. Secondly, indispensable to this, is that it must be able to influence governments and must therefore have a standing parallel to that sought for the international agricultural research centers. It must be able to speak with confidence in a way that governments cannot afford to ignore. Its reports must have a pragmatic quality which will make governments eager to consider what action is recommended.

One member of TAC pointed out that a key aspect is the ability of any proposed institute to publish freely so as to establish its reputation and independence. There is a basic dichotomy because such action will tend to antagonize the governments and others which are to provide the financial support and the information. The institute would need the cooperation of governments as well as their confidence and yet would need to have independent authority behind its reports. Mr. Wells referred to the autonomy of the centers, within the general framework of the CGIAR, and acknowledged that the proposed institute would have to work closely with other international institutes and with governments providing finance. Governments and international institutions would welcome the independent voice of an outside group which would help prevent distortions of information from affecting policy formulation. Indeed, governments often welcomed independent institutions saying what they themselves were not in a political position to express. The role of the proposed institute would not be to provoke contention but to help in the day-to-day operations of

governments in the LDCs, though on occasion it would have to criticize these governments as well as the policies of developed countries and of international institutions.

Discussion also clarified the point that the proposed institute was neither to be likened to a university focusing on long-term development problems, nor to a training institute. While it would do some of both these activities, it would be essentially concerned with the analysis of data affecting the food problems of LDCs, particularly problems arising from international factors beyond the control of individual governments. Thus, it would not be concerned with internal problems such as those of land tenure.

Dr. Hopper said we are faced with a set of short-term crises, namely the very high price of food and the reallocation of world food stocks, and a short-run fertilizer shortage. He hoped that an institute of the kind Mr. Wells had proposed would concern itself with specific agricultural issues which are brought about by these short-term problems but that it would also maintain an intermediate or longer-run view, keeping well informed on emerging agricultural technologies and related technologies for inputs, so that governments might be made aware of new technical alternatives for production of agricultural inputs as well as of the package of technical alternatives required to expand output.

The institution should begin from the fact that the days of inexpensive food are probably passed. It would analyze the interdependence of nations with respect to agricultural products and inputs. He would expect the institute to feel free to publish data and analyses and to make critiques where nations lagged in their agricultural development programs. He saw such an institute as a complement to the existing research centers which were developing agricultural technologies; it would help sketch out the policy implications



for the national governments and international bodies concerned, though this would have to be in conjunction with FAO and other interested parties. At the same time the independence of the institute, outside the UN system, would allow it to make free criticism of proposals and policies so as to stimulate governments to the kinds of policies which might support agricultural development. While the structure and financing of such an institution would have to be considered in great detail, he endorsed the principle that there should be an institution with the freedom and flexibility to examine world movements in agriculture, to alert the world about likely developments, drawing on information from existing institutions, calling attention to the short-run, intermediate and longer-run impacts of current development and alerting countries to technologies emerging from international research and thereby supplementing the work of these institutions.

Mr. Wells summarized his approach in the light of the discussion by saying that he regarded the institute as supplementing the work of FAO, IBRD and other organizations. There was need to focus on getting data and analysis to key people in the LDCs in a way in which they could understand it and apply it to their national circumstances, particularly in the smaller developing countries. There should be one place where the problems that arise between countries could be examined and this should be done in a way where people from developing countries were brought in to the analytical process as short-term members of the institute and then returning to their own countries.

The Chairman gave his general endorsement to the proposal as outlined by Mr. Wells and as discussed in the session. He emphasized that any new body made responsible for working on the interdependence of countries in their agricultural problems must have a feeling for operations; its operational

research must be designed to bring about the kind of solutions required for the problems of both large and small developing countries. The staff must therefore be independent of particular authorities and should have the confidence of international bodies and agencies that they will speak frankly and constructively as a result of their assessments. He hoped that when Phase II of Mr. Wells' work was finished the full report would be submitted to TAC which would like the opportunity to examine it further and to discuss it with Mr. Wells and interested institutions.



## OFFICE MEMORANDUM

H3

TO: Files

DATE: August 20, 1974

FROM: Harold Graves *HG*

SUBJECT: World Food Policy Research Institute

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IDRC	)	
Ford Foundation	)	Co-sponsors
Rockefeller Foundation	)	

C.I.D.A.  
ODM  
USAID  
World Bank (Mr. Yudelman).

cc: Sir John Crawford  
Mr. Neylan

HGraves:apm

## OFFICE MEMORANDUM

H3

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DATE: August 19, 1974

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HGraves:apm



H3

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE  
CENTRE DE RECHERCHES POUR LE DEVELOPPEMENT INTERNATIONAL

OFFICE OF THE PRESIDENT  
BUREAU DU PRESIDENT

BOX 8500  
OTTAWA, CANADA  
K1G 3H9  
CABLE: RECENTRE

August 16, 1974

Mr. Harold Graves,  
Executive Secretary,  
Consultative Group on International  
Agricultural Research,  
c/o World Bank,  
1818 H Street, N.W.  
Washington, D.C. 20433.

Dear Harold:

This is a reminder of the meeting scheduled for September 17, 1974, to be held in Ottawa under Sir John Crawford's chairmanship to carry further our discussions on the establishment of an International Food Policy Research Institute. For your information I am enclosing a copy of the TAC proposal for the Institute.

The meeting will be held in the 16th Floor Board Room of the IDRC beginning at 9:30 a.m. Tentative hotel reservations have been made at the Carleton Towers Hotel, 150 Albert Street, for the evenings of September 16th and 17th. We would appreciate being advised of your arrival date and time so that we may confirm these reservations. The IDRC offices are at 60 Queen Street, a block east and a block north of the hotel. The Centre telephone number is (613) 996-2321. I have asked Mr. Larry Hannah to handle arrangements for the meeting, his Centre extension is 250.

With kindest personal regards.



W. David Hopper

Encl.



H3


INTERNATIONAL DEVELOPMENT RESEARCH CENTRE  
CENTRE DE RECHERCHES POUR LE DEVELOPPEMENT INTERNATIONAL

OFFICE OF THE PRESIDENT  
BUREAU DU PRESIDENT

BOX 8500  
OTTAWA, CANADA  
K1G 3H9  
CABLE: RECENTRE

August 16, 1974

Mr. M. Yudelman,  
Director,  
Agriculture & Rural Development,  
World Bank  
1818 H Street, N.W.,  
Washington, D.C. 20433.



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With kindest personal regards.



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Encl.



RECEIVED  
1974 AUG 23 PM 5:13  
COMMUNICATIONS  
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