

Alternatives to Public and Private Funding of Agricultural Research in Developing Countries: Potentials of the Third Sector

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Abstract

The paper argues that there is a potential to complement deteriorating public funds for international agricultural research with the use of private and philanthropic funding mechanisms. A review of potential funding sources in the so called "third sector" is given and the present fundraising landscape in Germany is described, particularly with regard to options for alternatively funding international agricultural research. It is shown that latest developments on the market for ethical funds open a window to tap a new source of funding for international agricultural research, i.e. private philanthropic investors. However, the market for ethic funds is competitive with a large range of funds issued on topics like health, food, and nature already existing. Therefore, a concept for alternative funding of international agricultural research has to be convincing to investors while enabling the efficient and effective generation of agricultural research results. The paper proposes an alternative funding arrangement which envisages a foundation that organizes a fund for agricultural research. Private investors, who are in search for investment offering not only promising pay-offs but also ethical commitment, may invest in a fund and donate part of the fund's revenue to the foundation. Meanwhile in Germany due to latest legislation donors can donate larger sums directly to the foundation. Tax rebates make those investments and donations interesting as well. A funding council within the foundation on which both groups, investors and donors, are represented will be able to transfer money to relevant agricultural research projects. The use of tools of participatory research assures the support , of research which has priority to farmers.

1. Introduction

Investing in agricultural research for development of the rural sector in developing countries has been considered to be useful and important. During the last 40 years agricultural research has proven again and again to boost development of the agricultural sector through increased production (Echeverria, 1990) and the rapid growth in productivity of some agricultural products led to the so called green revolution. In the post green-revolution period and particularly during the last 10 years agricultural research is being more and more criticized for not producing enough and for not producing relevant research results (Plucknett, 1995; Batz and Dresrüsse, 2000). Agricultural research for developing countries often has been and still is conducted and supported by governments in developing and developed countries. However, due to inherent public sector mechanisms, efficiency of the use of scarce resources for agricultural research has sometimes been low. In fact, many donors have started to rethink their investment in agricultural research (Byerlee and Alex, 1998).

At the same time, however, challenges in the agricultural and rural sector in many developing countries are increasing. For example, as population grows and new means of communication develop it is a new challenge not only to surpass the yield and productivity gains already achieved for the major staples, but customizing agricultural technologies to optimize income and employment generation in the rural sector, addressing issues of food quality and safety, and developing integrated approaches to natural resources management (Babu, 2000). It is evident that those challenges can be met only at the long run applying a mix of policies for development. These policies would also have to include support to agricultural research as farming knowledge and technical innovation provided by agricultural research determine growth in production and productivity on limited land resources.

Based on the argument, that agricultural research is still crucial for food production and natural resource management in developing countries, a funding gap arises. Agricultural research funding has traditionally been

largely a public domain, because of externalities associated with such research. Once it had been recognized during the late 18th, early 19th centuries that public investments into agricultural research did benefit large numbers of farmers, increasing their income and welfare and thus helped to generate capital for further economic development also in other sectors of the economy, publicly funded agricultural research institutions were set up, e.g. in Germany (Hohenheim 1818), in the USA (US Land Grant System, 1862-65) or worldwide (CGIAR, 1972). Private investments into agricultural research took place only in such areas, where the investor could expect to be able to internalize the gains from research; typical examples are the areas of agricultural engineering or of plant breeding especially on varieties requiring new seed every season (hybrids) or in an institutional environment where a fee on the use of all certified seed is levied. In recent years, however, those clearly attributed tasks on agricultural research of the public and the private sectors in some areas have been increasingly shared by a third party, i.e. privately funded non-governmental organizations (NGOs) (see Table 1).

These NGOs are essentially emerging partly in response to failures of the traditional system; disappointments about government performance (high transaction costs in knowledge transfer; inefficiencies in research resource allocation and fears about private sector monopolies, e.g. terminator genes, are some of the reasons). Other driving forces for NGOs to come forward can be located in a growing awareness of the fact that under increasingly complex conditions of technological and constitutional advances, governments cannot be expected to cope effectively with all the details at the local level. Therefore, private initiatives are required at least to complement if not to replace public action as well as to balance private commercial activities. Moreover, individuals are increasingly better educated and informed, so that private initiatives are quite capable to take adequate decisions on complex issues. At the same time citizens in industrial countries benefit increasingly from the gains of their efficiently operating economies. Therefore, mechanisms which involve tax-incentives, are developed to encourage individuals to develop their awareness for issues of hitherto

public domains, e.g. foundations are encouraged, so is the donation into associations recognized as philanthropic.

