

**AIRGRAM**

**DEPARTMENT OF STATE**

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SUBJECT - NON-CAPITAL PROJECT PAPER (PROP)

REFERENCE -

NON-CAPITAL PROJECT PAPER (PROP)

Country ETHIOPIA

Project Number 663-11-120-111

Submission Date: 6/24/68 Original 6/24/68 Revision \_\_\_\_\_

Project Title Agriculture Advisory Services

U.S. Obligation Span: FY 1965 - FY 1973\*

Physical Implementation Span: FY 1965 - FY 1973\*

Gross life-of-project financial requirements:

U.S. dollars \$746,000

U.S.-owned local currencies

Cooperating country cash contribution \$22,000 (U.S.)

Other donor                     -  
\$768,000

\*Although the life of the project extends to 1973, definite planning has been done only to 1970, after which the PROP will have to be changed.

OTHER AGENCY

STATE

AGRIC

PAGE 1 OF 5 PAGES

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6/24/68

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AGR: (SLogan)   
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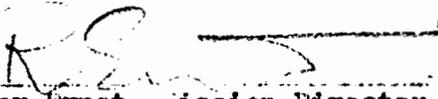
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Mission Director's Prescript

and in effect is amended by

The attached PROP needs to be read closely in conjunction with/the PY 1970 Program Memorandum in which the focus of Mission's objectives and strategy is set forth. The requirements and directions of the PM will affect the actual implementation of this project by narrowing the number of subjects frontally addressed and by concentrating AID and, hopefully, IEG resources on a limited number of key areas/crops/problems/possibilities where the strongest opportunities for successful agriculture are present. A developmental bias rather than an institutional approach will be evident in Mission activity.

  
\_\_\_\_\_  
Roger Ernst, Mission Director

August 16, 1968

### A. SUMMARY DESCRIPTION

The main purposes of this project, **Agricultural Advisory Services**, (663-11-110-111) are to improve the overall policy, planning, administration, and development of all phases of agriculture and agricultural industry in Ethiopia.

The functions and responsibilities of this project are concerned with: (1) Agricultural development policy of the Ministry of Agriculture and of other Ministries and Agencies dealing with Agricultural development; (2) Building the Ministry of Agriculture's planning capabilities to cope with development problems; (3) Establishing a viable Agricultural Economics and Statistics Department within the Ministry of Agriculture; (4) Assisting the Ministry in overcoming administrative deficiencies which tend to make the Ministry inefficient in its operation; (5) Establishing a marketing system for the efficient marketing of all agricultural products; (6) Collaborating in selecting and processing participants to help build professional agriculture competence and capabilities; (7) Integrating and coordinating USAID agriculture programs with other donors; and (8) advising and guiding the Ministry of Agriculture to implement specific new projects.

The inputs in manpower and funds required to carry out the objectives of the project ~~through~~<sup>to</sup> FY 1970 include the Chief Food and Agriculture Officer, an Agricultural Economics Advisor, an Agricultural Marketing and Processing Advisor (position which will be terminated September, 1969) and clerical and supporting staff. Also included are funding for participants, commodities (consisting of books for an economics library, grain marketing equipment for sampling and testing grains, audio-visual equipment and projection screen, all of which have already been delivered) and a small other cost component.

### B. SETTING OR ENVIRONMENT

The Agro-Industrial Sector Study, June 17, 1966, presents in detail the setting and environmental conditions of the agricultural sector of the Ethiopian economy. If the ills of agriculture, as described in the document, are to be cured or alleviated, it is imperative that the Ministry of Agriculture put much more emphasis on planning, agricultural market development, agricultural economic studies and analysis, the development of sound agricultural statistics, and an overall improvement in agricultural administration. These needs were recognized by the Ministry during the Second Five-Year Plan. The Agricultural Advisory Services Project resulted from the recognition of this need. In 1964 the Ministry of Agriculture requested USAID to furnish an Agricultural Economic Advisor and a Marketing and Processing Advisor to assist the Ministry in its overall planning, to help establish a Department of Economics and Statistics in the Ministry, to assist in the establishment of a marketing system for agricultural commodities; and to help build a strong planning component in the Ministry.

NONCAPITAL PROJECT FUNDING OBLIGATIONS (IN \$000)

Table 1

COUNTRY: ETHIOPIA Project Title: Agricultural Advisory Services

PROP DATE  
Original \_\_\_\_\_  
Rev No. \_\_\_\_\_  
Project No. 163-21-190-111

Fiscal Years	Ap	L/G	Total	Cont <sup>1/</sup>	Personnel Serv.			Participants		Commodities		Other Costs	
					AID	PASA	CONT	U.S. Agencies	CONT	Dir US Ag	CONT	Dir & CONT US Ag	
Prior through													
Act. FY 68			583		371			134		32			13
Oper. FY 69			13		101			53		3			3
Judg. FY 69													
B - 1 FY 69													
B - 2 FY													
B - 3 FY													
All Subs.													
Total life			743		472			190		65			19

K 1/ Memorandum (Nonadd) column

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However, AID Agricultural Advisory Services are not limited to the Ministry of Agriculture. The Chief Food and Agriculture Officer keeps close liaison between AID, the Ministry of Agriculture, all other IEO Ministries and Agencies having an interest in agriculture, and other foreign aid donors. The Agriculture Economic Advisor works with the Ministry of Planning and other agricultural agencies; and the Marketing and Processing Advisor works with other marketing agencies such as the Livestock and Meat Board, the Grain Corporation, the Coffee Board, as well as working with the Food for Peace Program, Food for Work, and voluntary agencies.

