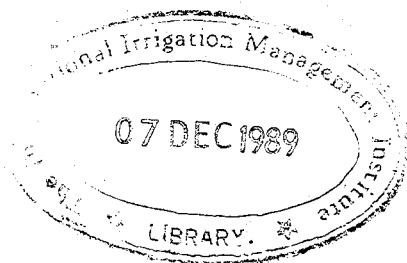


A BRIEF HISTORY OF IIMI

Prepared for the
External Review of IIMI



INTERNATIONAL IRRIGATION MANAGEMENT INSTITUTE
Colombo, Sri Lanka.

November 1989

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PREFACE

The purpose of this report is to provide a brief history of IIMI, from its inception in the late sixties and early seventies until the present time. It is divided into three chapters, each covering a different period in IIMI's evolution:

- 1) The inception phase, covering the various developments leading up to the decision to establish IIMI;
- 2) The establishment phase, covering the period between 1982 and 1984 when the Ford Foundation acted as implementing agency for the establishment of IIMI;
- 3) The institutional phase, covering the five years starting 1 January, 1985, in which IIMI has acted as an independent institute.

The report concentrates on IIMI's institutional development and summarizes the most important executive and management actions in IIMI's evolution. It does not dwell on programmatic achievements and results, since these are covered in other Institute documents, in particular the annual reports.

The report has been prepared at the request of the External Review Panel of IIMI, which will conduct the first External Program and Management Review of the Institute from November 1989 to January 1990. It is not at this time

intended for wider distribution, although copies will be made available to members of the IIMI staff, the IIMI Board of Governors, and selected other persons closely associated with IIMI's development.

In preparing this report, I have relied very heavily on the final report on the Ford Foundation's activities as implementing agency for IIMI, prepared by Ralph Cummings in January, 1985. Indeed, most of Chapters 1 and 2 on the inception and establishment phases of IIMI are drawn entirely from the Cummings report; I have simply edited the text to enable it to read as a "history" rather than a progress report, to take into account later developments, and to ensure internal consistency. In addition, in preparing the report I have consulted a number of Institute reports and documents, including in particular IIMI's Annual Reports 1984-1988; the Minutes of IIMI's Support Group meetings; and the Minutes of the meetings of the IIMI Board of Governors. Of course, any errors of fact or interpretation are my full responsibility.

Although in this document I have tried to be as objective as possible in describing IIMI's historical evolution, I am sure that some of my own biases and perceptions have inevitably found their way into the text. For this I apologize; and I trust that those readers who detect any historical inaccuracies or misleading statements will send me their comments and corrections for the record.

Roberto Lenton

November, 1989

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November, 1989

Chapter 1

The Inception Phase

The origins of IIMI can be traced back to the closing years of the 1960s, during which there was growing recognition of the need for an international effort in irrigation research and training in developing countries, along the lines of such established international agricultural research centers as IRRI and CIMMYT. One of the initiatives considered at that time was a proposal for the establishment of an "Asian Institute for Irrigated Agriculture", a key element of the conclusions of the Asian Agricultural Survey sponsored by the Asian Development Bank in 1968. The report and the recommendation for the Institute was prepared by a team consisting of internationally renowned agricultural experts, including Dr. David Hopper as Deputy Team Leader and Dr. Kunio Takase¹ as member.

The idea of an international initiative was given greater emphasis when the Bellagio Group (the precursor to the CGIAR) identified water development and utilization for food production as an important problem needing attention at its first meeting in April 1969. In response, the Ford and Rockefeller Foundations arranged a two-day seminar to consider various approaches and alternative solutions to water management problems. The seminar concluded that an international program of research and training in this field was needed to further accelerate food production. Following this meeting, a discussion paper on the subject was prepared by Drs. Maurice L. Paterson and Ralph W. Richardson, Jr. entitled "An International Water Management

¹ Later to become member of the IIMI Board of Governors

Institute - A Prospectus". A second discussion paper on the subject, entitled "Key needs for Agricultural Water Management, Research and Training in the Developing Nations", was prepared by Drs. Ellis L. Hatt and David Hopper for the Second Bellagio Meeting held in early December of that year.

The subject was on the agenda of the first and second TAC meetings held in Rome on June 29 - July 2 and October 19 - 22, 1971. The TAC recognized the importance of the problem, but was uncertain as to the method of approach and was not ready at that time to make a positive recommendation to the CGIAR. It deferred action pending the outcome of certain discussions underway, and of a literature survey on crop water requirements being undertaken by the Universities of California and Utah in cooperation with IDRC, under the direction of Dr. Dean F. Peterson².

Dr. Peterson's report, entitled "Literature Review and Discussion of Water Management in Southeast Asia", was the subject of discussion at the fifth TAC meeting held in Rome on January 30 - February 2, 1973. The report recommended the establishment of a centre to undertake the development and adaptation of technology and study the economics of the problem, both at national and farm levels, and the development of policies and institutions up to the national level (and even impinging on the international level). It was envisaged that the centre would go a long way toward improving the dialogue among civil engineers, irrigation engineers, and agronomists. However, TAC was still not ready to recommend to the CGIAR the establishment of a new center on this subject at that time, but wished to explore further

² Later to become member of the IIMI Board of Governors

the extent to which these functions might be handled by existing centers. It therefore directed that the five IARCs then operational be invited to prepare an account of their current work in water management and give an indication of their views as to what further work needed to be undertaken and the extent to which their work might be expanded.

After reviewing the responses from the IARCs, the possibility of considering the establishment of a center on irrigation management was again raised at the ninth TAC meeting held in February 1975, and was discussed extensively at the 12th, 13th and 14th meetings. A paper on "Water Use and Management" prepared by FAO at TAC's request, was available at the 14th meeting. This paper concluded that action was needed at two different levels; firstly at the field and project level, to carry out research on local adaptation of known technologies, improvement of local technologies and operational methods and identification of constraints to their adoption; and secondly at the national/international level, to initiate, guide and support the above activities as well as provide financial support, coordinate and fund field activities and programs, develop information services, and organize training. After considerable discussion, TAC concluded that water use and management deserved higher priority in the CGIAR system and should have greater resources applied to it. At this point, however, the TAC recommendation was to request the existing IARCs to devote more resources to the topic.

At the 15th meeting of TAC in 1977, some members requested that the subject again be raised to higher priority, on the grounds that the problem

could not be adequately addressed by the existing centers nor any other existing body(ies) and that it deserved high priority attention in its own right. TAC decided to arrange for preparation of additional background documentation to enable it to reach a definite decision on the matter. Dr. Hopper, who was by now President of IDRC, offered to select and deploy a highly qualified team with IDRC support to undertake this task.

The IDRC team, under the chairmanship of Sir Charles Pereira, undertook the study in 1978 and travelled extensively in both developed and developing countries, conferring with a wide range of people conversant with irrigation and water management problems. Its report recommended the establishment of an "International Centre for Research and Training in Irrigation Technology" in a developing country, with outposted divisions providing field teams to reinforce existing work on the Ganges, Indus, Nile and Euphrates-Tigris, and with additional study of the needs of the Sahel, the Maghreb countries, and Latin America. The proposal suggested concentration in the dry regions in which agriculture is not possible without irrigation. It called for a capital outlay of US\$ 14 million, and a recurring budget when fully operational after five years of US\$ 10 million annually.

The TAC appreciated the thoroughness and quality of the report but raised several questions which it felt needed further study before it could be forwarded to the CGIAR with its full and unqualified support. It therefore decided to establish a small working group, including TAC members and consultants, to consider adjustments needed in the proposal. (In addition to the TAC members and the TAC secretariat, the Working Group

included Dr. Norman R. Collins of the Ford Foundation, Mr. Fred Hotes of the World Bank, Dr. G. J. Koopman of the Royal Tropical Institute, Netherlands, Sir Charles Pereira, and Drs. H. M. Horning and Peter Dieleman of FAO). This Working Group prepared a draft proposal which was approved by the TAC for transmission to the CGIAR for discussion in a preliminary way at its meeting in October, 1980.

The discussion of the draft proposal in the crowded schedule of the CGIAR meeting was inconclusive, and the TAC asked its Chairman to request the CGIAR Chairman to convene under CGIAR auspices an ad hoc meeting of interested donors and other interested parties to discuss the issues involved and to assess further the level of interest of CGIAR members and the degree of their commitment to a water management proposal. The meeting would be asked to elaborate their reactions to and observations on TAC's proposal, indicate the direction in which the institutional approach should be developed, and give TAC better guidance on how to proceed further in addressing these issues.

The CGIAR Chairman convened the meeting of interested donors in Washington on July 20, 1981 under the chairmanship of Dr. Robert Cunningham³. At this meeting, it was decided that TAC should recruit a small task force composed of an agriculturist, an engineer and a social economist who would, under terms of reference agreed upon at the meeting, consider the background information available, make visits to selected countries and irrigation projects, identify gaps in the existing situation, and formulate alternative

³ Later to become member of the IIMI Board of Governors

courses of action for CGIAR support in this area (from no involvement to full institute development), with the pros and cons of the various possible alternatives. The task force was to work under the guidance of a steering committee which would meet with them at the beginning of their task and again when the studies were nearing completion.

