

# Manual de Operaciones **2024**

Sección I



## **PREFACE**

This Operations Manual was prepared on the basis of previous versions, updates from the decisions of the FONTAGRO Board of Directors and the IDB procedural guidelines. We recommend that you frequently check the electronic links mentioned in this publication.

Technical Administrative Secretariat

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## LINKS TO WEBSITES

### [FONTAGRO](#)

Link to Institutional documents:

<https://www.fontagro.org/es/documentos-institucionales/>

Link to IDB Policies and FONTAGRO formats:

<https://www.fontagro.org/es/documentos-institucionales/normativa/>

## ABBREVIATIONS AND ACRONYMS

<b>LAC</b>	Latin America and the Caribbean
<b>IDB</b>	Inter-American Development Bank
<b>BD</b>	Board of Directors
<b>EC</b>	Executive Committee
<b>FC</b>	Financial Committee
<b>TC</b>	Technical Cooperation
<b>FONTAGRO</b>	Regional Fund for Agricultural Technology
<b>IICA</b>	Inter-American Institute of Cooperation for Agriculture
<b>RDI</b>	Research, Development and Innovation
<b>ISTA</b>	Annual Technical Follow-up Report
<b>MOP</b>	Operations Manual
<b>MPT</b>	Medium-Term Plan
<b>AOP</b>	Annual Operating Plan
<b>STA</b>	FONTAGRO Technical Administrative Secretariat

## PROLOGUE

The objective of this Operations Manual (MOP) SECTION I, is to establish the procedures for the operation of the Board of Directors and ad hoc committees that support the implementation of the activities carried out by FONTAGRO.

Approval and modification of the Operations Manual, including the policies and procedures for financing operations corresponds to the FONTAGRO Board of Directors in accordance with the qualified voting process set out in the Establishing Agreement, Article IV, Section 4(b).

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# **1 PROCEDURES RELATED TO THE OPERATION OF THE BOARD OF DIRECTORS**



## 1.1 ABOUT FONTAGRO

1. FONTAGRO (Regional Fund for Agricultural Technology) is an alliance of 15 countries established to support agricultural innovation in Latin America and the Caribbean, by allocating non-reimbursable funds.
2. FONTAGRO's member countries are: Argentina, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Spain, Honduras, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Uruguay and Venezuela<sup>1</sup>.
3. FONTAGRO's sponsoring institutions are the Inter-American Development Bank (IDB) and the Inter-American Institute for Cooperation on Agriculture (IICA). It also has strategic alliances with other international agencies such as the Food and Agriculture Organization of the United Nations (FAO), CGIAR, the Global Research Alliance, and with other countries such as New Zealand.
4. FONTAGRO's resources, together with other contributions from organizations related to its mission, are used to cofinance, competitively and/or by consensus, original agricultural and agri-food research and innovation activities; which have a positive effect on reducing poverty, increasing productivity, competitiveness, and sustainable management of natural resources.
5. FONTAGRO expands the base of activities in the region with the support of regional public-private cooperation platforms between countries and organizations, strengthening the synergies in agricultural research and innovation.
6. The mission, vision and strategic objectives of allocating FONTAGRO resources, its priority work areas and investment opportunities at the regional level are set out in the five-year Medium-Term Plan<sup>2</sup>.

## 1.2 TARGET POPULATION

7. The target population of the projects financed by FONTAGRO is public research agencies, non-governmental organizations (NGOs), agricultural producers, members of value chains, and consumers in the region.

## 1.3 ESTABLISHING AGREEMENT, ORGANIZATIONAL STRUCTURE AND GOVERNANCE SYSTEM

8. The Establishing Agreement is the legal instrument that created FONTAGRO<sup>3</sup>. The organizational structure of FONTAGRO, according to the Establishing Agreement and subsequent resolutions of the BD, consists of a Board of Directors, Executive Committee, Finance Committee, and Technical Administrative Secretariat (henceforth referred to as "STA").
9. The powers of the BD are detailed in Article IV of the FONTAGRO Establishing Agreement.
10. The STA is the technical and administrative support body; its powers are detailed in Article V of the FONTAGRO Establishing Agreement. The STA will organize at least two meetings a year. One of which is the Annual Technical Project and Analysis Follow-up Meeting (usually in June), the other is the Annual Meeting of the Board of Directors (usually in October). For the former, the directors of the BD, sponsors and the technical representatives of the projects participate; and for the latter the directors of the BD and sponsors of FONTAGRO.
11. The **Executive Committee (EC)** was created at the Board of Directors Annual Meeting in Panama (2007) and is composed of the president, vice president and executive secretary. The EC may take operational and administrative

<sup>1</sup> <https://www.fontagro.org/es/quienes-somos/organizacion/paises/>.

<sup>2</sup> <https://www.fontagro.org/es/documentos-institucionales/pmp/>.

<sup>3</sup> <https://www.fontagro.org/es/documentos-institucionales/convenio/>.

