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PROJECT APPRAISAL REPORT (PAR)

1. PROJECT NO. 512-11-660-263.1	2. PAR FOR PERIOD: June 16, 75 TO Dec. 31, 76	3. COUNTRY Brasil	4. PAR SERIAL NO. 76-6
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5. PROJECT TITLE

GRADUATE ECONOMICS EDUCATION (FIFE/AID Grant)

87

6. PROJECT DURATION: Began FY <u>76</u> Ends FY <u>77</u>	7. DATE LATEST PROP 10/2/75	8. DATE LATEST PIP -	9. DATE PRIOR PAR July 28, 1975
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: 57,800	b. Current FY Estimated Budget: \$ -	c. Estimated Budget to completion After Current FY: \$ -
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
Drs. G. Sahotta, R. Evencsa, S. Ceccanoli, D. Graham, G. Ranis, L. Sjanstad, D. Wiececarvor, A. Harberger, A. Haller, W. Thwatt, K. Spenser. Universities of Purdue and Vanderbilt	FIFE Contracts

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
		X	To consolidate the high status established by FIFE with the economics community in the U.S., through a mature reciprocity of: exchange of credits of graduate programs, exchange of faculty for teaching purposes and large joint research projects.	As from 1977 - on going.

D. REPLANNING REQUIRES	E. DATE OF MISSION REVIEW
REVISED OR NEW: <input type="checkbox"/> PROP <input type="checkbox"/> PIP <input type="checkbox"/> PRO AG <input type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input type="checkbox"/> PIO/P	January 19, 1977
PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE HRO: T. Piancastelli	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE AID/R: WFGelabert

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		LOW			MEDIUM		HIGH
	1	2	3	4	5	6	7	1	2	3	4	5	
1. Purdue Univ. (Dr. George Patrick)							X					X	
2. 14 Personal Service Contracts w/PIFE							X					X	
3. Agreement PIFE/Vanderbilt							X					X	

Comment on key factors determining rating

- 1 and 2. - The following visiting professors made highly valuable contributions to PIFE through their overall interaction with PIFE staff. Their participation in Seminars, joint research projects and graduate teaching was considered outstanding by PIFE: G. Sahotta (2), R. Ewason, S. Czerniak (2), D. Graham, G. Bania, L. Sjaastad, D. Wisniewski, A. Harberger, A. Keller (2), W. Thwaitt, K. Spomer.
3. The Agreement PIFE/Vanderbilt made a high contribution to the PIFE program by permitting Prof. Sahotta and Thwaitt to sign Personal Service Contracts with PIFE and purchasing Library materials for PIFE.

4. PARTICIPANT TRAINING								X						X
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Comment on key factors determining rating

Nine PIFE staff members were in the U.S. during the period for post-doctoral and joint research programs. The impact on PIFE of this training program was highly felt through the improvement of courses given, scientific production (papers and books) and the opening of new study areas.

5. COMMODITIES				X								X		
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Comment on key factors determining rating

PIFE purchased approximately \$9,000.00 of carefully selected books and journals during the period. A large percent of these materials was purchased with the assistance of U.S. contractors. Arrangements have been made for additional needed purchases, especially in order to provide coverage of new research lines and overall PIFE programs.

6. COOPERATING COUNTRY	a. PERSONNEL	PIFE	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)				
			1	2	3	4	5	6	7	1	2	3	4	5
		GOB Agencies						X					X	

Comment on key factors determining rating

PIFE:

1. PIFE continued to give high priority to the development of this grant. Dr. José Pastore dedicated every effort needed to the coordination of this Project, assisted by Dr. João Sayad, as Acting Coordinator during Dr. Pastore's absence. PIFE faculty selected for training abroad and all those charged with the responsibility for the conduct of research projects are highly qualified and interested.

OTHER AGENCIES:

2. Only 10% of the PIFE budget comes from USP. The role played by other agencies giving financial support to PIFE was therefore very significant. Among these agencies are SUBIN, FAPESP, FINEP, CAPES, etc.

7. OTHER DONORS	A. Inter-American Dev. Bank (IDB)					X							X	
	B. Ford Foundation (FF)													

(See Next Page for Comments on Other Donors)

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II. 7. Continued: Comment on key factors determining rating of Other Donors

A. IDB's technical and financial assistance towards the development and presentation of courses in development banking and research projects was continued. A new 5-year project in Urban and Regional Development has been presented to IDB. Preliminary approval was given and program should begin in June 77. Estimate of program \$800,000.