The Task Force, which was chaired by Ir. F. E. Schulze⁴ (then Director of the International Land Reclamation Institute, The Netherlands), included Mr. Philip Kirpich (then Senior Consultant with the World Bank) and Dr. Robert Chambers (then with the Ford Foundation, New Delhi) as members. It began its work in October 1981 and completed its report in February 1982. The report was considered by the TAC at its 27th meeting in Los Banos, Philippines on March 9 - 17, 1982. After careful consideration of this report, the TAC at this meeting decided to recommend the establishment of an International Irrigation Management Institute to the CGIAR.

The TAC's recommendations were considered by the CGIAR at its meeting in Paris in May 1982. The CGIAR reiterated its conviction that the subject of irrigation management deserved the highest possible priority. It also considered that the approach suggested by the Study Team was a viable basis for addressing the problem. The Group concluded, however, that for financial reasons it was not prudent to add any new initiative to the group of activities it was supporting, which were already under budgetary pressure. It was suggested that irrigation water management would appear to merit the

⁴ Later to become member of the IIMI Board of Governors

highest priority for the next activity which might be considered by the Group in the future. The interested members of the Group were encouraged to explore the possibilities of developing an international program on irrigation management embodying the principles set forth in the TAC recommendations, outside the formal sponsorship of the CGIAR, and mobilizing additional resources for the purpose.

Chapter 2

The Establishment Phase

Initial Explorations

At the close of the CGIAR meeting (on May 26, 1982), a group of CGIAR members who had expressed positive support for the establishment of the International Irrigation Management Institute held an informal meeting to consider follow-up action. The group reaffirmed its conviction as to the importance of the problem and the validity of the proposal, agreed that its feasibility should be explored seriously, and requested the Ford Foundation to undertake this exploration on its behalf and to report back its findings by the time of the CGIAR meetings in November. The Ford Foundation agreed to this request and engaged the services of Dr. Ralph W. Cummings (who had been Chairman of TAC during the years in which TAC had recommended the establishment of an international irrigation institute) as a consultant to undertake the task, with the understanding that he would have the necessary support of the New York office staff of the Ford Foundation and that of the staff of its field offices.

During the interval between May and November, 1982, Dr. Cummings visited four Asian countries - India, Pakistan, Philippines, and Sri Lanka - which were considered as among the potential headquarters hosts for an international irrigation management institute, to ascertain the extent of their interest as active participants in a program of this type and as possible hosts for the institute, if established.

Dr. Cummings' first visit was to India, where he was assisted by several staff of the Delhi office of the Ford Foundation in making arrangements and in participating in discussions with the Indian authorities concerned. Among those contacted by Dr. Cummings and staff of the Ford Foundation on this visit were Dr. C. C. Patel, Secretary of Irrigation and Power; Dr. O. P. Gautam, Director General and Dr. Maharaj Singh, Deputy Director General, Indian Council of Agricultural Research (ICAR); Mr. S. B. Chavan, Deputy Chairman and Minister, Dr. C. Hanamantha Rao, Member, and Dr. Kissen Kanungo, Agricultural Adviser, Planning Commission; and representatives of several multi-lateral and bilateral assistance agencies. The general reaction at that time appeared quite positive and favorable. The reaction of Government to the proposal was requested in a letter of July 9, 1982 from Dr. Cummings to Drs. O. P. Gautam and C. C. Patel.

Dr Cummings and Roberto Lenton of the Delhi office then visited Sri Lanka (where preliminary discussions with Government officials had previously been initiated by Drs. Chen, Seckler, and Chambers of the same office), informing the Government of that country of the basic concepts of the proposed institute. The Government arranged a two-day field trip with Mr. Nanda Abeywickrema (then Secretary for Lands and Land Development) and Mr. Godfrey de Silva (then an official of the Mahaweli Development Ministry), which included a helicopter tour of the Mahaweli system and on-site visits to a major irrigation project, the Digana village (a potential headquarters facility), and the Ministry of Agriculture research and extension headquarters in Kandy. On their return to Colombo, Drs. Cummings and Lenton

met and discussed the proposed institute concept with other Government officials and the President, as well as with some of the donor representatives in the country. They were assured of a cordial outlook and positive welcome for future cooperation and the hope that Sri Lanka would be chosen as the headquarters country.

Dr. Cummings then visited Pakistan, where arrangements were coordinated by Dr. Amir Muhammed, Chairman of the Pakistan Agricultural Research Council (PARC) and Secretary to Government for Agricultural Research. The concepts for the Institute were discussed in a joint meeting of the PARC Chairman and the additional Secretaries of Irrigation, Agriculture, and Planning, and in a meeting with the Minister of Agriculture. Dr. Amir Muhammed, who had been a participant in the previous CGIAR meetings in which the irrigation management institute concept had been proposed, had fully informed his colleagues on the subject. All concerned seemed to be in agreement and wished the Institute to be established with its headquarters hopefully in Pakistan. Assurance was given that the Institute would have the full support and cooperation from all agencies concerned and that all the necessary conditions would be provided.

Dr. Cummings' last visit was to the Philippines, where discussions were held with the National Irrigation Administration, the Ministry of Agriculture, the International Rice Research Institute, the South East Asian Center for Research and Graduate Education in Agriculture, the Asian Development Bank, USAID, and the UNDP representative. Dr. Cummings and Dr. Francis Korten of the Ford Foundation were informed at that time of a

proposal under consideration for the establishment of a Center for Irrigation System Management for ASEAN (CISMA), with headquarters in the Philippines. The proposal was quite similar in principle and outline to that of the international institute proposal, but with a somewhat larger staff and budget, and designed to coordinate efforts in this field for the ASEAN countries - Indonesia, Malaysia, Philippines, and Thailand - with a formal association with ASEAN. At this time, and for a period thereafter, an integral relationship with the international institute was implied.

Upon the completion of these exploratory visits, Dr. Cummings convened a meeting of a small group of interested donors with representation in the North American continent. The group, which met at the Ford Foundation offices in New York on 6 August, 1982, reviewed progress and plans and provided counsel as to further action to be taken in the near future. Following this meeting, all those who participated in the ad-hoc meeting in Paris on 26 May were contacted and requested to explore prospects for financial support from their own organizations. They were also invited to come to a meeting of interested parties to be held in Washington, DC, on November 4 and 5, just preceding the CGIAR meetings, to determine the feasibility of establishing the Institute.

The November 1982 Meeting

The most important outcome of this meeting, which was chaired by Mr. William Mashler of UNDP, was that the International Irrigation Management

Institute Support Group came into being through an informal understanding arrived at by mutual consent by the meeting participants. The nature of the Support Group was recorded in the minutes of that meeting as follows:

1. Name - The International Irrigation Management Institute (IIMI) Support Group
2. Membership - Representatives of those agencies providing support (multi-nationally, bilaterally or nationally; in funds or in kind) to the IIMI program. Initially, they would consist of:

Aga Khan Foundation	Italy	United Kingdom
Asian Development Bank	Netherlands	UNDP
Australia	Pakistan	USA
France	Philippines	World Bank
Ford Foundation	Sri Lanka	FAO (observer)
IDRC	Rockefeller Brothers	
IFAD	Rockefeller Foundation	
India		
3. Organization - Informal. The chairman would be elected for each meeting. Secretariat functions would be provided initially by the Ford Foundation.
4. Fund Custodian - The World Bank, until such time as the Institute was fully constituted and operational.
5. Meetings - The Support Group would meet at least once annually, the regular meeting normally being held during or around Centers Week.

6. Purpose - The establishment and support of an International Irrigation Management Institute for research and training with a core headquarters unit and a series of cooperating units based in nationally operating irrigation systems, along the general lines recommended by TAC to the CGIAR in May, 1982.
7. Activities - The Group would undertake to provide support for the establishment and continuing operation of IIMI. It would agree collectively on the approved budget levels, authorize the necessary actions for establishment of the institute, agree on initial policies, and arrange for the creation of a continuing governing board, and do such other things as may be necessary to assure the proper establishment of the institute.
8. Delegation - The Support Group would delegate such powers and responsibilities as it may deem proper and appropriate to an implementing agency designated by it to a Governing Board when established, and to other persons or bodies as may seem appropriate, proper, and desirable.
9. Dissolution - In case of dissolution for any reason, the Support Group at the meeting deciding upon its dissolution would determine the distribution of any assets held by it at that time. In case IIMI should, at any time, be included among the IARC's supported by the CGIAR, this group would become a sub-committee of the CGIAR for IIMI.

The Group estimated a budget requirement for the first five years of operation of approximately US\$ 12 million. Indications given by the participants was sufficiently favorable to warrant a decision to proceed with establishment of the Institute. The Ford Foundation was therefore delegated responsibility to serve as the implementing agency to take the necessary steps, on behalf of the Group, to bring the Institute into being as a legally constituted operational body. The World Bank (with its prior consent confirmed at the meeting) was designated as interim fund custodian to handle the funds contributed to support the Institute until such time as the Institute was formally constituted, organized, and in a position to fulfil this function in a proper legal manner.

