



**INTERNATIONAL CENTER FOR LIVING AQUATIC RESOURCES
MANAGEMENT**

INFORMATION PAPER No. 4

**Response to the Offer of the Government of Egypt for the Use of the
Facilities of the Central Laboratory for Aquaculture Research, Abbassa,
Egypt**

May 1996, Manila.

Information Paper No. 4 - ICLARM's Response to the offer by Egypt

Purpose:

To brief members of the Consultative Group on International Agriculture Research (CGIAR) on ICLARM's progress in responding to the offer of the Government of Egypt for the use of the facilities of the Central Laboratory for Aquaculture Research, Abbassa as a site and facilities for a regional research hub.

Summary:

The present report describes progress with ICLARM's response to the offer of research facilities by the Government of the Arab Republic of Egypt. It covers:

- Discussions on the Host Country Agreement with the Government of Egypt
- Progress with the refurbishment of the Abbassa facility
- The program submission on the Abbassa facility made to TAC68
- The revised program submission on the Abbassa facility made to TAC69
- The decision of the ICLARM Board of Trustees at its meeting in April, 1996.

The Board's decision (attached) is to accept the offer by the Government of Egypt, in view of the significant opportunities it offers to increase international research on aquatic resources as mandated by the Lucerne Declaration and by studies such as the multi-donor sponsored Study on International Fisheries Research.

Background:

The present paper is the fourth information paper to the CGIAR concerning ICLARM's progress in responding to the offer of the Government of the Arab Republic of Egypt concerning use of the research facilities at Abbassa, Egypt. Of the previous three reports, the first was delivered at the Mid Term Meeting in Nairobi in May 1995, the second, dated 7 September 1995, was circulated to the CGIAR, TAC, and other interested parties, and the third was tabled at International Centers Week in October 1995.

At the Ministerial-level meeting of the CGIAR in February 1995, the Government of the Arab Republic of Egypt formally announced its intention to make available to ICLARM the use of the facilities of the Central Laboratory for Aquaculture Research at Abbassa.

ICLARM's Board of Trustees determined that acceptance of the offer of the use of the Abbassa facilities would have to conform to a number of conditions in order to enhance and protect ICLARM's existing high priority work program, and they determined that the processes of the CGIAR should be respected at all stages. The Board stressed the

need to protect existing research programs in Asia and Africa since an extensive planning process determined that these are of the highest priority globally, they are all underway, and they include many commitments to partners and beneficiaries. The Board also determined that tight project planning must be used throughout and that national partners must be involved from the outset in setting and carrying out the research and related agenda.

In March 1995, a joint letter of intent was signed between the Government of Egypt and ICLARM, detailing the principles for progressing with the offer.

Regarding the opportunity offered by the use of research facilities at Abbassa, the 1995 Mid-Term Meeting of the CGIAR saw it as a unique opportunity for a CGIAR center to work closely, from the onset, with many NARS in Africa and worldwide. It supported ICLARM's strategy and proposed plan of action, while emphasizing caution with regard to:

- the impact of such expansion on ICLARM's strategic capacity;
- the financial implications of operating the facilities, which should be funded from non-competitive sources vis-à-vis other CGIAR undertakings ; and
- the program implications of moving into a sub-tropical ecoregion, which ought not to divert ICLARM's efforts in the tropics.

Following a preliminary submission to TAC66 from ICLARM (March 1995), TAC deferred any consideration of program funding levels for the possible work program based out of the Abbassa facility, pending ICLARM's technical evaluation of the Abbassa site. ICLARM made a special program submission to TAC 68 (December 1995) as part of that technical evaluation (see below).

A consultative workshop was held by ICLARM in Cairo from 23-27 September 1995 to identify research needs and issues for the Africa and West Asia region. A total of 55 participants attended the Cairo workshop. Participants came from 11 African and West Asian countries, one regional African body, two international bodies with interests in fisheries, four donor organizations, three CGIAR centers, fisheries experts from three countries, and ICLARM.

Immediately after the workshop the Program Committee of the ICLARM Board of Trustees met in Cairo to consider the draft research agenda resulting from the workshop and to develop and approve a preliminary research agenda for Africa and West Asia that could be carried out by ICLARM and partners from the Abbassa facility. The Program Committee recommended to TAC a list of nine top priority researchable issues as detailed in Information Paper No. 3 to International Centers Week in October 1995.