B. Total amount of Ford Foundation Grant for 1975-78 was reformulated to \$457,000. This Grant covers visiting professors and fellowships for post-doctoral programs abroad.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMULATIVE PRIOR FY	CURRENT		FY 77	FY ____	
			TO DATE	TO END			
U.S. visiting professors	PLANNED	35 n/m	-	42 n/m	-	-	42 n/m
	ACTUAL PERFORMANCE	405 n/m	42 n/m				
	REPLANNED			42 n/m	44.5 n/m		44.5 n/m
FIPE staff on post-doctoral research and study in the U.S.	PLANNED	22 n/m	-	36 n/m	-	-	36 n/m
	ACTUAL PERFORMANCE	16 n/m	19 n/m				
	REPLANNED			19 n/m	19 n/m	-	19 n/m
Joint Research-Brazilians in the U.S.	PLANNED	6 n/m	-	12 n/m	-	-	12 n/m
	ACTUAL PERFORMANCE	3.5 n/m	8 n/m				
	REPLANNED			8 n/m	10 n/m	-	10 n/m
Research Materials and Publications of joint research.	PLANNED	\$10,500	-	\$15,000	-	-	\$15,000
	ACTUAL PERFORMANCE	4,650	9,776				
	REPLANNED			\$ 9,776	16,276		\$16,276
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT: More than 10 seminars on Brazilian economics were given by FIPE faculty in the U.S. and 12 contracts with U.S. individuals and/or institutions were carried out during the period under this Grant. Inter-institutional agreements, between FIPE and U.S. universities for exchange of professors, joint research, etc., have been signed and/or are being negotiated.						
1. Strengthening of relations between FIPE and U.S. economic institutions or individuals.	COMMENT: 15 major joint research projects were undertaken by U.S. and FIPE professors during the period. All of these served as basis for several theses, both in the U.S. and Brazil, but one in particular, "Development Alternatives for Low-Income Groups in Brazilian Agriculture", generated about 30 dissertations (25 in Brazil and 5 in the U.S.) and						
2. Development of a significant joint research program.	(Cont'd. Page 3A)						
3. Development of sound PhD program and strengthening of overall FIPE's graduate program.	FIPE is the only educational institution in Brazil for which approval of the Federal Council of Education has been given to offer PhD programs in Economics. The PhD program presently has 17 students, the first of which will graduate within 3 months and four or five more in '77. The MS program						

(Cont'd on Page 3A)

B. Qualitative Indicators for Major Outputs:

2. Comment: (Cont'n)

50 papers on Brazilian problems. Considerable improvement of theoretical and methodological research level was achieved because of this interaction and new research areas were developed.

See Annex I.

3. Comment: (Cont'n)

has 45 students and the specialization program in Regional and Urban Economics has 20. In 77 the curricula for the 3 programs will be reformulated. The tendency is to make them more Brazilian problem-oriented and to give a more professional orientation to the MS and more academic to the PhD.

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IV. PROJECT PURPOSE

1. 1. Statement of purpose as currently envisaged. 2. Same as in PROP? YES NO

1. To strengthen and broaden FIFE's graduate program in economics.
2. To consolidate already close links between FIFE and U.S. economics community (institutions and individuals) with the result that cooperation will continue after this project has terminated.

B. 1. Conditions which will exist when above purpose is achieved.

2. Evidence to date of progress toward these conditions.

1. A top quality FIFE staff able to devote sufficient time to graduate programs - MS and PhD, and to conduct research in new areas.

FIFE has a full time staff of 43 senior professors with PhD or its equivalent, plus 37 junior professors (30 of which with an MS and 7 in the process of getting their PhD's). In addition, there are 17 Research Assistants with MS degrees and 8 support technicians (analysts, statisticians, etc.). The size and high quality of FIFE's staff ensure a balanced distribution of their time to new research areas and to FIFE's top quality graduate programs. Interaction with U.S. economics top level professors has contributed greatly to an improvement of FIFE's capacity.

2. FIFE's graduates are recognized as competent economists.

Students with an MS from FIFE have been very successful in the U.S. PhD programs, and in getting immediately employed with the highest salaries in the market. A survey recently conducted by FIFE shows that 40% of its MS graduates from 1970/75 period are engaged in teaching and research, 32% in Government agencies, 18% in Dev. Banks and 10% in other activities.

(Cont'd.)