Table 1: Changes in Research Funding

Sector	Public	Private	Third (altruistic)
Type of funding	Grants	Investment and donations	Donations
Share in the economy	Decreasing	Increasing	Increasing
Typical areas of research			
<i>Agric. Engineering</i>	In the past → Today		-
<i>Plant and Animal Breeding</i>	In the past → Today → Tomorrow		
<i>Agronomy</i>	Today		Today
<i>Plant and animal health</i>	In the past → Today → Tomorrow		
Types of research			
<i>On farm research</i>	In the past → Today		
<i>Participatory research</i>	In the past → Today → Tomorrow		
<i>Environmental research</i>	Today → Today → Tomorrow		
Monitoring of impact	Different evaluation schemes not always leading to higher efficiency	Monitoring of the companies revenues	Personal monitoring
Principal beneficiary	Public organizations but also private consultants and charities	Employees or a certain branch of the company, in case of donations also NGOs and charity	NGOs, sometimes public organizations (e.g. in research)

This generally observed phenomenon of an increasing private involvement in the public domains has not really started yet in the area of agricultural research, or in other words, in the area of agricultural research, activities by NGO's are still relatively limited in scope and funding. This may have to do with the fact that agriculture itself is perceived as being in a state of transition, changing from traditional ways of plant and animal production to modern ways involving genetic manipulation and the manipulation of the environment with chemical and other applications to the detriment of the environment, and engaging in such doubtful activities may not appear very attractive to philanthropic

private donors. However, the scope of agricultural research for development in most developing countries does hardly involve those "modern" technologies. Instead it mainly centers on how to get such simple innovations as fertilizer, mechanization, and new ways of cultivation technics across to farmers. Here would seem to exist a large niche for private altruistic engagement, and it is the aim of this paper to explore the potential of foundations and funds for this purpose.

The paper starts from the funding gap and sees it as a challenge to find creative solutions to complement public funding by other sources. The objective of the paper is to identify and discuss alternatives for funding agricultural research. It is assumed, that such alternative mechanisms must involve private sources at all levels, i.e. farmers in developing countries and private individuals in developed countries. The paper in particular addresses two sources of funding for agricultural research that largely have been neglected in the past: The first source is the large amount of private investors in developed countries who, in the search of profitable investment, also happen to be interested in ethically appealing investment solutions. This opens up the window of the "Ethic-Funds" of which some are already known as Eco-funds. Second, there is a considerable number of wealthy sponsors who, following philanthropic ideas, may be interested to donate considerable funds into a foundation which supports relevant and useful agricultural research activities.

2. Innovative Funding Sources

Committing funds for ethical purposes includes investment into efforts such as fighting hunger, alleviating poverty, supporting human health, preserving nature and environment and many more. There are a large variety of funding sources for charity, humanitarian, education, research environment and development activities, i.e. the activities that are traditionally not supported by the market economy. As shown in Table 1, these sources can be distinguished into the public, the private, and a third sector. Each sector is important in the fundraising landscape and has its comparative advantages. The public sector, though lately

criticized for being partly inefficient in distributing funds and carrying out projects, is still the single most important donor to social and environmental projects and programs being able to commit large amounts of funds over a long period. The private sector is also an important source of funding as companies arrange for social security and welfare for their employees. Meanwhile the companies' commitment to social and environmental activities can be used for promotion and the money spent usually can be used to reduce the amount of taxes companies have to pay.

