Memorandum

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

4. It is not entirely clear how the three districts in which AID will work were selected. Why was it desirable that they represent three ecological zones and be situated in three different regions (Northern, Brong-Ahafo, and Western)? What evidence is there that there are large disparities in per capita incomes and employment opportunities in these districts?

5. While decentralized planning is an important step forward, what institutional structures are in place to implement these plans? For example, are there cooperatives or farmers' associations to assure that agricultural inputs and services can reach groups of large numbers of people?

6. AID support of various district level projects will be contingent upon three criteria. (p. 6) If these criteria are strictly adhered to, the intended beneficiaries will likely be the actual beneficiaries; otherwise, the more wealthy will likely reap most of the benefits.

6. Is the Rural Development Consultancy Center an AID initiated effort, or a GOG effort that AID wants to support? If the GOG does not view the Center as its institution, it is doubtful that it will support its growth.

7. Loan funds (Rural Resource Loan) of $20 million over five years will "finance the foreign exchange cost of equipment, materials and machinery required to undertake small public works and community development projects... These loan funds will also help relieve the severe balance of payment constraint." (pp. 7-8) Since the uses of this foreign exchange have not yet been determined, it seems premature to suggest that $20 million of "equipment and materials" will be required. In addition, the PID does not indicate that Ghana has a balance of payments problem, or which commodities AID might finance in conjunction with the district level planning effort that might indirectly alleviate that problem. In short, it is not clear at this point that the "Rural Resources Loan is...an essential complement to the grant funded district development and planning activities...." (p. 8) Perhaps the district plan expected to be completed for Nanchi District by August 1, 1975, will provide an initial indication of the kinds of materials and equipment that are required for rural development in Ghana.

8. The PID assumes that the "District Councils will be organized for administrative rather than political purposes; that they will be given the autonomy necessary to exercise effective leadership, coordination and control of funds; and, that appropriate practical procedures and modes of operations will be established to enable

District Councils to carry out their functions effectively and with local popular participation in both decision-making and execution." (p. 8) This would appear to be a critical assumption. What is our judgement concerning whether or not the District Councils will in fact operate as we assume they must if they are to be successful?

Economic and Rural Development Management

1. What is the rationale for proposing this as a separate project rather than integrating it as part of the District Planning and Rural Development project? They seem complementary.

2. In my view, training district level rural development officers may be more important than training middle and higher level management people in the central government. In addition, I question the merit of training these people in the U.S.; in-service and in-country training may make more sense. Would it be possible to eliminate the relatively costly training of Ghanaian elites in the U.S. (or alternatively, conduct this training in Ghana), and make the rest of this training project a component of the broader Rural Development project?

3. The money allocated to achieving the services of a Ghanaian consultancy firm will be well spent if the firm addresses the four questions proposed on p. 6.

4. The in-country management seminars seem appropriate. However, it is not clear why Ashanti Region was selected for the pilot phase, since this is not one of the three regions selected for the Rural Development effort.

cc: PPC/PDA/DA, D. Redding
PPC/RC/AFR, E. Fei
PPC/RD, M. Feldstein
AFR/CWA, J. Coe