

I. PROJECT IDENTIFICATION

1. PROJECT TITLE <p style="text-align: center;">Economics Education and Research - University of Tunis</p>		APPENDIX ATTACHED <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO 13 p. 2. PROJECT NO. (M-2-1092) <p style="text-align: center;">664-II-110-237.2</p>
3. RECIPIENT (specify) <input checked="" type="checkbox"/> COUNTRY <u>TUNISIA</u> <input type="checkbox"/> REGIONAL <input type="checkbox"/> INTERREGIONAL	4. LIFE OF PROJECT BEGINS FY <u>67</u> ENDS FY <u>76</u>	
5. SUBMISSION <input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> REV. NO. <u>1 8/29/74</u> CONTR./PASA NO. <u>155/aff-</u>		

II. FUNDING (\$000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMOD- ITIES \$	F. OTHER COSTS \$	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: \$ US <u>1=0d.430</u> (U.S. OWNED)		
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	(1) U.S. GRANT LOAN	(2) COOP COUNTRY	
											(A) JOINT	(B) BUDGET
1. PRIOR THRU ACTUAL FY	563	188	-	366	-	9	-	562	-		- 1/	1,420 2/
2. OPRN FY <u>74</u>	-	-	-	-	-	-	-	-	-		15 2/	500
3. BUDGET FY <u>75</u>	72	16	4	53	106	3	-	72	110		10	860
4. BUDGET +1 FY <u>76</u>	99	41	6	55	68	3	-	99	74		28	990
5. BUDGET +2 FY												
6. BUDGET +3 FY												
7. ALL SUBQ. FY												
8. GRAND TOTAL	734	245		474		15		733			53	3,770

9. OTHER DONOR CONTRIBUTIONS

(A) NAME OF DONOR	(B) KIND OF GOODS/SERVICES	(C) AMOUNT
France	Books and teaching staff	Not available

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER Leila Mogannam	TITLE Development Training Officer	DATE August 1974
2. CLEARANCE OFFICER Ullmont L. James	TITLE Director	DATE August 1974

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

- 1/ In view of the fact that the two portions of the University of Minnesota Contract were only separated in FY 73, no separate figures are available for the University of Tunis portion prior to that date.
- 2/ Calendar Year Basis (OPRN FY 75 = CY 1974)

Clearances:
 HUR: JWKennedy (draft)
 PPS: DHMorrissey
 PPS: JHoltaway
 PMS: ADHullung
 D/DIR: HLThompson

2. CLEARANCES

BUR/OFF.	SIGNATURE	DATE	BUR/OFF	SIGNATURE	DATE

3. APPROVAL AAs OR OFFICE DIRECTORS

SIGNATURE	DATE
TITLE	

4. APPROVAL A/AID (See M.O. 1025.1 VI C)

SIGNATURE	DATE
ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT	

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Cover Sheet for Revised PROP

The broad objectives of this PROP remain the same. It is revised mainly (1) to extend the termination date in order to complete the PHD training of the 13 participants presently in the U.S., and (2) to recast the project design to conform to the format recommended in M.O. 1025.1.

Because of the difficulties encountered during the early years of the project in regard to degree equivalency, recruitment of qualified candidates was slow and not many candidates opted for training. Furthermore, several participants continued only to the Master's level and one died. The equivalency issue has now been solved. However, in order not to further delay the completion date of project which would have been required by the original target of 19 U.S.-trained PHD participants, it was determined that project objectives could be achieved with 15 U.S.-trained PHDs (equivalent to 50% of the present faculty of the Department of Economics), plus 4 short-term participant programs. The 4 short-term programs are planned for French-trained faculty members in FYs 75 and 76. Training will be for 6 months each to acquaint the participants with U.S. universities and their economics teaching methodology, concepts and departmental structures.

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I. Project Goal

A. Goal Statement

The goal of this project is to produce trained Tunisian economists whose training in the theory of optimal allocation of resources and its application to Tunisia will be of use in the public and private sectors of Tunisia's economy.

B. Measurement of Goal Achievement

1. Tunisian faculty members and students whose research findings and/or work with public or private institutions will influence the formulation of national economic policy.
2. Trained Tunisian economists employed and exercising policy influence in public and private sectors.

One means of measurement that would verify the goal achievement would be the designing of a follow-up study to determine the degree to which faculty members and employed students are able to exert an influence on the formulation of national economic policy.

C. Assumptions of Goal Achievement

It is assumed that many Tunisian industries and governmental agencies are not utilizing their scarce resources efficiently, but are prepared to employ better trained staff in order to correct this deficiency.

II. Project Purpose

A. Statement of Purpose

As indicated in the original PROP dated 8/20/69, the development objective or "purpose" of this PROP is to improve the quality of instruction in the undergraduate economics program of the University of Tunis Faculty of Law, Economics and Political Science.