The third sector

The third sector is an increasingly recognized source of funding. Here we define the third sector as all funding of social and environmental activities, which result from the altruistic behavior of private individuals. Apart from the ballot box, philanthropy presents the one opportunity the individual has to express his meaningful choice over the direction in which society will progress (Kirstein, cited in Haibach 1998). With the means of donations, besides their right to vote, donors have a much wider scope to influence activities, which are meaningful to the society. There is a general trend of individuals (and firms) willing to have their name associated with a good cause. Further, as a donor individuals can usually gain more respect and are much better treated by the organization to which they address their commitment than as they are treated as the state's taxpayer (Burnett, 1992; Schulz, cited in Haibach 1998). For individuals this generates motivation and for a firm it provides good publicity. In fact, it is possible that a sizable portion of the withheld taxes may be remobilized through channeling them into the third sector. Recipients of third sector funding are usually NGOs and sometimes government organizations.

Donations and foundations are becoming more important not only in Germany but also in other countries of Europe. In the USA philanthropy already constitutes an important third sector besides the state and the private sector and has increasingly taken over roles of the state in supporting social and environmental activities. It may be foreseen that in

the not all to distant future, the large economic potential of private people in industrial countries be increasingly recognized as a source for contribution into what in the past used to be the public domain. In the future public decision makers are likely to provide legal support towards ethical engagement. The philanthropic sector may be more effective fulfilling functions traditionally performed by the state, such as charity, education and health care. However the third sector cannot take over all activities. Rather, it is bound to support primarily activities which are appealing to donors and which result in rather short than long-term benefits; obviously, donors want to be able to monitor the effects of their donations.

In Germany, the third sector is still in the process of emerging but there are signs that it is becoming more and more important as the public sector is withdrawing from some of its charity activities (Haibach, 1998). In fact a growing number of relatively rich individuals in Germany are learning that it is appealing to donate parts of their assets to ethical and humanitarian projects because, in contrast to contributing to public spending, private donations enable them to decide what activities they support. In general, one may distinguish three main sources of philanthropic donors: Benefactors, investors, and donors.

Benefactors

Benefactors here are seen as alms givers, who donate a certain amount of money ad-hoc and according to their liquidity. Usually the amount of money spent is small. The donation can be seen as gift. In Germany typical beneficiaries from those alms are charity organizations, such as "Weltfriedensdienst", "Brot für die Welt", "Welthungerhilfe", or the "World Wildlife Fund". Benefactors rather tend to base their donation on ad-hoc emotional feelings towards a special event or a special problem to which they feel associated. Typical examples are hunger crises in Africa or catastrophies such as earthquakes during which NGOs ask for support from individuals and on the basis of which indeed important sums for first aid activities can be raised. In this regard NGOs fulfill a very important role in crisis management. Children, health and animals are other

important domains. However, such emotional decisions of benefactors don't provide a basis for solving problems at the long run and in a sustainable matter.

Investors

Investors are usually interested in profiting from high interest on their investment at low risk. In addition, there is a growing number of investors who find it interesting to put their money in projects or investments, which are ethically or humanitarily appealing. Offering the possibility of a relatively high pay-off investment and at the same time of a support for international agricultural research could tap the good will of those investors and corresponding amounts of their investment capacity.

Investors can be a source of funding in two ways: (a) they can invest only in special projects, shares, bonds or funds (ethical funds) that support ethically or humanitarily activities. For example, investors could put their money in companies, which engage in environmental issues, regenerative energies or which produce humanitarian products. (b) They can invest in shares and bonds (regardless of any ethical criteria), which yield high revenue and donate part of that revenue to a philanthropic organization or a fund. Usually the donation can then be claimed at the tax office and taxes of the private individual will be rebated. Typical to both options is that there is a continuous commitment either to the shares of the company or in terms of a continuous flow of donations of a part of the revenue (sometimes according to a donation contract).