The implementing agency was also authorized to proceed with drawing up a charter for the Institute, and to enter into negotiations with the potential headquarters host country(ies) looking toward an official host country agreement. To this end, the Implementing Agency was instructed to explore with India the feasibility of establishing the Institute's headquarters in that country. However, the Agency was also instructed that in case the India location had not proved feasible by March, 1983, negotiations should be initiated with Sri Lanka. Procedures were also set in motion for the selection of the institute's Governing Board and for the identification of candidates for Director General.

(The 5 November, 1982, meeting constituted the first meeting of the IIMI Support Group. Since that time until the present, thirteen Support Group

meetings have been held - five during the establishment period, and eight since IIMI has acted independently. Meetings are now generally held on an annual basis; however, during the establishment period meetings were held twice a year. Three persons have served as Chairman of the Support Group: Mr. William Mashler of UNDP from 1982 to 1986; Dr. G. Edward Schuh of the World Bank from 1986 to 1988; and Dr. Michel Petit, also of the World Bank, from 1988 until the present time).

Negotiations with India, Sri Lanka, and Pakistan

Shortly after the meeting at which India was identified as a preferred location for the IIMI headquarters, Dr. Cummings addressed a letter to Dr. O. P. Gautam and Mr. M. G. Padhye (newly appointed Secretary to the Ministry of Irrigation and Power of India) informing them of the decisions of the Support Group and opening discussions concerning their implementation. Active discussions on the subject were pursued between Ford Foundation staff in New Delhi and Indian Government officials over the following several weeks, and in January, Dr. Cummings returned to India to join in these discussions. Over the following several weeks, wide ranging discussions were carried out with representatives of the Ministry of Irrigation and Power, the Indian Council of Agricultural Research, the Ministry of Science and Technology, the Planning Commission, and others. However, the final result was a decision on the part of the Government, conveyed in a letter of 28 March 1983 from the Secretary, Irrigation and Power, to the effect that India would not be prepared to host the headquarters of the Institute at that time.

As soon as India's decision on this matter was made, discussions were initiated (on March 29, 1983) with the Government of Sri Lanka with a view to working out an agreement for establishing the IIMI headquarters in that country. In meetings with the Minister of Lands and Land Development and Mahaweli Development and the Secretary for Lands and Land Development, outlining the proposal for IIMI and the basic requirements, the Implementing Agency was assured that Sri Lanka would warmly welcome the possibility of hosting the Institute headquarters, and would provide all the needed facilities, privileges, immunities, and operating conditions. Accordingly, a first draft of a Memorandum of Understanding was prepared and presented to Government on April 1, 1983. (With modifications worked out in mutual discussions -- and with advice of legal counsel in the Government, a Sri Lankan attorney engaged by the Implementing Agency, and the Legal Department of the Ford Foundation -- a final draft of the Memorandum of Agreement between the Government of Sri Lanka Cabinet was prepared on July 27, 1983. This memorandum was formally signed on September 1, 1982, by Dr. Lincoln Chen on behalf of the Implementing Agency and Mr. Nanda Abeywickrema for the Government of Sri Lanka).

Immediately following the initiation of negotiations with Sri Lanka for hosting the headquarters of IIMI, Dr. Cummings visited Pakistan on April 2-4, 1983, to inform Pakistani officials on the current status and to consider with them the possibility of developing a cooperating and participating unit in that country. During his visit, Dr. Cummings met with Dr. Amir Muhammed, Chairman PARC; Mr. Manzoor Ahmed, then Additional Secretary, Ministry of

Agriculture; Vice Admiral Fazil Janjua, then Minister of Agriculture; and the then President of Pakistan, General Mohammad Zia-Ul-Haq. A draft memorandum of agreement prepared to that effect served as a basis for the discussions.

An important feature of these meetings was that the Pakistan officials reiterated their wish to host the principal headquarters of the Institute. They stressed the value of the Institute to Pakistan and of the Institute in Pakistan to others; saw no insurmountable obstacles to meeting all the necessary conditions set forth with respect to privileges and immunities, tax and customs exemptions, freedom of movement, access, and choice of research topics and methods; and felt that, on technical grounds, they had a compelling case to be chosen as the location for the principal headquarters. For these reasons, they pressed for a reconsideration on the headquarters location. In response, Dr. Cummings indicated that it would be very difficult to change the present course at present and that he had no authority for doing so, noting that the Support Group had instructed that, after India, the Implementing Agency should proceed with negotiations with Sri Lanka. Nevertheless, Pakistan officials indicated that although they were very much interested in the Institute concept, they were not prepared to take up the question of a cooperating unit prior to a possible reconsideration of the headquarters location at the May meeting of the Support Group. (At the May meeting the previous decisions of the Group were re-confirmed, although assurance was given of the recognized need for a major cooperating and participating unit in Pakistan. This position was supported in the first meeting of the Governing Board and led to the creation of IIMI-Pakistan, as described in a later section of this report).

Although the actions of the implementing agency during this period concentrated on India, Sri Lanka, and Pakistan, efforts were made to keep in touch with developments in the Philippines. As indicated earlier, Dr. Cummings visited the Philippines during his exploratory studies in the summer of 1982 and found that plans were already in an advanced stage for the establishment of a regional program, the Center for Irrigation Systems Management for ASEAN (CISMA). Dr. Lenton of the Ford Foundation then attended a workshop involving representatives of the four ASEAN countries held in Manila in December, 1982, at which time a decision was made to ask the National Irrigation Administration of the Philippines to assume the lead role in further development and implementation of the proposal. Dr. Cummings visited the Philippines again in February 1983 on invitation of the Philippines authorities for further discussion of the proposal. However, the ultimate conclusion was that the Economic Ministers of ASEAN and the ASEAN Committee on Food, Agriculture, and Forestry, who were the promoters of CISMA, decided that CISMA should be developed as an independent ASEAN regional initiative, with only informal relations with IIMI. (This decision turned out to have little practical significance, since the ASEAN Economic Ministers were later unable to raise the necessary funding for the establishment of CISMA).

Appointment of the Initial Board of Governors and Senior Staff

At the second meeting of the Support Group held in Paris in May 1983, fourteen nominees were selected for the IIMI Governing Board. These were:

Dr. R.K. Cunningham, UK (later appointed Chairman)
 Dr. Amir Muhammed, Pakistan (later appointed Vice Chairman)
 Prof. Abdalla Ahmed Abdalla, Sudan
 Mr. Nanda Abeywickrema, Sri Lanka
 Eng. Benjamin U. Bagadion, Philippines
 Mr. David Bell, U.S.A.
 Dr. Kamla Chowdhry, India
 Dr. Gilbert Manuellan, France
 Dr. Moise Mensah, Benin (IFAD)
 Dr. Dean Peterson, U.S.A.
 Ir. F.E. Schulze, Netherlands
 Dr. Kunio Takase, Japan (Asian Development Bank)
 Dr. Thomas Wickham, U.S.A.

Dr. Guy Le Moigne of the World Bank attended the first meeting of the Board as an observer and was appointed member at that time. In addition, the President of the International Commission on Irrigation and Drainage (then Mr. W. Robert Rangeley), and a representative of the FAO (then Dr. Peter Dieleman) were recognized as official observers. (Several changes in Board membership took place during the early years of IIMI's development. These included the resignation of Dr. Mensah in 1984; the resignation of Ir. F.E. Schulze to join the staff as Director, International Programs in 1986; and the addition of representatives from Africa and Latin America, Drs. Letitia Obeng of Ghana and Carlos Grassi of Venezuela).

The Governing Board held its first meeting in Sri Lanka in September 1983. Its first Executive committee meeting was held in early 1984, as was the first meeting of its Program Committee. The Board at its first meeting

established a Selection Committee that was entrusted with the task of selecting IIMI's first Director General, and a Working Group on "Participating and Cooperating Units and Other Methods of Collaboration" that was set up under the chairmanship of Dr. Kamla Chowdhry to examine IIMI's outreach operations. (This Group met in Pakistan in November 1983 and reported to the second meeting of the Governing Board in June 1984. The Board then authorized the Director General to send a design team to Pakistan to develop more precise and detailed parameters for the Pakistan unit and to develop the basis for formal action by the Board with respect to its establishment. The design team visited Pakistan in November 1984 and completed its report and recommendations in early December 1984).

At its first meeting, the Board requested Dr. Cummings to serve as interim Acting Director General, pending the selection and posting of the Director General. In November 1983 Dr. Thomas Wickham was selected as Director General and assumed duty on a full time basis as of June 15, 1984. Dr. Wickham, in turn, appointed a small group of senior internationally-recruited staff, who took up their positions at IIMI's headquarters in the latter part of 1984. These included three scientific officers - Drs. Senen Miranda, Leslie Small, and David Groenfeldt (on secondment from the Rockefeller Foundation) -- and an administrative officer, Mr. Michael Jones. IIMI also appointed several key locally-recruited staff, including Mr. Laksiri Abeysekera as Finance Officer and Ms. Jennifer Cramer as Executive Assistant to the Director General.