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To develop Brazilian institutional capacity to produce high level manpower required for its socio-economic development.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

- FIFE continued to engage its senior economists in a major research contract between FIFE and the Ministry of Agriculture, aiming at the formulation and implementation of economic policies in the agric. production sector. Other major policy oriented research have been conducted by FIFE for the Ministries of Finance, Labor and other federal, regional and state agencies.

- The interest in Brazilian problems in the U.S. economics community has been substantially increased by the close interaction of U.S. economics professors and FIFE staff under this Grant. Reports on file of US visiting professors at FIFE indicate that their experience with FIFE had been instrumental in shifting more of their research attention to Brazil and in stimulating other faculty and students in their universities to take up research on Brazil. Seminars given in the U.S. by FIFE staff also contributed to a better understanding of Brazilian problems in the U.S.

IV. PROJECT PURPOSE

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
<p>(Cont'n)</p> <p>3. Closer interaction between U.S. Economics professors and Brazilian qualified professors at FIPE.</p>	<p>The interaction between Brazilian and U.S. Economics professors has been greatly strengthened during the period. Several U.S. top level visiting professors were in Brazil and FIPE faculty went to the U.S. for joint research and post-doctoral programs. FIPE matured through this interaction and established a high scientific stature. In addition to the agreements with Purdue and Vanderbilt Universities, an agreement with Yale has been signed for joint research, exchange of professors and participation in dissertation committees. A similar agreement will be signed with Wisconsin. Also, contacts have been established and research areas defined for joint research in the near future, with Ohio State, MIT, John Hopkins, Harvard, Univ. of Illinois - Urbana, and OIT/ILO.</p>

ACTION TAKEN ON RECOMMENDATIONS OF
PREVIOUS PAR, DATED AUGUST 5, 1975

Recommendation

I. With the return from graduate work in the U.S. of approximately 10 FIPE staff members in CY 75-76, senior FIPE staff will be able to give greater attention to the development of PhD programs, in line with Brazilian educational economic priorities.

II. FIPE will actively search for other sources of needed U.S.\$ resources and find means of converting local currency into U.S.\$ in order to continue interaction with U.S. economics professors after the AID Grant terminates.

Action to Date

I. Seven FIPE staff completed their PhD in the U.S. during the period. With their return the assistance to FIPE's PhD program was considerably improved. Also, a grant in the total amount of Cr\$7.503.800,00 has been negotiated with FINEP for specific support to graduate programs for a 2 1/2 year period, starting June 77. Approximately 8 FIPE staff will return to FIPE's graduate programs in 77-78 after completion of their PhD in the U.S.

II. FIPE has actively searched for new sources of funds, both in local and U.S. currency. A new IDB grant was negotiated as well as grants with the World Bank, ECIEL (Chile), Inter-American Foundation, FINEP and FIPEC. Additionally, funds for scholarships for MS and PhD students at FIPE were obtained from different sources - private and public.

A survey was also conducted by FIPE on the acceptability by U.S. visiting professors of payments in local currency and reaction was positive. Therefore, contracts signed recently with agencies of GOB have provisions in local currency for salaries and transportation for visiting professors.

ANNEX I

ON-GOING JOINT RESEARCH PROJECTS

The new research projects defined below have taken a more concrete shape and have been started under this cooperative arrangement -- Brazilian/U.S. professors.

- Theoretical Analysis of Wage Determination Mechanisms in São Paulo Industrial Sector (Haller - J. Pastore)
- Fiscal Policies and Stabilization Policies as Related to Brazilian International Trade (Harberger - A.C. Pastore - Sjaastad)
- Evaluation of Brazilian Fiscal Policy and Social Project Evaluation - Case Studies (Wisecarver - Moldan - Adroaldo)
- General Evaluation of Brazilian Economic Policies - after 1964 (Graham - Mendonça)
- Fiscal Policies and Brazilian Regional Allocation of Resources (Sahota - Rocca)
- Technological Choices and Labor Absorption Effects - (Ranis - Mendonça)
- Training Programs for Urban Economics (Czamanski - Rizzieri)
- New Tools for the Study of the Economics of Agriculture Research in Brazil (Evenson - Hayami - Kislev - FIPE)
- Study of Low Income Groups in Brazilian Agriculture - (Patrick - Dias - J. Pastore)
- Studies in Economics History (Thweatt - Ekerman)
- Studies in Regional Economics (Sahota - Rocca - Ueda)
- Alternate Measurement for Wage Differentials in São Paulo (Spenner - J. Pastore).