There are some few examples for ethical funds. In the Netherlands the Insurance "Reaal Verzekering" in joint venture with NOVIB, an NGO engaged in sustainable development, has launched an initiative "World Partnership" in which investment in a fund is combined with an insurance arrangement. With continuous monthly contributions the investor buys shares of the fund and he profits (or loses) on the revenue and the increasing market value of the fund. The special World Partner arrangement now foresees that with each payment of the monthly premium and at the time of disbursement of the insurance the investor has to commit a percentage (20 % at premium payment, 10 % at

disbursement which is used as a donation). The fund itself invests in activities, shares and bonds according to social and ecological criteria following the principle of "enlightened saving" (Ethic Fund). The DKU fund of the German bank "Bankhaus Dellbrück, Berlin" allows investors to donate 50% of the revenues to UNICEF projects. The Pro Mundo Fund of the German bank "Westdeutsche Genossenschafts-Zentralbank eG" allows investors to donate part of the fund's revenue to NGOs like "Misereor" or "Malteser". Also in Germany the "German World Wildlife" together with the Investment Bank DWS has issued a "Panda Rendite Fond". The fund invests blue chips on the grounds of ecological criteria and investors commit part of its revenues in nature preservation projects in the Dzanga-Sangha-Region of the Central African Republic. The fund has gained some 170 Thousand DM for project activities and thus contributed to the preservation of elephants in the Central African Republic.

Donors

Donors (in the more narrow sense) are interested to invest parts of their assets in setting up a permanent foundation. Foundations are institutions to which certain donors for the permanent support of a special purpose, which usually is philanthropic, give funds. Through their distinct structure foundations are particularly endowed to be source to philanthropic development efforts, more than associations and other organizations. This is mainly so due to the large amount of influence donors have on deciding how the money is used and who will receive it. The fact that within a foundation there is usually few donors is also beneficial to giving donors a large amount of say on how the money is spent.

A foundation is usually based on a stock of donations from which interest is gained and used for the purpose of the foundation as defined by the foundation members and donors. The donors are usually providing important sums of money and are highly interested to monitor the progress and the impact of their donations. Big foundations are even able to fund costly activities, such as research, over a long period of time. Well known examples of foundations which also have supported

agricultural research are the "Ford Foundation" and the "Rockefeller Foundation", and in Germany the "Volkswagenstiftung" and the "Eiselen Stiftung"

Table 2: Categories of Ethical Donors

<i>Type of Donor</i>	<i>Benefactor</i>	<i>Investor</i>	<i>Donor</i>
<i>Type of Donation</i>	Gift, usually a small amount of money	Investment, and a small portion of the fund's revenue	Donation of usually high amount
<i>Organizational structure of intermediate beneficiary</i>	Charity Organization / NGO	Investment fund or NGO related to the fund (if a portion of the fund's revenue is donated)	Foundation
<i>Frequency and duration of donation</i>	Occasionally	Either at once (ethical funds) or continuously (when a portion of the fund's revenue is donated)	Once with the possibility of additional donations
<i>Monitoring of the donations impact</i>	Monitoring in media	Monitoring in media, feedback from NGO	Direct feedback from projects
<i>Participation in priority setting</i>	Priorities are set through the NGO chosen	Possibility of participation in priority setting through voting (one share one vote)	Actively sets priorities and visions

The Funding Landscape and Agricultural Research

In the last years, in Germany, the development of the funding landscape and particularly of the third sector has been dynamic. Private funding of public activities is becoming more important as the state pulls back from some of its traditional activities, such as aid to developing countries and pension systems. Yearly donations of private individuals amount to 250 DM in Western Germany and 160 DM in Eastern Germany (Lichtblau, 1999). A limit to donations, however, is set by the high taxes in Germany. Different studies suggest (Haibach, 1998) that currently a new market for donation and funding mechanisms is created. This is a result of a change in attitude towards donations. Philanthropic donations of private donors are becoming to be understood as a positive value. People begin to understand that Philanthropy is an important means to guide the development of the society.

The major part of the recipients of philanthropic donations is made up by NGOs. Currently there is a market of around 20.000 NGOs in Germany, which collect donations. They use a large variety of fundraising mechanisms ranging from promotion campaigns on television to offering participation in the activities funded. The 200 most important fundraising NGOs have an annual income from donations ranging from one to 200 Million DM. Church organizations are among the most important in terms of budget. In fact, the number of fundraising NGOs is increasing rapidly, thus putting pressure on the less increasing market for donations.