Preparation of IIMI Charter

With assistance of legal counsel, a draft charter for IIMI was prepared for consideration by the IIMI Support Group at its third meeting in October, 1983. Initially, drawing on the precedent of some other centers (ICRISAT, for example), it had been anticipated that the charter, endorsed by the IIMI Support Group, would bring IIMI into force as a proper international organization upon signature of the charter by representatives of two or more international sponsoring organizations. Legal counsel, however, indicated that this would not suffice and that to become a proper international organization, it would have to be a part of a duly constituted body of the United Nations or like body, or would need to be created under a treaty between two or more nations. The designation " - organization, international in character - " was therefore preferred.

The draft charter was circulated to members of the Support Group for comments and suggestions under the assumption that it would come into force as of December 15, 1983, after the members had had an opportunity to study and comment on it. Suggestions for improvement or clarification were made by several members, among which was the question of the ability of the Support Group, an informal body without legal personality, to bring the charter into force. Article 27 of the Charter was therefore re-written to state that "This Charter, the general terms of which have been reviewed and accepted by the members of the Support Group, shall enter into force upon the establishment and recognition of the Institute by official action of the Government of Sri Lanka". With the incorporation of these and other

pertinent suggestions, the draft of the Charter was finalized in January, 1984.

The Government of Sri Lanka officially ratified the Charter on May 31, 1984, under notification by the Acting Minister of Foreign Affairs. "A bill to establish the International Irrigation Management Institute and for matters connected therewith or incidental thereto" was enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka on November 30, 1984. This legislation formally established the International Irrigation Management Institute as a body corporate, international in character, having legal status and enjoying the privileges, immunities, and character in Sri Lanka as set forth in the Memorandum of Agreement and the Charter.

Chapter 3

The Institutional Phase

Introduction

IIMI commenced activities as an independent Institute on 1 January, 1985, when the Institute, a legally constituted body with its own functioning Governing Board, headquarters offices, Director General, and nuclear staff indicated that it was ready to assume full operating responsibilities. At that time, the formal responsibilities of the Ford Foundation as implementing agency for IIMI came to an end. The Ford Foundation prepared a final report on its activities, and the Board and Management of IIMI assumed full responsibility for the administrative, financial and program affairs of the Institute.

This chapter describes the evolution of the Institute in the five years that it has acted independently. It is divided into two parts. The first part summarizes the events that took place in 1985 and 1986, during which the Institute undertook a number of initial steps to get things started. The second part describes the events of 1987 to 1989, when IIMI formulated its institutional strategy and implemented the organizational structure that is in place today.

The First Two Years (1985-86)

Attention in the earlier years of IIMI focussed on five critical issues: (1) hiring staff; (2) designing IIMI's research program; (3) developing IIMI's headquarters facilities (4) signing Memoranda of Understanding and Project Agreements in countries outside IIMI's headquarters; and (5) developing the Institute's financial resources. Each of these is described below.

Initial Staff Appointments: As described earlier, in early 1985 IIMI's senior professional staff included only the Director General, the Director of Administration, an Agricultural Engineer, an Agricultural Economist, and an Anthropologist (seconded by the Rockefeller Foundation). Thus, in IIMI's first year an enormous amount of effort on the part of the Director General and the senior staff was needed to develop IIMI's staff resources. These efforts resulted in the rapid growth of IIMI's professional staff, which was to include by the end of 1985 11 senior professional staff at headquarters (2 agricultural economists, 4 engineers, 2 social scientists, 1 agricultural scientist, 1 administrative officer, and 1 communications officer). Staff hired during this period included Drs. Robert Cowell, Ed Martin, Douglas Merrey, and P.S. Rao at headquarters, and Drs. Fred Valera, Robert Yoder, and Sam Johnson in the Philippines, Nepal, and Indonesia, respectively. In addition, IIMI secured the services of Mr. Daniel Berthery through secondment from the Government of France. During this period, the Institute also appointed about 45 nationally-recruited staff at headquarters.

Research Design: Starting in early 1985, IIMI held a series of international workshops and staff discussions designed to identify research priorities and specify the program topics on which IIMI should focus. As a result of these workshops and staff discussions, IIMI decided to concentrate on (1) field research with the aim of generating new understandings about managing irrigation systems, (2) providing a forum for interaction with irrigation managers, and (3) supporting on-the-job training for researchers from developing countries. The Institute also identified three initial program areas for research: system management, rehabilitation and improvement for management, and farmer-managed irrigation systems. IIMI further defined five management dimensions which cut across these three areas; each of which was closely related to the disciplines represented by IIMI's research staff. These were the physical, institutional and social, biological, information, and financial dimensions.

Based on this initial program design, in April 1985 IIMI commenced its first field research activities at a site in Sri Lanka's North Central Province containing three irrigation systems, located about 75 kilometers from IIMI's headquarters in Kandy. Research focussed on identifying and field testing irrigation management practices appropriate for diversified cropping. IIMI also commenced an important regional study to review the experience in five Asian countries regarding options for financing the operational costs of irrigation systems.

Complementing its research efforts, in 1985 IIMI also initiated a professional development program, appointing one of its senior research staff

as a half-time professional development coordinator. In its first year of independent operations, IIMI held five international workshops and seminars and organized and co-sponsored with the World Bank's Economic Development Institute the first of three six-week training courses on Planning and Management of Irrigation Schemes in Asia. In addition, IIMI sponsored several PhD and Masters students.

Establishment of IIMI Headquarters Facilities in Sri Lanka

At its first meeting in September 1983, the IIMI Board of Governors accepted the implementing agency's recommendation to establish the principal headquarters of IIMI at Digana Village near Kandy, Sri Lanka, in the facilities earlier constructed to house the staff of the builders of the Victoria Falls Project. The Government agreed to make available for the exclusive use of IIMI approximately 10 hectares of land with buildings thereon (and including the area on which the colony hospital and a group of "bachelor quarters" were located) in and adjacent to the Digana Village. IIMI was also allocated approximately 80 residences in the colony for use of its staff, and given access to and use of the staff club, and recreational, guest house, and other common facilities of the village. In addition, the Government agreed to provide approximately \$ 1 million, through a World Bank credit to a Major Irrigation Rehabilitation Project, to construct additional facilities for a headquarters building.

A limited amount of these facilities were released to IIMI on an interim basis in June 1984, when the newly appointed Director General of IIMI took up residency in Sri Lanka. However, the entire quantum of facilities required for the IIMI headquarters were not made available to IIMI until after the Victoria Falls Project was completed and the facilities released by the Victoria Falls contractors in 1986. For this reason, in its first few months of operations IIMI operated out of residential facilities in Digana Village, moving to a major part of a 50-room dormitory complex (which was transformed into temporary offices) in 1985. Nevertheless, because of a delay in the completion of the Victoria project, housing and office space for IIMI staff were seriously limited for an extended period. By early 1986, however, the contractor had commenced vacating its premises in the village, and IIMI was able to expand its access to physical facilities.

Regarding administrative arrangements, in IIMI's early years Digana Village was administered and maintained by the major contractor on the Victoria Project. In 1986, however, IIMI took over the management of the facilities in Digana Village, including not only the temporary offices of the Institute, but also the school, clinic, guest house complex, restaurant, sports facilities, meeting rooms, and shopping complex. This proved to be a managerial burden, as described in later sections.

Establishment of Overseas Programs: Shortly after IIMI commenced operations in Sri Lanka, IIMI's Director General and staff gave substantial emphasis to fully developing the concept that IIMI's strengths would stand from its decentralized nature and its emphasis on collaboration with national

agencies. Within seven months of the Institute's establishment in Sri Lanka, IIMI started an associated program in the Philippines through a resident scientist and a small team. Furthermore, by the end of 1985, IIMI had posted resident scientists in both Indonesia and in Nepal and had laid the groundwork with the Government of Pakistan to establish a collaborating and participating unit of the Institute near Lahore.

In February 1985, IIMI started the first phase of what was to be a four-year study in the Philippines on the constraints to producing non-rice crops within irrigation systems designed for rice. The project, supported by the Asian Development Bank, enabled the Institute to hire its first resident scientist as project coordinator, and to interact with several Filipino agencies, including in particular the National Irrigation Administration.

With its core resources and a second grant from the Asian Development Bank, IIMI recruited in October 1985 a resident scientist and a post-doctoral fellow to manage its research activities in Indonesia. The research initially explored irrigation management practices for crop diversification and institutional issues in system management and performance, although it was later expanded to include issues of system turnover.

In October 1985, the Institute began a program to support research on farmer-managed systems in regions of Nepal with extensive hill irrigation. Support for this program was provided by the Ford Foundation, the International Fund for Agricultural Development, and IIMI's core budget. The program was conducted in cooperation with the Water and Energy Commission

Secretariat of the Government of Nepal, with whom IIMI signed a Memorandum of Understanding.

