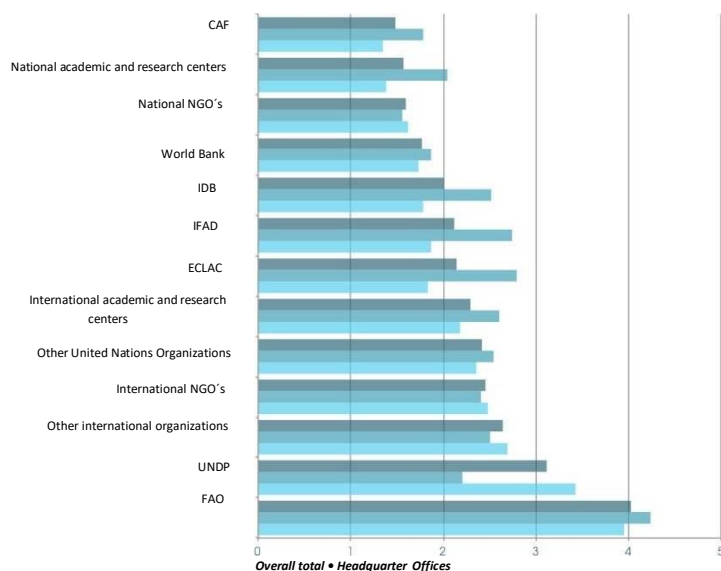


Competition in the delivery of technical cooperation services for agriculture and rural well-being

IICA carries out its work in a market characterized by a high level of competition for resources among stakeholders that provide services similar to those of IICA.

According to IICA technical specialists, the Institute's top two competitors are the United Nations Development Programme (UNDP) and the Food and Agriculture Organization of the United Nations (FAO). Other international organizations, including other United Nations agencies, are also considered competitors. Perceptions in this regard vary greatly between technical specialists at Headquarters and in the National Offices. Although FAO is considered by both groups to be the top competitor, specialists in the Offices, who are greatly involved in project management, consider the UNDP to be the second competitor while specialists at Headquarters give greater relevance to other international organizations and NGOs, United Nations agencies, academic centers, ECLAC, IFAD and IDB.

Ranking of IICA's competitors in the delivery of technical cooperation services



Source: IICA, Internal survey among technical specialists, 2020

The portfolio of IICA's top two competitors

FAO and the UNDP are two specialized agencies of the United Nations System.

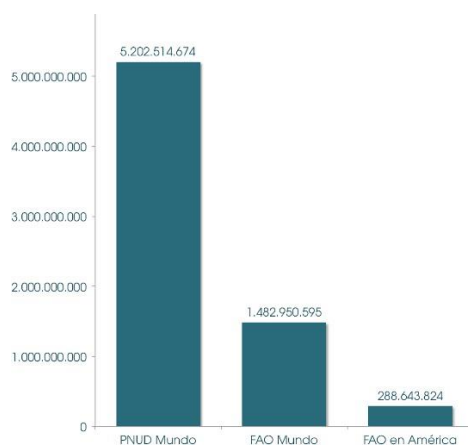
IICA and FAO are close competitors with similar mandates related to agriculture and rural areas, although FAO has a specific mission related to food and food security. The institutions share similar areas of focus, platforms and processes, and provide very similar technical cooperation services. However, FAO has a competitive advantage over IICA due to its political influence as a global organization, as well as its financial capacity and impressive technical resources. However, IICA has other advantages, such as its hemispheric presence, which allows the Institute to work closely with the authorities responsible for national policymaking, as well as the flexibility of its operations and costs, compared to that of FAO. One of FAO's strengths is its extensive experience developing highly regarded technical models and management tools; although IICA excelled in this area up until the 1990s, its

capacities in this area have been deteriorating over time.