A particular new source of funding is private investors. In Europe, funds as a means of investment both in bonds and shares are on a constant upraise, as people have come to understand that these provide higher yields than traditional means of investment such as saving accounts and property. Investment funds for all types of bonds and shares are abundant and banks are looking for new ideas attractive to new investors. A study shows that the amount of resources attributed to ethical funds ranges around 20 Billion DM, which is about 2% of the total value of investment of private individuals in Germany (Lichtblau, 1999). If every 5th ethically interested investor would put its money in a fund supporting international agricultural research and would donate 20% of the revenue then, at an interest rate of 7%, there would be 56 Million DM additionally available for international agricultural research; almost twice as much as the government support to that area (Lichtblau, 1999).

In the funding of agricultural research the potential of the third sector, has been largely ignored. As the existing and shrinking sources of public agricultural research are not sufficient it is therefore necessary to find alternative sources of funding which can provide funding on a continuous basis. Characteristics inherent to research such as unpredictability, uncertainty of outcome, and long duration make continuous funding necessary and actually suggest funding sources like investment funds and donations. The donor profile for ethical engagement for international agricultural research would relate to citizens, which are well wishing and informed. The most interesting groups would be financially well placed

belonging to the higher qualified strata in society such as entrepreneurs, state employees, teachers, academics and others (Lichtblau, 1999).

Today, private individuals but also companies and organizations are encouraged under a new German tax law to participate in foundations. Legislation in Germany lately has engaged in making donations more attractive. A proposal is discussed for changing the legal basis of German foundations and for making it more attractive to donors through tax rebates.

3. Proposing a concept of alternative research funding

The concept proposed here lends itself to investors and donors as funding sources. The group of benefactors is excluded because it is thought that with agricultural research it is difficult to attract the less informed. Also, it was felt that alternative funding for agricultural research could not compete with promotion campaigns of big NGOs. Further, it is a continuous money flow, which is needed for activities related to agricultural research, rather than ad-hoc donated. Donors and to a lesser extent investors can participate actively in development efforts through the extent they contribute and through giving directions in which development efforts should go. The concept would constitute a basis for concentrating idealists' intentions into meaningful development efforts can usefully join forces and be operational in the direction of their development interests. However, the concept is still in the process of developing and therefore features like distribution of funds, criteria for setting priorities, and areas to be supported are not yet well determined.

The concept

The concept is based on a parallel setup in which a foundation is created for attracting private investors on one side and for attracting donors on the other. The foundation sets up a funding arrangement with a bank so that private investors can donate part of the revenues from the bank's investment funds towards the foundation. Meanwhile the foundation sets up a funding council in which priority setting with farmers' participation for

meaningful research projects is carried out and donors and investors can participate and thus influence funding decisions.

The Foundation: A foundation is set up with the help of donors supportive to the concept. The foundations constitution prescribes the purpose of the foundation: support of agricultural research in developing countries. Its goal is to acquire additional means of funding for international agricultural research, which solves problems related to food shortage, rural poverty and environmental degradation in developing countries and to allocate those means to high impact research topics. It collects funding from the third sector, where investors and donors are attracted by the prospect of doing research differently and more effectively. The donations are used either to augment the foundations fund, the interest of which finances research projects or donations are directly channelled into research projects. The foundation is carried by individuals interested in advancing international agricultural research. The overheads of the foundation and of the funding council are contributed by donors; this avoids what private investors may fear: their money being used for the overheads of an organization.

Investors: Individuals investing in investment funds are encouraged to direct 20% of their dividend of the fund to the foundation. It is assumed that offering the possibility of a relatively high pay-off investment and at the same time offering the ethical value of supporting international agricultural research to fight food shortage, rural poverty and environmental degradation could tap the good will of a certain group of the medium aged, well educated, cosmopolitan investors. Banks will also be interested to offer funds, which could attract this target group of investors as they always search for innovative and appealing products.

Donors: At the same time the foundation accepts donations from private donors. In fact, donations would form the starting capital of the foundation and help in setting up the funding arrangement related to the investment fund. Such donors may constitute a small group of rich individuals coming from academia, owners of companies and others. Donors as well as investors should of course be attracted by the

innovative way to funding and the way of carrying out international agricultural research as carried out by the projects supported by the foundation. Sufficient promotion using appealing examples of successes is necessary for this purpose.