Discussions on the Host Country Agreement with the Government of Egypt

A draft Host Country Agreement was delivered to the Government of Egypt in early September 1995. Discussions were carried out with officials of the Ministry of Foreign Affairs and the Ministry of Agriculture and Land Reclamation through December and much progress was made. Discussions were then suspended because of the

uncertainty surrounding the future use of the Abbassa facility by ICLARM resulting from the TAC68 meeting. A consultant was appointed by ICLARM in early April 1996 to resume discussions on the Host Country Agreement and continue the refurbishment plans in anticipation of a positive decision by the CGIAR on the Abbassa proposal.

The April discussions were extremely productive and the present draft of the agreement follows the joint letter of intent signed in March 1995 in that:

- it is mutually beneficial to both parties
- the facilities at Abbassa would be operated by ICLARM fully in accordance with the principles of the CGIAR system
- negotiations should be able to be completed at an early date with clarification being required on a small number of identified outstanding issues
- the draft agreement establishes the immunities and privileges to be provided by the Government of the Arab Republic of Egypt to ICLARM

Progress with the Refurbishment of the Abbassa Facility

The capital cost for refurbishment of the Abbassa facility has remained unchanged at \$3 million. Most of this (approximately \$2.8 million) has already been given for this purpose, generously donated by the Government of Japan. The consultant appointed by ICLARM in early April 1996 developed refurbishment plans and refined the costs for the first phase of the refurbishment. A report on priorities for refurbishment has just been submitted. The plan envisages 4 phases.

In the first phase, it is proposed to refurbish and upgrade the research and administration building, start refurbishing the villas, improve the communication system, infrastructure and security and commence to upgrade the landscaping around the research and residential buildings.

In the second phase of refurbishment, we propose to construct the new library and administration building and cafeteria, upgrade the wet laboratories and the overwintering tanks, install the computer network, office equipment and environmental control rooms, continue to improve the landscaping, security and road network and refurbishing the villas.

Phases three and four will involve renovating the workshop area and fish processing center, completing the refurbishment of the villas and residential area, and finalizing landscaping and security.

Phase one is expected to take three to six months to complete and phases two to four are estimated to take an additional one year to eighteen months.

The Program Submission on the Abbassa Facility Made to TAC68

A summary of the full program planning submission for the Abbassa facility made to TAC68 is contained in Information Paper No. 3 tabled at International Centers Week in October 1995.

In that submission, operating costs for the full program, consisting of nine research areas, when operational were estimated at approximately \$5 million per year from 1998 when the facility was fully on stream.

TAC's summary response was as follows:

TAC considered ICLARM's proposal to conduct additional research into living aquatic resources management for Africa and West Asia from the existing facilities at Abbassa. TAC expressed support for the idea of increasing fisheries research in sub-Saharan Africa, but questioned how it fits ICLARM's agreed agenda and how the Abbassa site would be used. TAC noted that the proposed research appeared to be outside of ICLARM's and the CGIAR's agreed research agenda and the scale of the work proposed would jeopardize ICLARM's ability to manage and maintain its existing research program. Finally, for two of the nine research issues requiring a specialized research site, there was doubt that the Abbassa facility adequately represented the target area. Therefore, TAC concluded that the proposal and its costs were, in their present form, not consistent with ICLARM's research agenda.

The Revised Program Submission on the Abbassa Facility Made to TAC69

After the response from TAC68 to its proposal for the use of the Abbassa facility, ICLARM discussed the matter further with many interested parties and reconsidered its proposal. In its reconsideration, ICLARM addressed several interlinking issues. These relate to reducing the cost of taking over the Abbassa facility and the possible impact of new Abbassa-based activities on the rest of ICLARM's program, notably in terms of funding, regional balance and management.

At TAC69 ICLARM advanced a modified proposal which made the following points:

- (a) The possibility of reducing the cost to ICLARM by taking over only a part of the Abbassa facilities

ICLARM does not believe that it will be a viable option to take over a part of the Abbassa facility, leaving certain activities or facilities to be handled separately under a national program. The Center believes that it should take over the entire facility, as offered by the Government of Egypt, or not become involved.