An important component of IIMI's exploratory activities in this initial stage was the development of a program in Africa. Encouraged by strong expressions of interest on the part of IIMI's Support Group and Board of Governors, in early 1985 IIMI staff began developing a long-term strategy for its work in Africa. As part of that process, the Institute carried out three missions and six individual visits to different parts of Africa during 1985. These visits included a May 1985 visit by an IIMI team led by the Director General to Morocco, and two exploratory missions, one to West Africa in June and another to East Africa in November, which visited Senegal, Mali, Burkina Faso, Niger, Madagascar, Sudan, Zambia, and Zimbabwe. IIMI's first strategy paper for Africa was completed in January 1986, and the following June the Institute's Board of Governors approved the placement of resident staff in Sudan and Morocco and the establishment of a small regional office in West Africa.

IIMI's initial geographic expansion was completed in September, 1986, when a Memorandum of Agreement was signed with the Government of Pakistan providing the necessary framework for the establishment of IIMI-Pakistan. The unit was initially staffed by a Director, an Interim Director of Administration, two senior scientists, and a small number of support staff. An excellent headquarters building was rented in central Lahore, and field sites were established in Punjab. Collaborative agreements were established shortly thereafter with the irrigation and agriculture departments of Punjab.

Funding was initially provided by a grant from IFAD and support from IIMI's core budget, although during 1987 substantially increased funding was made available by USAID.

IIMI's geographical expansion significantly increased the management needs of the Institute, and as a result several steps were taken to strengthen the Institute's management capacity. These included the appointment in late 1986 of Dr. Roberto Lenton as Deputy Director General, Ir. F.E. Schulze as Director, International Programs, and Dr. Jim Wolf as Director, IIMI Pakistan. Steps were also taken to identify a new Director of Finance and Administration to take responsibility for the increasingly complex financial and administrative needs of the Institute. (Dan Goodman, Jr., who was selected for the position, assumed responsibility in April 1987).

Developing Financial Resources: Consolidating and expanding IIMI's financial support base was a key activity of IIMI's Director General in the early stages of IIMI's development. In 1985, IIMI was able to increase its income to a total of \$ 2.3 million, up from \$ 0.74 million in 1984. However, by early 1986 it became apparent that IIMI faced serious difficulties on the financial front. IIMI's financial crisis and its consequences are discussed in the following paragraphs.

Although at the first meeting of the IIMI Support Group in 1982, the donor members of the group had pledged to support the Institute's core funding requirements for its initial five years, by early 1986 it became

apparent that the Institute was facing a severe short-fall in funding. Indeed, by June of that year it became obvious that financial support for IIMI in 1986 did not match the program approved at the previous Support Group meeting, and that the prospects for funding in 1987 were at best uncertain.

The shortfall in IIMI's 1986 budget of US \$2.86 million resulted from the fact that only approximately US \$1.5 million of the US\$2.7 million pledged during the October 1985 Support Group Meeting could be considered "core" or "restricted core" support, and that actual receipts for 1986 were somewhat less than those indicated at the Support Group meeting. However, largely as a result of the Ford Foundation's willingness to advance the date of its second major grant to the Institute (the first being US \$1.5 million for 1984-86), and of the fact that IIMI did not operate at full staff strength throughout 1986, IIMI was able to take the necessary steps to match income with expenditures during calendar year 1986. Thus, IIMI's 1986 shortfall, though serious, was generally resolvable. The same could not however be said for 1987.

By the time of the June 1986 meeting of the IIMI Board of Governors it had become clear that the Institute's financial prospects for 1987 were very poor. If "central" support for 1987 did not exceed that indicated at the 1985 Support Group meeting for 1986 (approximately US \$1.4 million), barely half of the Institute's central support needs for 1987 would be met. Not surprisingly, therefore, IIMI's financial situation dominated discussion at the June 1986 Board meeting.

Faced with imminent financial collapse as a result of the large gap between income and expenditures, and recognizing that a conventional presentation to the Support Group would not close this gap, the Board at this meeting decided to propose to the Support Group an approach that would develop all potential sources of support as fully as possible. This approach included attracting active new members to the Support Group, seeking increased support wherever possible from IIMI's long standing supporters, and developing ways in which special projects could meet some of the Institute's central support costs. In view of the pressing nature of the crisis, the Board asked the Director General to prepare a letter to all Support Group members explaining IIMI's financial situation and discussing financial prospects, and to prepare the 1987 Program and Budget paper in a new style clearly identifying the financial crisis that IIMI faced.

It was thus amidst a climate of considerable financial uncertainty that the October 1986 Support Group meeting was held. In the end, however, this meeting proved to be a turning point for IIMI, in that it helped focus attention on IIMI's financial difficulties. As a result of discussions that took place during and around the Support Group meeting, in the next several months several actions were taken by various members of IIMI's Support Group which helped ease the crisis considerably. These actions included:

- > The World Bank agreed to provide US \$ 1.6 million out of a total of US \$2.0 million of a specially constituted bridging fund. (This special bridging fund was earmarked as the World Bank's contribution to the core budgets of several non-associated centers

working on natural resources management). Of these \$ 1.6 million, \$ 850,000 were allocated to meet IIMI's expenditures during 1987, with the remaining \$750,000 allocated for 1988.

- > The Ford Foundation agreed to provide an additional "bridging" grant of \$ 300,000 for 1987, which was coupled to a supplementary grant for 1988 and 1989 totalling \$ 800,000.

- > The International Fund for Agricultural Development (IFAD), the Asian Development Bank (ADB), the US Agency for International Development (USAID), and several other donors approved restricted core or special projects designed to support major components of IIMI's activities. In addition, the Government of Germany joined IFAD in co-sponsoring a major IIMI activity in the field of farmer-managed irrigation systems.

- > The Rockefeller Foundation approved support for a major collaborative program with the International Rice Research Institute (IRRI), which included support for IIMI's central research leadership costs.

As a result of the actions undertaken by IIMI's donors, the rigorous application of cost saving measures by the Institute, and the ability to hold the allocation to IIMI Pakistan to a minimum as a result of the approval of a USAID grant for that program, IIMI was able to successfully balance its 1987 core income and expenditures. In the end, total core funding for 1987

amounted to \$ 2.457 million, while its core expenditures were reduced to a level of \$2.404 million, thus making it possible for IIMI not only to meet all its expenditures but also to make a small addition to its reserves.

In retrospect, IIMI's financial crisis and the steps taken to resolve it had healthy consequences in the long run, in that they helped IIMI to sharpen its program and develop a more realistic and sustainable financial strategy based on a combination of unrestricted grants, restricted funds, and the recovery of indirect costs through an indirect cost charge on all grants. (Since 1987, IIMI has used both unrestricted and restricted income to good effect, enabling it to substantially increase its total annual income, achieve more varied objectives and operate on a more flexible workplan than would have been possible under its earlier financial plan).

The Latter Years (1987-89)

Attention in these latter years of IIMI's development has focussed on the development of IIMI's institutional strategy, the implementation of IIMI's new organizational structure, the consolidation of IIMI's financial resources, the further geographical expansion of IIMI's program, the growth of IIMI's human resources, the change in the location of IIMI's headquarters, and the response to the changing directions of the CGIAR system. These and other actions which have helped shape the way the Institute is today are described below. First, however, the World Bank reviews of IIMI conducted in early 1987 are described, since both directly

and indirectly they had a significant impact on the later evolution of the Institute.

The World Bank Reviews: IIMI's efforts to attract support for its program from the World Bank in late 1986 resulted in two major reviews of IIMI's operations, one in January 1987 and another in May of the same year. The Review Missions were initiated by the World Bank as a precondition for obtaining Bank funding for IIMI's activities, and charged with the task of critically reviewing IIMI's activities and generating a report which provided a frank appraisal of IIMI in a manner which would be helpful to IIMI's management. The second of the two missions was conducted by Messrs. Kirmani and Rangeley; this Mission Report was presented to the IIMI Support Group in May and discussed at the Board of Governors meeting in June.

The Review Mission Report contained a very thorough analysis of IIMI's program and management capacity, and raised a number of important issues including:

- The balance between "core" research activities and special projects, and the manner in which IIMI selected its country activities.

- Communications with and management of a geographically dispersed professional staff.

- IIMI's capacity to present issues to its Board with the proper depth and quality.

- IIMI's comparative advantage in the areas of irrigation management training and information.

- IIMI's headquarters location and arrangements for facilities management.

IIMI's Board discussed the Kirmani-Rangeley Report in depth at its June 1987 meeting, and decided that the main difference that the IIMI Board had with the authors of the Kirmani-Rangeley Report involved the basic concept of IIMI. Whereas the Board viewed IIMI as an organization with its own "core" irrigation management activities, the authors of the Kirmani-Rangeley Report appeared to favor an organization which should manage a portfolio of specially funded irrigation management projects. Resolving these divergent viewpoints thus became a central issue in the preparation of IIMI's strategy, as described in later sections.