### C. STRATEGY

This project is the focal point for all AID agriculture activities and coordinates all other AID agriculture projects. From its inception the project has been a guiding force in conducting the agricultural economics and marketing research necessary for good planning and it has been instrumental in developing guidelines for planning and development of the agriculture sector.

To make the marketing phase of the project more effective, because there was no active marketing unit in the Ministry, major emphasis in marketing was placed on development of the overall marketing and distribution capabilities of the Ethiopian Grain Corporation. In September, 1967, new emphasis was placed on developing the marketing structure of the Livestock and Meat Board. Work on marketing of other agricultural commodities continues.

Through a participant selection and training program conducted in collaboration with officials of ministries and agencies having interests in agriculture, competence and capabilities are being developed in agricultural marketing, agricultural economics, statistics, land economics, agricultural administration, and agricultural law. Training in these fields is required if Ethiopia is to make the necessary revisions in agricultural administration and operation which are essential to the development of agriculture. The training is also essential for carrying out the objectives of this project.

By continuous liaison with all agricultural agencies of the Government, the College of Agriculture, Experiment Stations, and other donors, this project has been able to generate interest and exert influence on development planning, particularly in the areas of regional and area development planning. This liaison action assures coordination of effort and makes possible a greater impact on the agricultural sector.

**D. PLANNED TARGETS, RESULTS AND OUTPUTS**

The principal targets of this project are: (1) to improve through 1970 the overall administration, organization, and operational procedures of the Ministry of Agriculture in the areas of planning, economics, statistics, and marketing; (2) to establish and have fully operational by 1970 an Agricultural Economics and Statistics Department within the Ministry of Agriculture capable of making required studies in a timely manner and producing empirical and synthesized data; (3) to complete by 1970 a plan of action, involving both the governmental and private sectors, for the development of an effective market structure and system for Ethiopia's major agricultural commodities.

**E. COURSE OF ACTION**

The Chief Food and Agriculture Officer will continue to supervise the Agriculture Division, maintain liaison with top officials of the Ministry of Agriculture and other IEG Agriculture Agencies, and coordinate U.S. assistance with that of other donors. The Chief, along with members of his staff, will continue to provide such advisory services as may be requested by the IEG, and will serve as the coordinating link with other agricultural surveys and studies that may be made by AID-financed teams or groups.

USAID and Ministry of Agriculture personnel will counsel on a continuing basis on methods of improving the efficiency of Ethiopian agriculture, including short papers and reports of alternative program approaches as requested by the Ministry. All staff members will advise and counsel, as needed, with other AID-financed teams making agricultural surveys.

U.S. Agricultural Advisors will assist all ministries concerned with agriculture in the development of organizational structures which can support and administer Ethiopian agricultural development.

The Agricultural Advisory Services will assist the IEG to make economic evaluations and appraisals of various alternative approaches to plans for agricultural development.

Concentrated effort will continue to be devoted to the organization and development of a strong, professionally oriented Department of Economics and Statistics in the Ministry since the activities of the department are so fundamental to the achievement of the objectives of this project.

The Department of Agricultural Economics and Statistics of the Ministry, with the guidance and assistance of the U.S. Agricultural Economics Advisor, will undertake studies of the relative efficiency and economic advantages and disadvantages of various types and scales of Ethiopian farms.

Research on the food situation and production needs of Ethiopia will be continued as new data become available.

The Agricultural Marketing and Processing Advisor will continue to analyze the existing food and fiber marketing system. Analysis will include an inventory of major firms, estimates of numbers of firms involved in various marketing functions and processing, data on the assembly of farm products, transportation, pricing mechanism, markups, marketing communications, market channels, storage, finance, bargaining strengths, and distribution patterns.

Workshops or conferences on agricultural marketing will be conducted through the life of the project; these will focus attention on marketing problems, help planning personnel in the Ministry of Agriculture better understand marketing problems faced by marketing agencies and firms, provide guidelines for needed applied research, and give insights to possible solutions for existing marketing problems.

Further, the Agricultural Marketing and Processing Advisor will continue to serve as USAID/E Food for Peace Officer for Ethiopia. Under this project, work in all of the phases and areas of PL 480 activities will continue to be planned, developed, and implemented for the Ethiopian program.

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