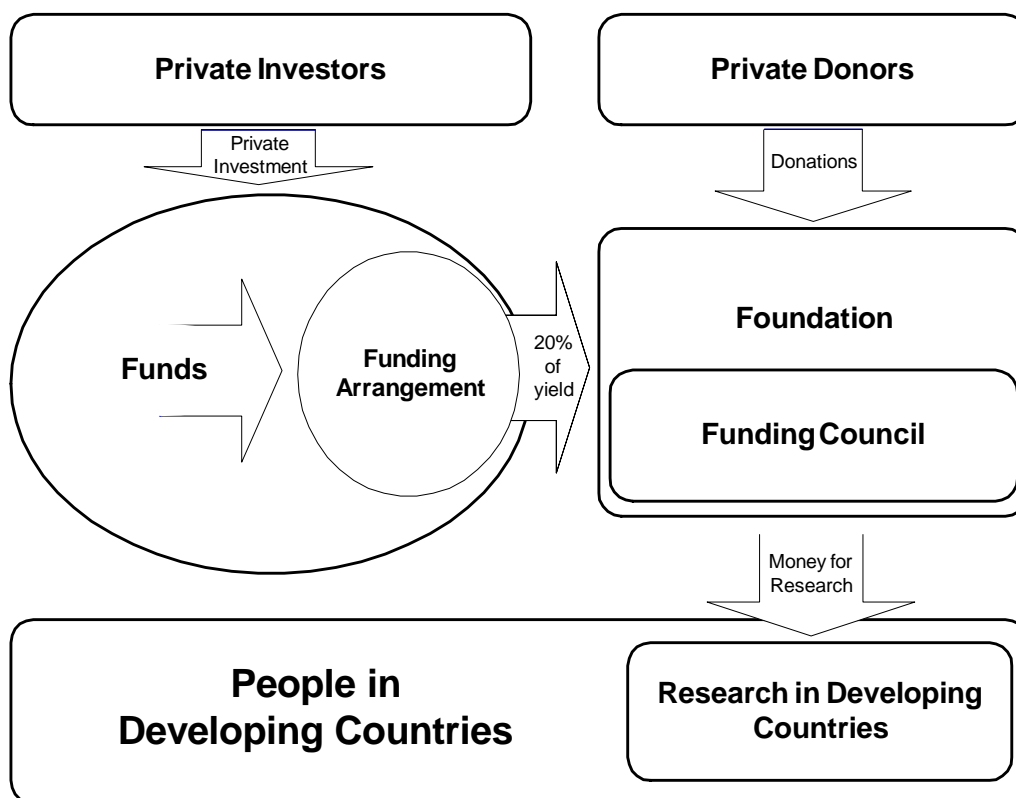
The Funding Arrangement: The foundation launches an arrangement with a bank so that bank clients have the opportunity to direct part of their fund revenues to the foundation. When an investor buys shares of an investment fund he has the opportunity to sign a donation contract in support of international agricultural research. The donation contract lines out that the investor sacrifices 20% of the yield of the fund, which are channeled by the bank to the foundation. Here, the money is used for high pay-off international agricultural research and thus it can be argued that the investor invests not only in short term yields but also in long-term activities to solve crucial problems of today's world. The investor also will get a donation receipt, which he can use for deducting taxes.

The Fund: Professional management of investment funds is the basis for high returns on investments and thus for attracting private investors. Investment funds are administered and offered by all big banks. It is important to note the concept does not foresee setting up an ethical fund by itself but providing investors with the possibility to donate the revenues of a high-yielding investment fund to philanthropic purposes while gaining tax rebates.

The Funding Council: The decisions which research areas, which projects, and which organizations and individuals will be supported by the fund are made by a council. The funding council is open to the participation of private investors and donors. At its core it consists of a peer group of researchers and development practitioners. It is setting priorities to determine key areas of support. Also research with farmers in developing countries vis-à-vis their problem perceptions should be conducted as well on a continuous basis. Different mechanisms for farmer's participation in priority setting should be envisaged. Criteria for the provision of funds are direct farmers' participation, support to small-scale private entrepreneurship, environmental safety, and potential for

poverty reduction. In the choice of projects, however, it is important that it can be shown that the money invested will empower farmers. First experiments undertaken in the context of research programs in West Africa indicate the potential of this approach based on the concept of the knowledge broker (von Oppen et al. 1998, Hartwich, von Oppen, 1999).