<sup>4</sup> Resolution 02/2007 of the Board of Directors, in reference to the creation of the Executive Committee.

decisions to expedite the approval process of contributions, gifts, pledges and donations additional to FONTAGRO resources, to a maximum amount of US\$50,000 (fifty thousand United States dollars) for each annual period. The EC will act during the recess periods of the Board of Directors<sup>4</sup>. The functions of the EC are:

- (i) Represent FONTAGRO in international or regional meetings.
  - (ii) Safeguard FONTAGRO's interests.
  - (iii) Regularly review the progress of FONTAGRO, especially compliance with the resolutions of the BD.
  - (iv) Negotiate, on behalf of the BD, cooperation agreements and activities with sponsors and potential partners.
  - (v) Make decisions on behalf of the BD for approvals or budget changes less than US\$50,000 (fifty thousand United States dollars) for each annual period with responsibility to report to the full BD as soon as possible.
  - (vi) Advise the STA as required.
  - (vii) EC members must participate in the meetings to which they are called either in-person or remotely.
12. The Financial Committee (FC) was created at the Board of Directors Annual Meeting in Panama (2011) and is composed of the president, vice president and a member of the BD. The latter member will be renewed annually at the decision of the BD. In addition, a representative of the sponsors and the executive secretary will participate with voice but no vote. The FC will be assisted by a financial advisor contracted by the STA, when necessary. Its main function will be to follow up the financial aspects of FONTAGRO, including formulation of investment policy, review the financial statement and budgetary recommendations<sup>5</sup>. The functions of the FC are:
- (i) Define FONTAGRO's investment parameters: expected returns, risk levels, combination of instruments and terms.
  - (ii) Select the financial advisor.
  - (iii) Analyze and evaluate the recommendations of the financial advisor and agree on the measures of the case.
  - (iv) Review reports on performance of investments, evaluate them and agree on any necessary changes to investments.
  - (v) Report to the BD on performance of the investments.
  - (vi) Participate in financial management training activities.
  - (vii) FC members must participate in the meetings to which they are called either in-person or remotely.
13. The Program administrator is the Inter-American Development Bank (IDB) whose powers are listed in Article VI and in the Administration Agreement of the Establishing Agreement.
14. **Ad Hoc Committees.** The BD may request the STA to organize ad hoc work committees with members of the Board of Directors, delegated by it and other special guests, to support and strengthen the objectives of FONTAGRO and its annual programming. These Committees must be established through the Minutes of the CD, where the objective, composition, duration, profile of the participants, work mechanism, products and expected results are established.

## 1.4 PAYMENT OF COUNTRY CONTRIBUTIONS TO FONTAGRO

15. **Payment of FONTAGRO Member contributions.** Those Members that have not complied with their commitment must agree with the Board of Directors on a schedule for payment of the contribution owed referred to in Section 2(i) of Article II (the "Contribution Schedule") of the Constitutive Agreement.

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<sup>5</sup> Recommendations for financial investments must be framed within the IDB's financial guidelines and policies.

## 1.5 MEDIUM-TERM PLAN

16. The Medium Term Plan (MTP) is a five-year plan and explicitly includes an analysis of FONTAGRO's investment priorities based on strategic and/or prospective studies, seeking to maximize the spillover effects of research and innovation processes and economies of scale and scope. Adjustments to the PMP are discussed and approved by the BD. The STA provides the necessary information to the BD to analyze regional needs and opportunities based on unpublished or available diagnoses and studies. The [current MTP](#) establishes FONTAGRO's vision, mission, and values, and defines the strategies to be implemented during the period.
17. FONTAGRO defines the concept of innovation as follows: "Innovation is a participatory process by which individuals or organizations generate and/or use technological, organizational and institutional knowledge that translates into new goods and services that, once adopted by society, generate social, economic, environmental and/or cultural benefit."
18. FONTAGRO also uses, on a competitive and/or mutually agreed, non-reimbursable basis, its own resources and other contributions to finance regional projects and special agricultural research and innovation initiatives in priority areas established in the current Medium-Term Plan.

## 1.6 PROCEDURES FOR ENTRY OF NEW PARTICIPANTS AND MANAGEMENT OF STRATEGIC ALLIANCES.

19. In the case of receiving applications for admission of new participants in FONTAGRO (Establishing Agreement, Article I, Section 3), the following procedure will be followed:
  - i. The country or legal entity interested in joining FONTAGRO as "participant" must send a letter of intent to the BD president through the STA of FONTAGRO.
  - ii. The BD president, through the STA, will notify the other members of the application for admission of a new member, indicating the corresponding membership amount as established in Table 1.