Overall, the Kirmani-Rangeley Report proved to be of great value to IIMI. By the end of 1987, IIMI had already made progress in implementing many of the report's recommendations: for example, IIMI had reached an agreement with the Government of Sri Lanka which relieved it of the responsibility for managing Digana Village while at the same time reducing the cost of IIMI's presence in the Village; and IIMI's 1988 Program and Budget Paper reflected the Kirmani-Rangeley Report's recommendations

regarding professional development and information. In addition, many of the issues and recommendations contained in the Kirmani-Rangeley Report had an important impact on the future development of IIMI's strategy.

Appointment of Second Director General: When Dr. Wickham had been selected as IIMI's first Director General, he had indicated that he would not be able to work overseas for more than an initial three-year establishment period. Thus, it was no surprise when, at the June 1986 Board meeting, Dr. Wickham announced that he could not renew his assignment with IIMI when it expired in June 1987. At that meeting the IIMI Board accepted Dr. Wickham's resignation and set up a Search Committee under the chairmanship of Professor Dean Peterson of Utah State University to find a successor to Dr. Wickham, to assume office in June, 1987.

The Search Committee subsequently recommended Dr. Roberto Lenton for the position. He assumed his new duties in June 1987 after formal appointment by the full Governing Board of IIMI.

Development of IIMI's Strategy and Structure: One of the new Director General's first actions was to initiate the development of a long term strategy to clarify and define IIMI's proposed directions and operating characteristics. From that time until September 1988, when IIMI's Strategy was completed, substantial resources were devoted to this task, with considerable assistance from consultants and the CGIAR Secretariat. Strong Board and staff participation in the development of IIMI's strategy contributed to staff motivation, helped develop a broad consensus on the

Institute's proposed directions, and significantly shaped thinking on many strategic matters. Client views were integrated into IIMI's strategic planning through a small workshop held in April 1988 to obtain the views of senior representatives of IIMI's client agencies, which resulted in excellent feedback. The final draft was submitted to the IIMI Support Group in October 1988.

IIMI's strategy paper substantially clarified and defined IIMI's proposed directions and operating style. Some of the most important features of the strategy were:

- IIMI's mission was defined as "to strengthen national efforts to improve and sustain the performance of irrigation systems in developing countries, through the development and dissemination of management innovations".
- IIMI's priority areas of work were defined as field and action research to develop and determine how to implement innovations in particular circumstances; thematic research to synthesize findings from varied environments; management training; and information exchange.
- The principles which guide the methodologies of IIMI's field work were identified as the quantitative measurement of the components of irrigation performance; the formulation of objectively testable hypotheses about the various cause/effect linkages in irrigation

management processes; the analysis of the interactions between irrigation design and management; the encouragement of institutional change; and the application of modern management principles and practices.

- On the basis of 13 factors identified as having a strong bearing on the management and performance of irrigation systems in developing countries, IIMI's seven main program themes were identified as (1) institutions for irrigation management; (2) management of water resources for irrigation; (3) management of financial resources for systems sustainability; (4) management of irrigation facilities; (5) management of irrigation organizations; (6) management of irrigation support services to farmers; and (7) management of change in institutions for irrigation. These factors were derived on the basis of a careful definition of irrigation management, and cut across all types of irrigation systems - agency and farmer managed, large and small scale, gravity and lift.

- The geographical areas of concern for IIMI's program activities were identified as Southeast Asia, East Asia, West Asia and Northeast Africa, Africa except the Nile Valley, and Latin America and the Carribean. Although it was recognized that IIMI had initially opened up operations in South, Southeast and West Asia and Africa, the need to initiate work in the other identified zones within the foreseeable future was emphasized.

The development of IIMI's strategy clearly identified the need for an infrastructural formulation which took into account the appropriate needs of an institute with highly decentralized operations, the additional parameters of strong country field operations working within a flexible structure, and the consequent requirements for a sound and balanced portfolio of restricted and unrestricted funding. As a consequence of these requirements, IIMI developed a new organizational structure, which was arranged in four main divisions, each reflecting the priority areas identified earlier for IIMI:

- A Field Operations Division, to deal with the Institute's country specific collaborative field operations through a network of country offices.
- A Pakistan Division, catering to IIMI's major field operations in that country.
- A Programs Division, responsible for thematic research, regional or multi-country project, and training activities, and with the mandate to integrate the results of field research and develop accumulated learning for wide-spread application.
- A Finance and Administration Division, responsible for planning and directing the financial, purchasing, personnel, and administrative support services of the Institute.

In addition, the offices of Information and Project Development were established to collaborate with all the four main divisions.

The new positions of Director, Programs, and Director, Field Operations (which replaced the earlier positions of Deputy Director General and Director of International Programs) were filled in December 1988 by Mr. Charles Abernethy and Mr. Nanda Abeywickrema, respectively. The new organizational structure, which called for substantial changes in staff designations, responsibilities, and reporting arrangements, formally came into effect at that time.

(Shortly after IIMI's strategy was approved and its new organizational structure implemented, IIMI commenced preparing a five-year plan to operationalize its strategy. The plan, which was approved by the IIMI Board of Governors in July 1989 and presented to the IIMI Support Group in October of this year, is based on IIMI's experience in various countries and subject areas to date. As part of this plan, IIMI proposes to commence operations in Latin America, East Asia, and Egypt by 1994, and to attain a number of specific objectives in its work in the area of thematic research, field operations, management training, and information. IIMI also proposes to expand its staff resources to 60 international staff and increase its financial resources to \$ 15.9 million by 1994).

Consolidation of Financial Resources: As described earlier, as a consequence of IIMI's 1986/87 financial crisis, a number of actions were taken by IIMI's Support Group members to improve IIMI's financial situation.

As a result, starting in mid-1987 IIMI began receiving a number of major multi-year special projects, which significantly consolidated IIMI's financial prospects and substantially shaped the nature of its program. A partial list of these grants follows:

Agency	Description	US\$ ('000)	Time(mo)
USAID	Management Training	500	36
Rockefeller Foundation	Collaboration with IRRI	1,200	36
ADB	Regional Technical Assistance (Asia)	350	14
IFAD/BMZ	Farmer-managed Systems	700	36
USAID	Irrigation System Management in Sri Lanka	400	36
ADB	Kirindi Oya and Uda Walawe, Sri Lanka	350	24
USAID	Development of IIMI Pakistan	2,000	24
ADB/Ford Foundation	Systems Management and Turnover, Indonesia	900	24
Ford Foundation	Collaborative Research in Bangladesh	450	24
USAID	Establishment of West Africa Unit	344	12
Ford Foundation	Collaborative Research in Sudan	500	24

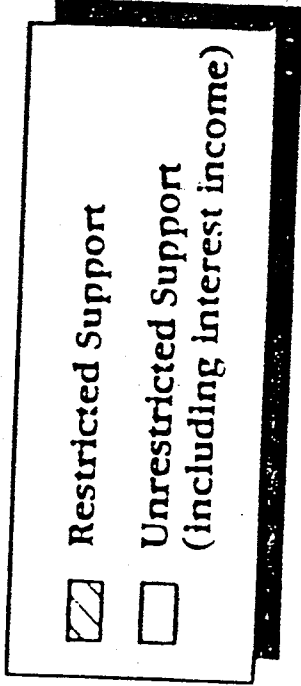
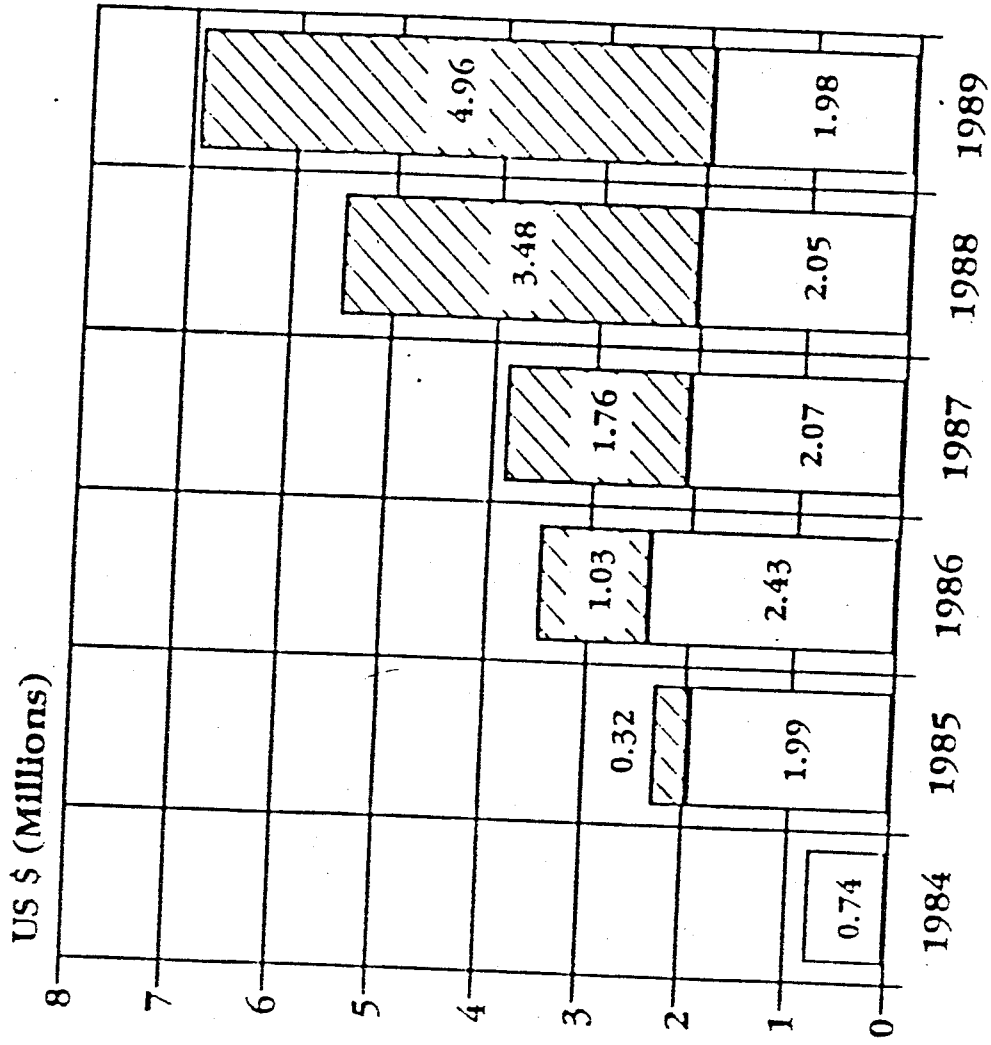
In 1988, IIMI further consolidated its financial position. New donors joined its Support Group, including the Canadian International Development Agency (CIDA), which contributed US\$ 150,000 in unrestricted funds in 1988. The Government of the Netherlands provided IIMI with the largest grant it has received to date, the equivalent of US\$ 2.2 million, to study waterlogging