- (b) The potential for generating income at Abbassa to reduce net cost

There is significant potential for commercial production of fish for local or regional markets from the commercial production ponds on the site. ICLARM does not wish to become involved in a commercial venture, but various approaches will be considered to ensure optimal use of the facilities. (Subsequent to TAC69, other suggestions have been canvassed at ICLARM and in Egypt. Several promising possibilities exist, including

those which complement strategic research into the adoption of aquaculture by new entrants.)

(c) A clearer separation of the two functions for Abbassa as a site for research and a regional headquarters for Africa and West Asia

As a research site Abbassa could be used by ICLARM for work in four fields, two of which are outside the Center's present agreed research agenda and one which could only be partially carried out on-site.

The first, the genetic characterization of aquaculture species for Africa and West Asia, could be carried out subject to the establishment of suitable quarantine systems. It is in line with the Center's current priorities.

The second, fish health baseline studies and diagnostics, could be carried out at Abbassa. This area is not presently within the Center's agreed research agenda. However, it is of growing importance for the development of aquaculture in Africa and globally.

The third, feeding strategies for aquaculture species in Africa, could be developed at Abbassa at some stage in the future. This is a need strongly expressed by national programs, but is not within the Center's agreed research agenda and was not retained by the Board as a priority research issue. However, the development of new feeds and feeding strategies is crucial for the intensification and increased productivity of fish culture in Africa.

The fourth, research in integrated aquaculture-agriculture in rice-fish systems in the Nile delta, could be carried out at Abbassa and in its environs.

As a regional headquarters for an expanded ICLARM program in Africa, the Abbassa site is quite convenient. Abbassa, through its proximity to Cairo, has access to a major hub of air traffic and reasonable telecommunications. Egypt is a member of the Organization of African Unity and is well respected throughout Africa, and indeed the world. (Addendum: Under Egyptian management, the present institute has conducted regular aquaculture training courses since 1988. Through these, 167 trainees have attended, representing 72 countries from Asia, Latin America, Eastern Europe, WANA and sub Saharan Africa (27 countries)).

(d) Development of the "lowest cost" model for Abbassa

Many costs of the earlier ICLARM proposal to TAC related to research programs based in Abbassa but conducted elsewhere. Seven such programs were proposed. ICLARM does not believe it is a viable proposition to eliminate these activities and concentrate entirely on research at the Abbassa site to reduce costs. To lower costs the Center proposed to reduce the number of off-site or largely off-site activities based at Abbassa to four. These would be programs in the following areas.

1. Great Lakes: Development of cost-effective data acquisition systems

2. Coastal systems: development of cost-effective data acquisition systems
3. Integrated aquaculture-agriculture systems
4. Macro policy settings

This reduction in the number of programs would result in a budget reduction of \$1.385 million per annum in operating costs from 1998 onwards, resulting in total required operating funds of \$3.622 million per annum, of which \$0.6 million was in capital.

The three projects eliminated from this proposal are:

1. Coastal environmental linkages
2. Coral reef surveys
3. Trade impacts on fisheries

These three projects would be considered separately in ICLARM's future planning.

In this "lowest cost model", in addition to the four projects carried out largely off-site, two would initially be conducted on-site at Abbassa: genetic characterization and fish health.

- (e) Comparison with research needs in Africa as defined in the 1992 Strategy and the results of the Cairo workshop

At this stage of its planning, ICLARM does not claim to have a complete and balanced view of African fisheries research needs. This gap in knowledge of African requirements has been closed to some extent by the Cairo workshop that took place in September 1995, and which was drawn upon to prepare the Center's original proposal to TAC. Any major ICLARM program in Africa must be highly Africa specific. As in other areas of agricultural research, technologies developed in Asia cannot simply be transferred to Africa without enhanced understanding of the local political, economic and resource conditions. The current proposal is directed towards addressing the research needs as they fit into ICLARM's overall strategy, comparative advantages and as it understands them at this time.

In one area, small scale integrated aquaculture agriculture, ICLARM's understanding is considered solid, being based on a history of partnership and consultation with NARS. We are committed to continue work in this field.