The UNDP's competencies are of a very different nature. Its primary strengths are operational and financial, rather than technical. As a development agency, it has demonstrated its great capacity to provide comprehensive project management responses, without focusing on specialized technical content. Its political influence and apparent capacity to attract additional resources to complement project resources put the UNDP in a privileged position compared to IICA. The UNDP, whose primary purpose is to drive development in a comprehensive manner, is the agency that plays the most important role in guaranteeing the viability of the 2030 Agenda and the Sustainable Development Goals, giving it an advantage in terms of project management but not so in technical cooperation. The UNDP does not possess the level of specialization required by the agriculture and rural sector, an area in which IICA excels. Nevertheless, it is clear that the UNDP competes with IICA's National Offices in some areas in which it has particular advantages.

A relevant aspect worth analyzing is the level of financial resources managed by these two competitors compared to IICA.

Financial resources managed by the UNDP and FAO in 2018



Source: FAO Annual Report for 2018, UNDP Annual Report for 2018

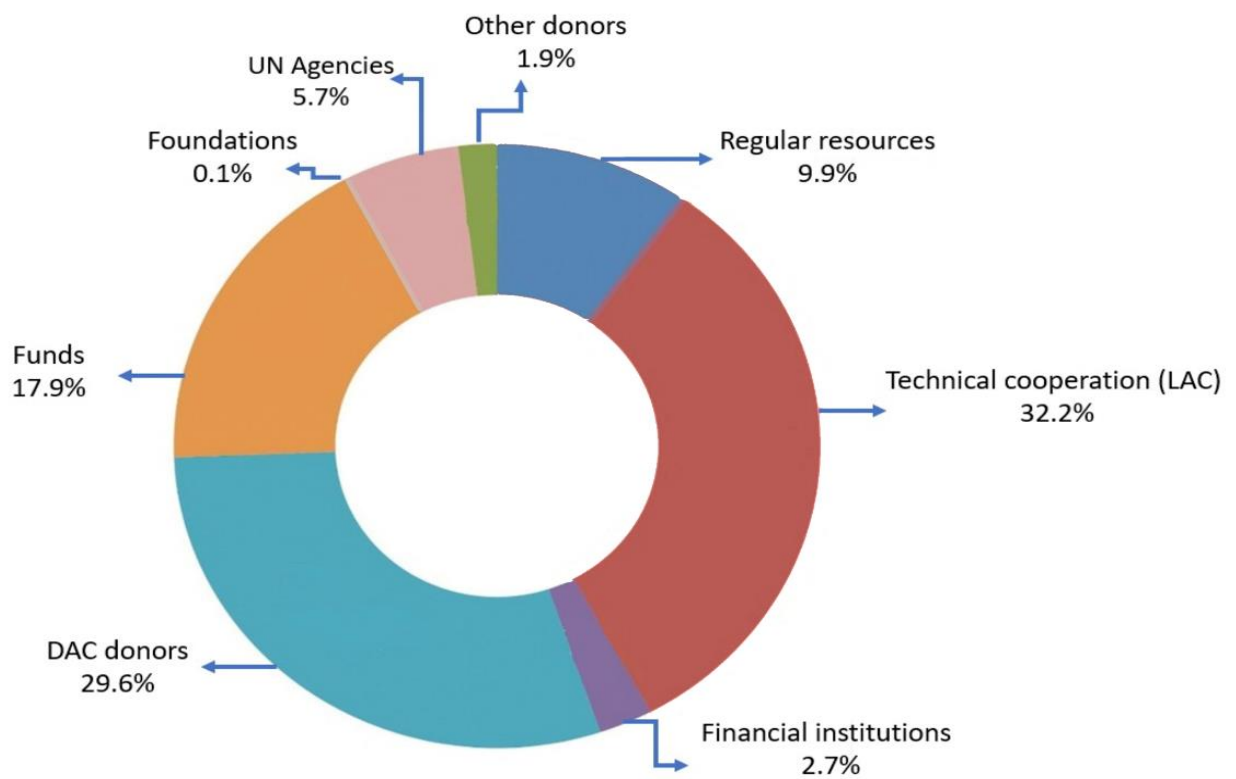
The amount of resources managed by the UNDP at the global level in 2018 was 5.2 billion dollars, of which 435 million were allocated to Latin America and the Caribbean. FAO, in turn, managed 1.48 billion, of which 290 million were allocated to Latin America and the Caribbean.