and salinity in irrigation systems in Pakistan, and the International Development Research Centre (IDRC) of Canada provided a small grant to do a study of IIMI's Information Program. Furthermore, at the 1988 Support Group meeting, several new donors were represented, including the African Development Bank. These grants and funding contributions significantly increased 1988 funding over that of 1987. IIMI's total income for 1988 amounted to about US\$ 5.5 million, a 44% increase over 1987 (see Figure 1).

Because of its success in securing funding for special projects, by early 1988 IIMI had entered into a new phase in its development, one characterized by the execution of a significant number of projects in various different countries. IIMI's challenge in 1988 thus became one of delivering results on these project commitments; and staff become increasingly aware that IIMI's success in meeting this challenge would substantially determine its ability to sustain its funding base in the long-term.

The changing amount and nature of IIMI's funding from 1987 onwards, which is illustrated in Figure 1, has had several implications. In particular, starting in 1988 the bulk of IIMI's program has been financed primarily by special projects with specific objectives and time frames. (IIMI's unrestricted funds, which have not increased since 1987, are sufficient to cover IIMI's direction, administration, and general support costs, but a very small proportion of its program costs). IIMI's ability to examine problem areas and themes that cut across several projects and countries has become much more limited, and has required IIMI to increase its efforts to raise the level of its unrestricted grants and to vigorously apply

The Growth of IMI's Finances: Unrestricted and Restricted Support



1989 has been projected

its indirect cost recovery policy (which to date not all donors have accepted). The greatest challenge now facing IIMI on the financial front is the need to achieve a better balance between unrestricted and restricted funding. Although both are important, a larger amount of unrestricted funding is necessary to provide the means to conduct the generic, thematic research that is required to integrate IIMI's various research projects.

Geographical Expansion, and Evolution of Staff, and Board: In 1988, IIMI commenced a second stage in its geographical expansion, with the initiation of activities in Bangladesh, India, Morocco, Sudan, and West Africa.

IIMI's program in Bangladesh was established in November 1988, following the signature of a Memorandum of Understanding with the Bangladesh Agricultural Research Council (BARC) in July of that year. With the support of the Ford Foundation, IIMI established its country office in Dhaka in November with the posting of Dr. Donald Parker as Head, Bangladesh Field Operations. IIMI's program in Bangladesh will pay particular attention to ground-water irrigation management.

In India, IIMI commenced the Institute's first non-resident country program in January 1989, with the signature of a Memorandum of Understanding with WAPCOS (a dependency of the Ministry of Water Resources with responsibility for water and power services). IIMI's program in that country, which is supported by the Ford Foundation and USAID, is enabling the Institute to conduct collaborative research with a number of Indian Institutions in the States of Gujarat, Bihar, Uttar Pradesh, and Tamil Nadu.

IIMI opened its West Africa Regional Office in Ouagadougou, Burkina Faso, in June 1988, following the signature of a Memorandum of Understanding with the Government of Burkina Faso in May of that year. In its inaugural year of activities in West Africa, IIMI's energies were largely absorbed in establishing its operating base. In particular, liaison was established with regional and national institutions, and detailed proposals for workplan programs began to be formulated and presented for donor support.

In Morocco, a Memorandum of Understanding was sealed between IIMI and the Government of the Kingdom of Morocco in October 1988. The agreement provided for the establishment of an IIMI country office in Rabat. IIMI's Morocco field operations were officially under way by the start of 1989 with the appointment of Mr. Jean Verdier as Head, Morocco Field Operations. Mr. Verdier took up residence in Rabat in August, 1989, and the first meeting of the Consultative Committee was held in October of this year.

In Sudan, a Memorandum of Understanding between IIMI and the Government of Sudan was finalized in February 1989. Shortly after that time, IIMI established its Sudan Country Office in the offices of the Hydraulic Research Station in Wad Medani. Dr. M.S. Shafique, IIMI's Head, Sudan Field Operations, took up residency in Sudan in July of that year. The contents of IIMI's Sudan program, which is funded by the Ford Foundation, were discussed at a program workshop held in October, 1989.

Because of IIMI's geographical expansion, the sharp increase in project funding, and the freeze on hiring during 1987, IIMI entered 1988 with a shortfall in staffing in relation to funding and project commitments. For this reason, the Institute pursued an aggressive recruitment effort during 1988. At headquarters, IIMI appointed Mr. Francis O'Kelly of Ireland, formerly with the United Nations Environment Programme (UNEP) in Nairobi, to head its Information Program, and Dr. Zenete Franca of Brazil, formerly Training Advisor in the Department of Technology of the Brazilian Agricultural Research Corporation (EMBRAPA), to head IIMI's Training Unit. In addition, IIMI filled two key research positions in its newly created Programs Division. In the area of management science, IIMI appointed Dr. Khin Muang Kyi of Burma, who was earlier on the staff of Singapore University; and in agriculture, IIMI appointed Dr. Shaul Manor, earlier head of the Irrigation Extension Service of the Ministry of Agriculture of Israel.

IIMI also filled several key overseas positions. In West Africa, IIMI appointed Mr. Jean Claude Legoupil of France, to head its regional program. In Pakistan, Ir. Ernst Schulze, formerly IIMI's Director of International Programs, was appointed to serve as Director, replacing Dr. James Wolf; and Dr. Jacob Kijne, formerly Principal of the National Agricultural College in the Netherlands, and Mr. Tissa Bandaragoda, formerly Secretary in the Government of Sri Lanka, were appointed Senior Irrigation and Senior Management Specialist, respectively. In addition, as described earlier, Drs. Parker, Verdier, and Shafique were appointed to positions in Bangladesh, Morocco and Sudan.

The appointment of these new staff members, and particularly the appointment of specialists in training, information, and management enabled IIMI, for the first time, to be able to truly claim that it was a management institute with capacity across the range of research, training, and information areas. In addition, through its international recruitment efforts, IIMI now had a fully international staff drawn from 15 countries around the world. About a third of its international staff came from developing countries, a third from Europe, and a third from North America.

During the period 1987-89 the Board of Governors of the Institute also underwent several changes. These included:

- > Mr. David Bell was designated Chairman of the Board effective January 1, 1988, to succeed Dr. Robert Cunningham, who stepped down from that position at the end of 1987.
- > Dr. Amir Muhammed, the Vice Chairman of IIMI's Governing Board, resigned from the Board effective December 31, 1987 in order to devote more time to his responsibilities as a member of TAC, and was replaced as Vice-Chairman by Mr. Nanda Abeywickrema, of Sri Lanka (who was later appointed Director, Field Operations).
- > The Government of Pakistan nominated Dr. Ghulam R. Sandhu, to represent Pakistan on the IIMI Board in early 1988. Dr. Sandhu is currently Chief Scientific Officer and Member (Natural Resources) of the Pakistan Agricultural Research Council (PARC).