B. Conditions expected at the end of Project

1. Students leaving the undergraduate program capable immediately of entering advanced training in economics.
2. Terminal students qualified to secure employment in a field related to their training.
3. At least 90% of the Faculty economic staff will be Tunisians.
4. The Faculty will have a modern economics curriculum with a heavy emphasis on modern economic theory and on practical approaches to policy issues using up-to-date teaching methods.

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The means of verifying the above conditions is to review exams, text books in use, curriculum and monitor lectures. Statistics on terminating and continuing students are also available.

C. Basic Assumptions

Basic assumptions for achieving the purpose of the project are:

1. The University is responsive to identified needs.
2. Jobs will be available for Tunisian graduates.
3. The GOT desires to develop an economics education model incorporating the strengths from the American and the French systems.

III. Outputs:

Magnitude of Outputs:

A. Project outputs are summarized as follows:

- | | |
|--|--|
| 1. Faculty members trained to the PHD level and on the job; | 1. 15 * |
| | * The total includes 2 USAID-trained PhDs in Economics outside the University of Minnesota Contract; |
| 2. Short-term training in U.S. of French-trained professors to get them acquainted with U.S. universities and economic teaching methodologies; | 2. 24 mn; |
| 3. Short courses and seminars to be given by visiting U.S. professors; | 3. 108 man-weeks; |
| 4. Teaching and advisory services of qualified U.S. economics professors; | 4. 3 man years; |
| 5. Textbooks available for classroom use and calculators for research; | 5. 500 basic economic books and \$9,500 woty worth of calculators and other equipment; |
| 6. Short visits to U.S. by Dean and Head Economic Section of Faculty. | 6. 6 mn. |

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B. Assumptions for Providing Outputs

The assumptions for providing the outputs are summarized as follows:

1. An identifiable need for Tunisian economics graduates exists.
2. U.S. trained PHD's will continue to be allowed to compete on an equal footing in terms of salary, promotion potential and status with non U.S. trained doctorate holders;
3. Incentives will be adequate to retain trained personnel.
4. GOT acceptable to the idea that an identifiable economics department should exist in the Faculty, and that research will focus on Tunisian related problems.

IV. Project Inputs (See also Section IV below)

1. Statement of Project Inputs (Kind)

1. U.S. Inputs (University of Minnesota Contract)

	FY 69	70	71	72	73	74	75	76
a. Technical Services								
Professors/Advisors (man years)	-	-	1	1	1	-	-	-
TDY Consultants (man months)	2½	1½	2½	1/2	3/4	-	1½	1½
Participant Counselor, Tunis (man months)	-	-	-	-	-	3	3	3
b. Copying Backstopping								
Participant Counselor (man years)	1/4	1/4	1/4	1/4	1/4	1/4	1/4	1/4
Assistant (man years)	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2
Secretary (man years)	1/4	1/4	1/4	1/4	1/4	1/4	1/4	1/4
c. Participant Training 1/								
Departing Candidates (long term trg) 2/	6	5	4	3	-	-	-	-
Departing Candidates (short-term trg)	-	-	-	-	-	-	2	2
d. Commodities								
Calculators, books (including 500 Samelson basic texts)								

2. Tunisian Inputs

- a. Direct GOT budget support for the Department of Economics (See IV, B. Budget)
- b. Tunisian Contribution to U.S. Assistance Projects/Trust Fund

3. Other Donors

French assistance consists of books and most of the current economics faculty.

1/ Excludes two Ph.D's funded by AID outside of the University of Minnesota Contract, who joined the Department of Economics Faculty in FY 1973.

2/ Of the 18 participants 2 failed, one died, 2 received M.S. degrees and 13 are currently in training for Ph.D's.

B. Statement of Project Inputs (Budget)

1. U.S. Inputs (\$000) University of Minnesota Contract) 1/

	Cumulative FYs 69-74	FY 75	FY 76	TOTAL
a. Technical Services	188	16	41	245
b. Participant Training	366	53	55	474
c. Commodities	9	3	3	15
U.S. INPUTS TOTAL	563	72	99	734

2. Tunisian Inputs (\$000) 2/

a. Direct GOT Support for Dept. of Economics <u>3/</u>	1,920	860	990	3,770
b. Tunisian Contribution to U.S. Assistance Project (Trust Fund) <u>4/</u>	15	10	28	53
TOT INPUTS TOTAL	1,935	870	1,018	3,823

3. Other Donors 5/ (See Section IV. A.3. above)

- 1/ Due to the fact that the two portions of the University of Minnesota Contract were only separated in FY 73, no annual figures are available for the University of Tunis portion prior to that date.
- 2/ Calendar Year Basis (eg. CY 1974 = FY 1975). For purposes of standardization, a rate of \$1 = TD 0.430 has been used, although this does not take pre-dollar devaluation rates into account.
- 3/ Figures do not include scholarships paid to most students at an average rate of \$80 per month.
- 4/ No separate cumulative figure available for the University of Tunis portion prior to FY 74.
- 5/ No figures available.

