

REGIONAL FUND FOR AGRICULTURAL TECHNOLOGY

FONTAGRO

2003 CALL FOR PROPOSALS

TERMS OF REFERENCE FOR THE SUBMISSION OF PROPOSALS

FONTAGRO

**REGIONAL FUND FOR AGRICULTURAL TECHNOLOGY
TECHNICAL-ADMINISTRATIVE SECRETARIAT**

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2003 Call for Proposals

NOTE: THIS CALL FOR PROPOSAL WILL BE OPENED FROM MARCH 1ST UNTIL APRIL 15TH, 2003

BACKGROUND

The Regional Fund for Agricultural Technology (FONTAGRO) is a consortium of countries and development institutions whose mandate is to promote strategic agricultural research between Latin American and Caribbean countries. The current list of member countries is: Bolivia, Chile, Colombia, Costa Rica, Ecuador, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Uruguay, and Venezuela.

The Fund consists of an equity account or endowment fund that currently reaches US\$32 million, mostly from contributions of countries within the region. The annual proceeds from these resources will be used to provide competitive, non-reimbursable financing for research projects in priority areas identified in the 1998-2000 Medium Term Plan.

The overall management of the Fund is in the hands of the Board of Directors, which is designated by the member countries and organizations. The Board is in charge of setting policies, priorities and operational procedures to allocate funds for research projects. In support of the Board, a Technical-Administrative Secretariat, located in the headquarters of the Inter-American Development Bank (IDB) in Washington, D.C., coordinates and implements tasks delegated by the Board. The members of the Fund have established the following mission and objectives:

MISSION

To increase competitiveness in the agricultural sector, ensuring the sustainable management of natural resources and the reduction of poverty through the use of regional technologies based on public-goods, while facilitating the generation and exchange of scientific knowledge between institutions, both within the region and throughout the world.

OBJECTIVES

To establish a sustainable financing arrangement and a forum for discussion of priority issues regarding agricultural technology innovation by countries within the region, strengthening the role of such countries in the drafting of a regional research agenda. Furthermore, the Fund aims to:

- Expand the research base in order to meet technology development challenges requiring a cooperative approach, since many countries are not in a position to face the challenges individually.
- Increase availability and ensure the continuity of resources with an aim to produce public goods that can be used in more than one country and that complement agricultural research at the national level.
- Promote cooperation among different research organizations for the implementation of projects.
- Enhance participation and decision-making power in the countries of the region in connection with agricultural research activities at the international level.

BRIEF ANALYSIS BASED ON PREVIOUS CALLS FOR PROPOSALS

1998 AND 1999

- A total of 79 proposals from the 1998 and 1999 Calls were submitted to external peer evaluation according to the procedures set forth in FONTAGRO's Manual of Operations. The breakdown of the

proposals by region was as follows: Southern Cone, 22; Andean Zone, 28; Amazon and Tropical Savannas, 10; Central America, 19. Some of the proposals from Central America also encompassed the Dominican Republic and other Caribbean countries. This breakdown is an indication that the region's ability to develop projects is even. Even though the three countries that comprise the Gran Chaco (Southern Cone) megadomain are members of the Regional Fund, no proposals were received from that region.

- The distribution of projects according to priority subject areas has been rather consistent as well, with a slight preference for proposals that include genetic improvement as one of the key technologies. Improvement of business management and small-scale agricultural technologies have been relatively overlooked, despite the opportunities identified in these two areas in several megadomains.
- FONTAGRO has financed twenty-one projects from both Calls (twelve from 1998 and nine from 1999) (26% of the total number of proposals submitted to external evaluation) for a total of US\$4.2 million. On a by-region basis, six proposals came from the Southern Cone, nine from the Andean Zone and six from Central America.
- The total and partial scores of the proposals from both Calls as regards their economic impact, technical quality, institutional capacity, and environmental impact are similar. In 1998, the average score of the top ten proposals was 73.80 out of 100, compared with 77.0 in 1999. The proposals continued to score low in terms of their economic-financial-social impact, although the 1999 Call showed a noticeable improvement from 1998. In the 1998 Call, the average point loss was 52%, as opposed to 42% in 1999. According to independent evaluators, a certain number of proposals—roughly 30% of the total—showed conceptual limitations from scientific and operational perspectives.
- While the correlation between these two relatively more important technical criteria has been significant—that is, proposals that scored high on economic impact also scored high on technical quality—there have been a few exceptions. For example, in the areas of genetic resources, tropical fruits and agribusiness, there were projects of excellent scientific quality, but of low economic impact, due most likely to problems in the assessment of the economic criteria. Such was the case of some proposals received from the Amazon megadomain.
- Proposals covering two or more megadomains (multi-megadomain) have been scarce: four from the 1998 Call and two from 1999. At the regional level, priority areas have a strong impact and are cost-efficient, but require more coordination efforts in terms of both project design and implementation.

2001

- In 2001, a total of 52 proposals, showing a wide geographic distribution, were received. The Board of Directors, based on the available resources, decided to support 8 proposals of the 13 that received the highest ratings. The Board of Directors invited the applicants of the 5 remaining proposals to compete again in the 2003 Call, if they wish to.
- The table below shows a comparison of the averages obtained by the top 10 proposals rated according to the four criteria outlined by the Fund, the average of all the proposals received in every year and the maximum and minimum rating for each category and their totals.
- Although the tendencies are not dramatic, small improvements in the criterion of environmental impact and a slight deterioration in the criterion of technical quality can be observed.