- (f) Determination if acceptance of the Abbassa facility would be consistent with the regional balance outlined in ICLARM's strategy

Acceptance of the present proposal for Abbassa could lead to a better balance of the ICLARM regional programs in the direction envisaged by the 1992 Strategic Plan and would only slightly change regional priorities in favor of Africa (and WANA). In the longer

term, this balance would be continually reviewed as ICLARM's overall program develops.

(g) Alternative approaches to building up an African program

Any number of alternative approaches and locations could be envisaged for building up a major ICLARM program for Africa. However, there are two problems attached to determining suitable alternatives: there is no funding in sight for alternatives and piecemeal alternatives from several sites would be much slower than that offered at Abbassa.

(h) Funding requirements, possible sources of support and implications for the ICLARM program as a whole

The funding requirements for the low cost model for Abbassa would eventually be about \$3.7 million per annum including the capital fund. There have been indications from some CGIAR donors that they would be prepared to help fund the operation at Abbassa. The lower cost model also provides for a slower rate of growth than the original proposal. ICLARM has embarked on a series of far-reaching changes to its organizational structure, program structure, management policies, procedures and systems, and should easily be able to cope with the expansion in its activities.

(i) The long term potential for further development of the Abbassa site

ICLARM would gradually develop a long term view of the potential of the Abbassa facility as a center for research and training. As a minimum Abbassa could function under the "open center" concept applied elsewhere in the CGIAR system. The more that Abbassa was able to build up a critical mass of resident scientific expertise, the more attractive it would become.

In its revised proposal to TAC69, ICLARM favored the acceptance of the offer of the use of the Abbassa facility. ICLARM stressed that it was urgent that the long period of uncertainty be brought to an end for all parties concerned.

TAC's response to the revised proposal is given in agenda paper SDR/TAC:IAR/96/8 (April 26 1996), pp 14-16, in the Jakarta Mid Term Meeting (1996) documents.

TAC noted that both technical and non-technical considerations applied to the proposal and restricted its comments to technical issues only. TAC noted that ICLARM had provided evidence that the proposal is roughly congruent with the projected proportional balance of efforts in Africa. ICLARM's proposal had pointed out that this projected balance was not being achieved under present projections and that the Egyptian offer had presented an opportunity to fast-track a better balance.

TAC also noted that ICLARM proposed to execute the program as an additional one to its Asian and Pacific work but TAC was unclear on the implications for ICLARM's programmatic priorities. It should be noted that ICLARM had presented TAC69 with its ongoing 1997 Program and Budget request (Part I) and the Abbassa proposal as two separate documents. To more clearly demonstrate the linkages, the 1997 Program and

Budget Proposal Part II amalgamates the two into a combined program at the level of \$12.76 million, including \$9.3 million for continuing the Center's present programs, \$0.6 million for the System-wide Initiative on the Coastal Environment and other system-wide efforts and \$2.8 million for the 1997 costs of the Abbassa site.

However, TAC did not 'diverge from the thrust of its commentary' at TAC68, including its support for the idea of increasing fisheries research in sub-Saharan Africa. It concluded, on research priority and efficiency grounds, that ICLARM's revised proposal did not make a conclusive case for using the Abbassa facility as a regional headquarters for an expanded effort on fisheries research in sub-Saharan Africa. TAC commented that the site, while representative for WANA, was less useful for achieving a mutual balance between field and laboratory research for sub-Saharan Africa.

The decision of the ICLARM Board of Trustees at its meeting in April, 1996.

At the meeting of the ICLARM Board of Trustees in mid April 1996, the Board reviewed progress on responding to the offer. The Board noted the actions which had been taken through the CGIAR and TAC processes, including those to keep all CGIAR members informed at all stages and TAC's comments. They noted that it was time to make a clear decision and weighed up the options.

The Board concluded unanimously that the facility offers ICLARM opportunities beyond those the Center envisaged when its current mid-term plan was developed, but that these opportunities fit well within the Center's long-term mandate and could be pursued without detracting from ICLARM's current research programs. The full text of the Board's decision is attached.