Table 1. Guide to membership quotas

GROUPS	Country	Total Value Indices (TVI) <sup>(2)</sup>	Current commitment (US\$)	New commitment (US\$) <sup>(3)</sup>	Base quota <sup>(4)</sup>
<b>GROUP I: TVI &lt; 100</b>					
1	Spain	53	14.723.000	2,500,000	15,000,000
1	Mexico	83			
1	Brazil	90			
1	Argentina	91	20.000.000		
<b>GROUP II: TVI 100 to 150</b>					
2	Chile	103	2.500.000	2,500,000	7,000,000
2	Colombia	119	10.000.000		
2	Peru	139	2.500.000		
2	Panama	145	5.000.000		
<b>GROUP III: TVI 150 to 200</b>					
3	Dominican Rep	151	2.500.000	2,500,000	5,000,000
3	Uruguay	154	5,000,000		
3	Costa Rica	166	681,000		
3	Ecuador	167	2,500,000		
3	Guatemala	195			
<b>GROUP TVI: &gt; 200</b>					
4	Paraguay	207	2.500.000	2,500,000	2,500,000
4	Bolivia	211	2.500.000		
4	El Salvador	224			
4	Honduras	243	2.500.000		
4	Nicaragua	252	2.500.000		
4	Venezuela	484	12.000.000		

Note: (1) This Guide to membership quotas was agreed by consensus by the FONTAGRO Board of Directors at its XXII Annual Meeting on October 4 and 5, 2018 in Guayaquil, Ecuador. THEME 11. (2) The development index was constructed according to the country's ranking in total GDP, the country's ranking in GDP per capita, (both in international dollars and purchasing power

parity, calculated by the International Monetary Fund), and the Human Development Index (HDI) of each country. (3) Indicates the estimated value of potential new contributions that may be requested. (4) Indicates the estimated amount of base membership quota for a new participant.

- iii. The BD will decide to authorize continuation of the membership procedure according to the power conferred by the Establishing Agreement (Article IV, Section 2d) following the corresponding voting method (Article IV, Section 3c). The result of the BD's decision will be sent to the IDB<sup>6</sup>.
  - a. If the BD authorizes continuation of the entry of the new member, the STA will send a note to the new participant indicating the minimum membership quota and requesting: (a) a payment schedule indicating the source of financing, and (b) an official note of delegation from the corresponding national authority, authorizing the new institution to exercise the functions of official representation in the FONTAGRO BD on behalf of the country to which the new institution belongs.
  - b. If the BD does not authorize continuation of the membership procedure, the STA will send a note indicating the decision to the applicant.
- iv. If the new member accepts the membership conditions, it must officially convey the decision to the STA. If the new participant objects to any of the conditions indicated, it must submit them to the STA specifying the arguments that support the objection.
- v. The STA will remit the communication from the new participant to the other representatives of the FONTAGRO BD, and the BD will authorize or reject the request in conformity with Article IV, Section 2d and Section 4c.
- vi. If the FONTAGRO BD, after the weighted vote, accepts the conditions of entry of the new participant, the STA will proceed with the IDB Legal Department to continue the internal procedures for signing the Establishing Agreement, and collecting the initial and subsequent membership quotas.

**20. In the case of receiving requests for new strategic alliances, the following procedure will be followed:**

- i. The legal entity interested in entering into a strategic alliance with FONTAGRO must send a letter of intent to the BD president through the FONTAGRO STA.
- ii. The STA will notify the BD of the request for entry of a new participant, indicating the conditions of the alliance.
- iii. The BD will decide to authorize continuation of the alliance procedure according to the power conferred on it by the Establishing Agreement (Article IV, Section 2o). This power is subject to qualified voting (Article IV, Section 4b). The notification will also be sent to the IDB, legal representative of FONTAGRO<sup>7</sup>.
  - a. If the BD authorizes continuing with the alliance procedure, the president, through the STA, will send a note indicating its acceptance and will instruct the STA to prepare with the IDB Legal Department the preparation of the corresponding legal tool, in accordance with the Bank's policies and procedures.
  - b. If the BD does not authorize continuing the alliance procedure, the president, through the STA, will send a note indicating the decision to the applicant.

<sup>6</sup>Any new membership must be analyzed by the Bank in accordance with its applicable policies and regulations.

<sup>7</sup>A quorum is formed only in face-to-face meetings of the BD. However, if the BD considers it appropriate, this Operations Manual can also authorize the quorum with virtual presence as an option, considering that the BD only meets twice a year.

## 1.7 PROCEDURES FOR REQUESTING VIRTUAL VOTING

21. **Request.** The STA may request the BD to hold a virtual vote to treat certain issues outside the agenda of regular meetings, with prior agreement of the members of the Executive Committee. The request will be based on the provisions of Article IV, Section 3 of the Establishing Agreement.
22. **Virtual voting mechanism.** Voting may be implemented by means of two mechanisms: a) sending vote by email or other technological means, or b) sending vote by video conference meeting.
  - a) **Virtual voting mechanism by email or other technological means.** The STA will indicate in the request note, the date until which the vote will remain open. After this deadline, the votes received will be taken as a quorum and the corresponding voting mechanism will be applied, in accordance with Article IV, Sections 3 and 4 of the Establishing Agreement.
  - b) **Virtual voting mechanism by video conference.** The STA will organize a video conference meeting, and the provisions of Article IV, Section 3 and Section 4 of the Establishing Agreement will apply.
23. **Minutes.** The minutes will be approved according to the voting mechanism implemented.
  - a) Virtual voting mechanism by email. If the vote is by email, the minutes will be considered approved on the date on which the responses received in the STA constitute a quorum, in accordance with the provisions of Article IV, Section 3 of the Establishing Agreement.
  - b) Virtual voting mechanism by video conference. In the case of a video conference meeting, the minutes will be approved during the meeting.