Figure 1: Concept for private funding of agricultural research for developing countries



People in Developing Countries: The single most important feature of presenting the concept to donors should be that it is appealing in terms of what it brings to the people in developing countries. It is foreseen, that farmers are participating in the development of rural areas, promoting agricultural and other sources to income that increase economic and social welfare. Consumers get access to more food of higher quality. Other groups will also benefit from such participatory research, as the sustainable use of natural resources will eventually also bring about welfare increases for people in industrialized countries. In a democratic setting, policies should be framed according to the articulated needs of

those involved. If farmers are encouraged to actively participate in research and with the help of specially trained information and knowledge brokers to express their needs, this will enable the articulation of policy requirements and increase the efficiency of generating technical innovations relevant to move agricultural and rural development.

Research in Developing Countries: As big national and international research organizations are costly and sometimes inefficient the funds are preferably distributed to individual researchers and small organizations on a competitive basis. Constant monitoring of the use of funds is required. Support is given particularly to new means of effective farmer involvement, such as for example participatory research and the knowledge broker concept.

Implementation

An alternative-funding concept cannot easily be set-up at once. Instead, a stepwise plan should be pursued in which the sequence of steps would follow certain principles with regard to a gradual build-up in size and complexity of the organization.

Step 1: At the beginning an association is required, which has as its purpose the creation of a foundation for agricultural research. Associates will be people, who support the concept. For effectivity in decision making, the group should be composed of a few highly determined personalities. The association would be registered in Germany as a recognized philanthropic organization. For this the main task would be to find donors and prepare material for public relation.

Step 2: A foundation is founded, its donors being members of the association and other individuals interested in the concept. Their donations would be used to set up a funding arrangement involving investment funds. Meanwhile first projects are supported in order to show to investors and donors that the foundation is capable of supporting relevant research for development activities. As an accompanying measure, competitive pre-selection of projects to be funded should be done by the foundation. Being able to present a

portfolio of research projects to be funded should increase the willingness of banks and donors to co-operate.

Step 3: Once the foundation is set up and suitable investment funds and a bank interested in the concept and in attracting new clients through the fund are identified, the existing investment funds will be put to use. The funding arrangement provides a possibility also for the donation to international agricultural research

Step 4: If the funding arrangement for agricultural research attracts enough investors it can be envisaged that a special fund is set up. Investment in this fund, which would engage in ethically appealing investments related to agricultural development, automatically means that a certain percentage (preferably 20%) would be placed as donation into the fund.

4. Conclusions

The concept presented offers a range of advantages over conventional public research funding. First of all untapped sources of funding for international agricultural research are mobilized and private investors get the opportunity for participating in important activities to address, global problems and thereby complementing the role of overcharged public donors. It permits individuals to invest into their future and the future of the next generation. An additional advantage is the fact that the concept allows those to get involved in funding decisions who also provide the funds. Moreover, the target group, farmers in developing countries will also participate in the process of allocating the funds. This should raise competition among researchers. Also, innovative and alternative research areas and ideas, besides mainstream research funded by public and international donors, can be supported. Further, public project formulation and management procedures, which are often ineffective, are avoided and ineffective research in national and international research organizations and loss of funds through overheads and corruption is avoided. Finally, a new era of participatory involvement of donors and recipients in agricultural research will be opened.

However, there is a range of challenges to the concept, which may have to be discussed before launching an initiative of implementing such a concept. It is clear that the concept and the idea of supporting international agricultural research has to compete with other players on the ethical fund market and the market for use of philanthropic funding, particularly NGOs. This has to be done by offering a convincing concept, which makes it clear to every donor and investor that through their donation a real difference will be made. A main issue would be how to approach and contact investors and donors. Further a bank must be identified which is supportive to the concept offering also most favourable conditions. As said above main conception work still lies in identifying how to set priorities for most efficient research projects, how to allocate funds according to set priorities, and how to establish links with partners ready for innovative research ideas in developing countries.

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