The Board authorized management to develop medium-term plans for the use of the facility for two major purposes:

1. As a hub for ICLARM's collaborative research and training activities in sub-Saharan Africa and the West Asia North Africa region, utilizing to the degree feasible modern communications and educational techniques and systems addressing food security, policy and human resources issues through collaborative research with partners in the region;
2. As a site for selected upstream eco-regional and global research relating to topics such as biological diversity, natural resource management, genetic conservation, monitoring and improvement, health and nutrition of aquatic species, and policy issues relating to fisheries, aquaculture and other aquatic resource uses.

Many factors were carefully weighed by Board in reaching its decision. Some of these were:

First, the offer was made at the ministerial level meeting of the CGIAR in Lucerne in February 1995. That meeting was a turning point for the CGIAR in many ways. It signaled the entry of more developing countries, including Egypt, to the CGIAR. The Lucerne Declaration and Plan of Action also stressed certain geographic regions and certain areas of research, including Africa and aquatic resource research.

Second, the offer from the Government of Egypt was highly significant in this framework since it gives the CGIAR an ideal opportunity to express its appreciation of the new era of partnerships between developing country CG members and IARCs.

Third, the facility offers ICLARM and national partners opportunities to address the needs of Africa and West Asia at this time of critical challenges in food security. Fish supply is the least controlled of all foods because aquaculture production in the region is small (less than 1% of total world aquaculture production). Rapidly rising populations and degrading natural resource systems are threatening the sustainability of natural fish stocks in coastal and inland waters including the Great Lakes. Over the next 15 years, the region will require an 80% increase in fish production or suffer lower consumption of high quality protein. This target will be very difficult to meet but every effort must be made to reduce the shortfall. Research into aquaculture, fisheries management and resource conservation is an essential intervention and investment.

Fourth, ICLARM's overall resources are small relative to its mandate and greater investments in Africa cannot be made from the existing base without sacrificing attention to Asia and the Pacific. The Egyptian offer is additional to ICLARM's current effort and should enhance ICLARM's global capacity through spillover benefits.

Fifth, the practical benefits of the center included that this would be a faster, more cost effective option than starting with plans for a completely new facility or set of sites; a critical mass of researchers could be established; ICLARM's access to Africa would be much enhanced and existing efforts in Africa could be better supported. The challenges of taking over an existing facility and refitting it are recognized but assessed to be achievable.

The Next Steps:

ICLARM recognizes that we are embarking on challenging opportunity in accepting the offer of the use of the Abbassa site. To realize this opportunity, we will require the support and goodwill of all members of the CGIAR family, new and old.



20 April 1996

The Board was briefed on steps ICLARM has taken to evaluate the possible impact and potential value to ICLARM of the research site near Abbassa, Egypt that has been so generously offered to ICLARM by the government of Egypt. The Board noted that the facility offers significant opportunities to increase international research on aquatic resources as mandated by the Lucerne Declaration and by the multi-donor sponsored Study in International Fisheries Research (SIFR). It also noted the attempts ICLARM has made to ascertain the opinions of African fisheries research leaders and to consider interregional and global problems that could be addressed if the facility were available. The Board concluded that the facility offers ICLARM opportunities beyond those the Center envisaged when its current mid-term plan was developed, but that these opportunities fit well within the Center's long-term mandate and could be pursued without detracting from ICLARM's current research programs.

ICLARM Board of Trustees unanimously agreed to accept the Egyptian's offer of the Abbassa facility and instructed its management to continue negotiations with the Government of Egypt for the orderly transfer of the facility to ICLARM and with appropriate donors for the facility's renovation and modernization. ICLARM's management is authorized to further develop medium term plans for the use of the facility for two major purposes:

1. As a hub for ICLARM's collaborative research and training activities in Sub-Saharan Africa and WANA region, utilizing to the degree feasible modern communications and educational techniques and systems, and, as the first priority, addressing food security, policy and human resources issues through collaborative research with partners in the region; and
2. As a site for selected upstream ecoregional and global research relating to topics such as: biological diversity; natural resource management; genetic conservation, monitoring and improvement; health and nutrition of aquatic species; and policy issues relating to fisheries, aquaculture and other aquatic resource uses.

The Director General is authorized to inform CGIAR members of ICLARM's decision to proceed expeditiously with these negotiations and plans, and to seek their moral and financial support for this forward-looking step.

JOHN L. DILLON
Chair, Board of Trustees

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