YEAR	CRITERIA				TOTAL SCORING (Max: 100 pts)
	Ec-Fin-Soc Impact (Max: 40 pts)	Technical Quality (Max: 30 pts)	Institutional Capacity (Max: 20 pts)	Environnement Impact (Max: 10 pts)	
1998					
Average top 10	25.45	24.38	18.28	5.70	73.80
Total average (28*)	19.38	20.76	16.19	5.05	61.35
Max.	34.25	28.25	20.00	9.00	84.00
Min.	0.75	12.75	11.25	0.00	32.50
1999					
Average top 10	30.22	22.42	16.92	7.55	77.11
Total average (51*)	17.73	17.62	14.89	7.00	57.24
Max.	36.25	25.67	20.00	10.00	85.29
Min.	1.88	7.01	10.00	3.40	33.01
2001					
Average top 10	28.22	20.71	16.20	8.59	73.72
Total average (39*)	18.99	18.56	15.58	7.13	63.79
Max.	33.11	23.70	19.00	10.00	83.24
Min.	5.00	8.37	1.25	1.50	25.84

* Number of proposals submitted

- During the 2001 Call for Proposals, applicants did not take advantage of the invitation made by the Board of Directors to send proposals with components of added value, public and private partnerships, and procedures and products that benefit the final consumer (food security).

RECOMMENDATIONS FOR THE 2003 CALL FOR PROPOSALS

- The 1998-2000 Medium Term Plan (MTP 1998-2000) is still in effect and many of the research opportunities outlined there continue to be valid. Please refer to MTP 1998-2000.
- The value-added, private sector, and food security guidelines contained in the terms of reference of the 2001 Call can also be found within the framework of research opportunities of the MTP 1998-2000.
- FONTAGRO's Manual of Operations should be carefully studied in order to improve the overall design of the proposals and to obtain higher economic impact and technical quality scores. The consistency between the budget requested and the planned activities should also be verified.
- It is important that the proposals be prepared jointly by the national institutions and the individuals in charge from each consortium. In some instances, this process has been facilitated by regional mechanisms and institutions linked to agricultural research activities (e.g. PROCIs, CATIE, and the International Research Centers). These serve as gatherers-facilitators for the preparation of proposals. FONTAGRO's Technical-Administrative Secretariat can also contribute with this function as needed, particularly for those megadomains that lack the required mechanisms.

PRIORITY AREAS

As provided by FONTAGRO's Board of Directors, the 2003 Call will be set against the same priorities of the 2001 Call (see Table with product categories and sector activities and their corresponding key technology groups). The preparation and evaluation of the proposals will be subjected to the conditions of the Manual of Operations. A special category is maintained for the following type of research proposals:

1. Research proposals aimed at creating value added throughout agri-food chains products or processes.
2. Proposals involving joint research between the national and international public and private sectors of FONTAGRO's member countries, leading to the creation of synergies and complementarities in strategic areas of common interest to Latin America and the Caribbean.
3. Proposals with research activities revolving around processes and products that directly benefit the final consumer through the production of foods with higher and better nutritional value for consumers.

Proposals prepared according to these categories should indicate so by including the following legend underneath the title: "Additional Orientation Category". The set of proposals with this orientation will be evaluated under the same technical criteria indicated in the Manual of Operations.

CROPS/PRODUCTS AND SECTORIAL ACTIVITIES	FAMILIES OF CRITICAL TECHNOLOGIES
<i>Fruits (temperate and tropical climates)</i>	Genetic improvement Post-harvest technologies Integrated pest management
<i>Cereals, pulses and oil seeds Vegetables Industrial crops Roots and tubers Forests</i>	Genetic improvement Post-harvest technologies Genetic improvement Post-harvest technologies Biotic resources and conservation and use of biodiversity
<i>Sectorial activities</i>	Design of policies and institutional strengthening
<i>Cattle and forage</i>	Genetic improvement Optimization of the use of inputs Business management improvement Technology and production systems for small farmers
<i>Aquaculture and craft (non-industrial) fishing</i>	Optimization of the use of inputs Business management improvement Use and management of biotic natural resources Technology and production for small enterprise

IMPLEMENTATION PERIOD

Up to three years.

GRANT LIMIT AND ELIGIBLE EXPENSES

The maximum amount to be financed by FONTAGRO remains at US\$500,000 (five hundred thousand dollars) per project, and the eligible expenses are the following:

TYPE OF EXPENSE	ELEGIBILITY FOR FONTAGRO'S RESOURCES
<i>Investment in construction</i>	Not eligible
<i>Investments in equipment</i> (inputs, instruments, machinery)	Eligible up to 50% of the total cost of expected equipment, provided that these expenses will not be higher than 25% of the total cost of the project
<i>Personnel costs</i> * Payroll * Consultants or specialists (fees, travel and per diem allowances) * Travel and per diem allowances for payroll personnel	Not eligible Eligible up to 50% of the total personnel expenses expected from the project Eligible up to 20% of the total professional personnel expenses expected for the project
<i>Extension expenses</i>	Eligible up to 10% of the total budget financed by FONTAGRO

ELIGIBLE INSTITUTIONS

The institutions eligible to submit project proposals to FONTAGRO as implementing agencies are the public or private organizations of TWO or MORE of the Funds' member countries, acting as regional consortia. The consortium(a) may also include regional and international research centers, universities, and research institutions from outside the region, provided they work with member countries.

EVALUATION OF PROPOSALS AND EXECUTION OF PROJECTS

The proposals that meet the conditions set forth in this Call and that are in accordance with the Fund's Manual of Operations will be evaluated by independent experts. We suggest a careful review of the Fund's Manual of Operations and the Medium Term Plan.

PERIOD OF THE 2003 CALL FOR PROPOSALS

The proposals for research project will be received between **March 1st and April 15th, 2003**. The Technical-Administrative Secretariat will welcome at any time profile-type consultations about priorities, consortia and other operational issues related to the proposals.

METHOD OF SENDING THE PROPOSAL

Please send the proposal by E-mail to: fontagro@iadb.org

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