- > The Government of Sri Lanka appointed Mr. A.A. Wijetunge, Secretary, Lands and Lands Development, to represent Sri Lanka on the IIMI Board in early 1989, to replace Mr. Nanda Abeywickrema.

- > Drs. Robert Cunningham, Gilbert Manuellan, and Dean Peterson retired as Board Members on 31 December 1988. Wishing to reduce the size of the Board, only two new members were selected to replace the three outgoing members. These were Robert S. McNamara, from the USA, and Jean-Pierre Troy, the Director of the Ecole Nationale du Genie Rural des Eaux et des Forets (ENGREF) in France. both members took their positions on the Board as of 1 January 1989.

(Major changes in Board memberships are also due to take place at the end of this year. Dr. Kamla Chowdry resigned early in the year in order to join TAC; three of the original set of Board members — Drs. Abdullah, Le Moigne, and Takase — are due to step down at the end of this year; and Dr. Carlos Grassi has indicated a wish not to stand for a second term. These five Board members will be replaced by Ms. Al Shaiji of Kuwait, Mr. Zaki Azam of ADB, Mr. Robert Rangeley of the UK, Dr. M.S. Swaminathan of India, and Dr. H. Tsutsui of Japan).

Change in IIMI's Headquarters Location: Ever since the establishment of the Institute in 1984, questions had been raised by IIMI's Board, staff, and outside observers about the wisdom of locating IIMI's headquarters in Digana

Village, in the central highlands of Sri Lanka. Initially, these questions centered around the relatively isolated nature of the Digana location, the distance from the international airport, the lack of amenities for international staff (including in particular the non-availability of secondary schooling facilities), and the administrative burden entailed in managing the Digana Village Complex. Later, however, the questions also grew to include considerations of telecommunications and security.

The issues of distance from the airport, lack of facilities, and managerial complexity were raised in particular by the Rangeley/Kirmanji Report of early 1987 referred to earlier. As a result, the IIMI Board of Governors at its June 1987 meeting once again re-examined the issue of IIMI's headquarters location. Although at this meeting the Board decided that IIMI's headquarters should continue to be located in Digana Village, the Board instructed IIMI's management to take a series of steps to lessen the managerial burden for maintaining the Village. In particular, IIMI's management was asked to renegotiate the terms of its agreement with the Sri Lankan Government to enable it to relinquish responsibility for maintenance of the Village premises. The negotiations with the Government on this issue were successful, and beginning in 1988 the Government of Sri Lanka assumed full responsibility for maintenance of Digana Village.

Shortly after that meeting, however, IIMI's headquarters communications systems worsened as a result of developments in Sri Lanka. In particular, IIMI's entire telephone and telex facilities in Digana were put out of action for a period of fourteen months in late 1987 and continued to have problems

off and on from then onwards. To counter future disturbances, IIMI explored the possibility of installing a direct telephone link with the Colombo exchange and to purchase a satellite communication system.

In early 1988 IIMI's Executive and Finance Committee took steps to get ahead with the construction of the headquarters building in Digana. The Board concluded that the communication difficulties posed by Digana's remote location could be solved with the aid of modern communication technology, and asked IIMI's management to seek the additional resources required to upgrade IIMI's telecommunication system.

IIMI laid the foundation stone for the Digana headquarters building in June 1988. However, although it was expected that the building would be completed sometime between June and September of 1989, the construction company experienced bankruptcy, and construction was halted shortly after it began. Furthermore, at about the same time the unsettled conditions in Sri Lanka began to have a strong negative effect on IIMI's operations. In particular, IIMI's headquarters operations began to be hampered by an atmosphere of considerable violence, curfews, work stoppages, threats to staff, and the prolonged curtailment of basic services in the Kandy/Digana area (notably banking services, vehicle fuel, electricity, postal services, telephones and telex, public and private bus transportation, water supply, and repair of public utility systems). As a result of these difficulties, IIMI was forced to close its Digana offices on a number of occasions in late 1988 and to withdraw all staff from its research sites in Sri Lanka during the months of November and December of that year. Fortunately, however, and

partly as a result of a management decision to move some of the Digana staff to Colombo on a temporary basis for a 4-week period in November and December, IIMI was able to remain reasonably operational throughout most of the time without jeopardizing the safety of its staff. Nevertheless, the disruptions resulted in a considerable loss of momentum.

In view of these developments, the Board Chairman appointed a two-person Special Review team (consisting of ex-Board members Kamla Chowdry and Robert Cunningham) to analyze IIMI's headquarter operations and to conduct a careful investigation of the pros and cons of a move, and tabled the matter of IIMI's headquarters location during the Executive and Finance Committee meeting held in Digana in March, 1989. The Committee had before it the comprehensive report of the Special Review team, and spent several hours discussing the issue at length and in detail. Careful consideration by other Board members not present at the Executive Committee meeting then followed, by mail telephone and other means of communication. As a result of this process, the full Board unanimously agreed that the Institute's headquarters needed to be moved to Colombo.

Although the decision of the IIMI Board of Governors was strongly influenced by the operational difficulties that IIMI faced in Digana as a result of the unsettled conditions in Sri Lanka, two other factors were also important.

- > It had become increasingly evident since 1987 that Digana Village, despite its many attractive features as a place for living and

working, was an unsuitable location for the headquarters of an international institute with IIMI's mission. As IIMI's strategy and organizational structure were clarified, it became plain that the primary requirement for IIMI's headquarters location was that it be a place from which it was convenient to manage IIMI's field operations in many countries of Asia, Africa, and Latin America. From this point of view Colombo was substantially superior to Digana. Moreover, operations within Sri Lanka could be as easily conducted from Colombo as from Digana.

> It was essential to IIMI's mission that its headquarters become an "intellectual center" on irrigation management, to which specialists from all over the world could come often for meetings and visits. IIMI's headquarters also needed to be able to attract the most highly qualified staff members from around the world. Colombo was substantially superior to Digana on both these counts.

With the concurrence of the Government of Sri Lanka, the Institute shifted its headquarters from Digana Village to the Colombo metropolitan area during the month of August 1989, occupying the second and third floors of the Meridien Hotel which it leased on a commercial basis. IIMI became fully operational in its new premises as of September 1989.

Response to the Evolution of the CGIAR System: In mid-1988, CGIAR made a decision to open up the system of centers supported by the donor members of the Group, to include all or some of the "non-associated" Centers conducting

research in areas complementary to the mandate of the CGIAR Centers. Since that time, IIMI has followed developments on this front very closely.

Important events include the following:

- > At the November 1988 meeting of the CGIAR in Washington, the Group made a decision to embark on a two-stage process for considering the "non-associated Centers" as candidates for possible incorporation into the CGIAR System. In the first stage, TAC evaluated the appropriateness of each Center's activities and their quality and relevance according to pre-established criteria, while in the second stage TAC will fully evaluate the Centers in terms of governance, management, organization, and future program plans.

- > In accordance with the above, TAC conducted a preliminary assessment of the subject matter and quality of activities undertaken by IIMI through a small review panel which visited IIMI Headquarters on 20-23 April 1989. The TAC subgroup was chaired by Dr. Michael H. Arnold of TAC, and included Dr. E.T. York, formerly of TAC, Dr. J.A.H. Hendriks (an "external expert" on irrigation management from the Netherlands), Drs. Pasterniani and Sawadojo of TAC, and Dr. Michael Collinson of the CGIAR Secretariat. During its visit to IIMI headquarters, the TAC Subgroup met with all IIMI Directors and the Heads of IIMI's Field Operations in West Africa, Morocco, Nepal, Indonesia, the Philippines, Sri Lanka, and Bangladesh, who were participating in an internal program planning meeting.

- > At its meeting in October 1988, the IIMI Support Group also made a firm decision to commission an External Review to assess the content, quality, impact, and value of IIMI's program, and to examine whether its operations are carried out in line with declared policies and expected standards of excellence. (This review is scheduled to commence in November 1989, and will be conducted through a five person External Review Panel chaired by Dr. Vijay Vyas; it is for this review that the present historical report has been prepared).

- > At the November 1989 meeting of the CGIAR in Washington, the group further discussed the proposed expansion of the CGIAR system, which will be carried out within the framework of an examination of the global context of agricultural research. The group agreed that the special panels, that had been set up by TAC to carry out an assessment of the ten non-associated centers would, during 1990, focus on the programmatic and institutional aspects of these centers. In particular, TAC would seek to establish whether there is a fit between the CGIAR systems' future research needs and the activities of the non-associated centers. A comprehensive set of recommendations would be submitted by the TAC Chairman at Centers' Week in 1990.

IIMI is at present continuing to follow developments on the CGIAR front very closely. However, although the expansion and strengthening of the CGIAR

system is obviously of great importance to IIMI, IIMI has made clear to its Support Group that its continued financial viability does not depend on the decisions of the CGIAR regarding the incorporation of IIMI into the CGIAR system. Such a move would, of course, significantly strengthen IIMI's operations and enhance its capacity to achieve its mission -- but is not essential to IIMI's continued viability as an independent international institution.