The resource structures of the cooperation agendas of these two organizations indicate the importance of international clients.

Sixty percent of the resources managed by the UNDP and 65% of the resources managed by FAO come from sources other than the regular budget and cooperation projects with countries.

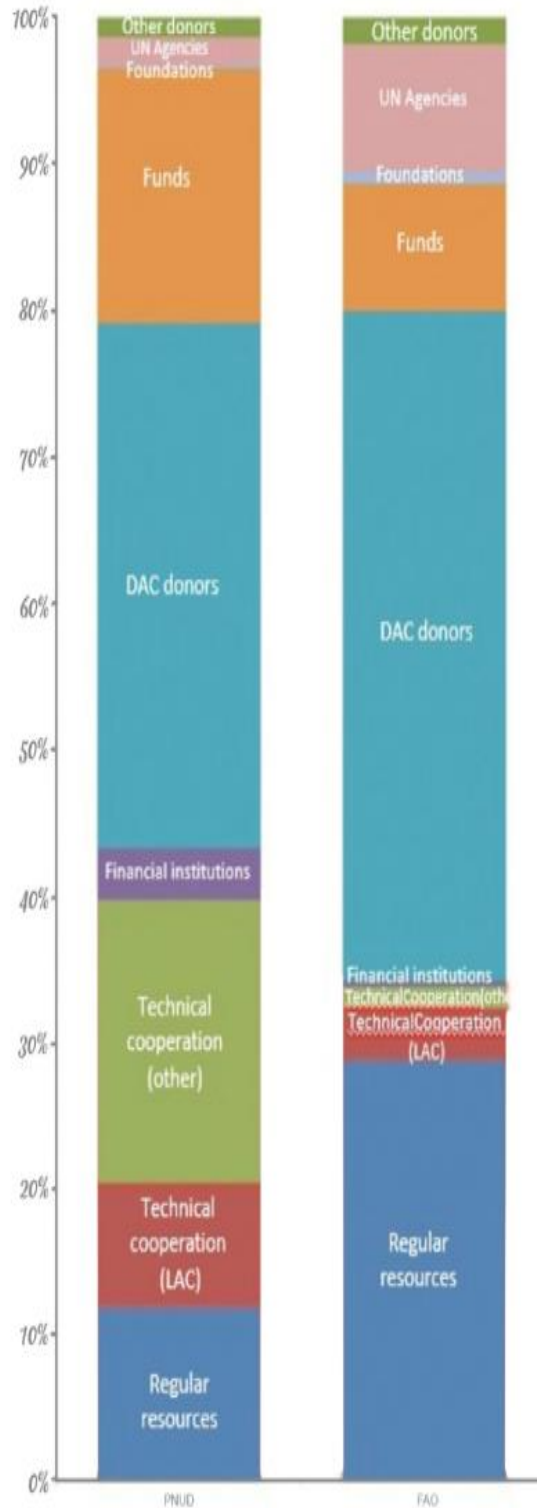
These resources are contributed by donor countries that form part of cooperation for development mechanisms, global funds, foundations, United Nations agencies and other donors.

In Latin America, 58% of FAO's resources correspond to resources other than quota contributions and resources for projects funded by the countries.



Source: FAO, Annual Report 2018, Latin America and the Caribbean

Distribution of resources managed by the UNDP and FAO in the world in 2018



Source: 2018 Annual Report of FAO and 2018 Annual Report of the UNDP

IICA participates in project management to the same extent as FAO, with amounts ranging from USD 120 to 140 million in 2018. However, that year FAO also managed close to USD 120 million from sources other than national projects and quota payments by countries. The amount of resources that the UNDP manages within the framework of projects triples that of IICA, but its agenda includes many different agricultural sectors. However, like FAO, the UNDP has an advantage over IICA due to its high capacity to attract resources from international development cooperation, foundations and other global agendas.