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V. Rationale

Tunisia's economic development confronts a number of recognized obstacles including: limited natural resources; a relatively small market; and industrial, agricultural and commercial technology that is less than fully modern. Tunisia, however, has a number of existing and potential advantages: cereals, grains, fruits and vegetables benefit from a long growing season; beautiful beaches, and extraordinary Roman remains stimulate tourism; and levels of literacy and education are far higher than in many other developing countries.

The Tunisian Government considers sound economic planning to be one of the vital inputs required both to help overcome the obstacles inhibiting development and to capitalize on the factors enhancing development. Accordingly, high priority is placed on the need for planning and economic analysis at all levels -- national, regional and local -- and for all sectors of the economy. This, in turn, calls for a well trained corps of economists to fill these positions throughout the nation.

The Faculty has an enrollment of approximately 2,200 students, of whom 800 are majoring in economics. Faculty authorities are cognizant of the need to modernize the economics curriculum. Accordingly, more of a quantitative approach employing mathematics and statistical methods was planned and is being integrated into the four-year undergraduate program. The overwhelming bulk of the Faculty is now French; this group sets the tone and nature of the teaching. It was recognized, therefore, that a real move towards reform in the teaching of economics must await the "Tunisianization" of a substantial number of the teaching positions. U.S. participant training, therefore, was considered a major element in U.S. technical assistance to the Faculty. Procurement of U.S. books on economics, and short-term seminars of U.S. visiting professors were also considered as contributing factors to the development of a better Faculty.

The above needs which were reviewed with USAID resulted in the development of a Project under contract with the University of Minnesota. The University of Minnesota's response under the contract was to (1) help select participants (2) conduct some teaching and research (3) arrange for short-term seminar groups, consultants, etc., and (4) provide overall advice on economic programs to the Dean of the Faculty.

VI. Summary Description

The physical implementation span of the original PROP dated 8/20/69 was from FY 1968 through 1974. However this activity was initiated in FY 1960 when U.S. AID's effort was limited to survey teams and a participant training program, both designed to enable the Faculty of Law and Economics to concentrate on the teaching of business administration at the undergraduate level. Also, in FY 1963, a Development Loan was authorized for the construction and

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equipping of a new facility for the Faculty.

In FY 1966, as a result of the recommendations of a survey team, the University of Tunis' Faculty of Law and Economics project was revised to its present form, i.e. as an activity concerned with the teaching of economics. The target in 1969 was therefore "to improve the quality of instruction at the University of Tunis Faculty of Law, Economics and Political Science by:

1. Strengthening the teaching staff for economics and related subjects and changing its composition from foreign to Tunisian;
2. Introducing, on a gradual basis, new subject matter and improved teaching methods in economics;
3. Developing a program of practical research under the auspices of the Faculty and its associated institutions (i.e. the University's Social and Economic Research Center - C.E.R.E.S.) and the National School of Administration);
4. Installing and using the new facilities and equipment provided by AID Development Loan H-015."

The work plan developed in 1969 to accomplish these objectives included: (1) staff development to the point where eventually approximately half i.e. 19 of the estimated full-time economical staff requirements of the Faculty would have been met through U.S. participant training; (2) the conducting of short courses and seminars by visiting U.S. professors; and (3) library development through the provision of books, periodicals and reference materials as well as technical assistance to the library staff.

The work plan also envisaged the possibility of one or two full-time U.S. professors per year, to assist with teaching, research and, if requested, curriculum revision and development of instructional material.

VII. Progress To Date

The construction of the new building for the Faculty (Development Loan 664-H-015) was completed in 1970 and all the equipment is in place.

500 economics books were purchased, and the calculators are in use. One American-trained professor/Faculty advisor spent 3 man-years at the Faculty. He was financed under the Project through FY 1973. Thirteen Tunisians are receiving economics training to the PHD level in the United States and are expected to return as Faculty members of the economics section; two received Masters degrees in Economics and are now working for the GOT, PHD participants trained under USAID sponsorship through another project have already returned to teaching positions on the Faculty staff. One of them is Chief of the Economics Department. In addition 29 short courses and seminars were given at the University by visiting U.S. professors, and lastly, research under this project has

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been jointly conducted by the Faculty of Law and Economics and the Centre d'Etudes et de Recherches Economiques et Sociales (C.E.R.E.S.).

Considering that a nucleus of American-trained Tunisian Faculty will emerge through continuation of our current training program, USAID decided that replacement of the American-trained professor after FY 1973 was not necessary. American teaching services provided over the last three years have resulted in growing acceptance of the American approach to economic theory.

VIII. Course of Action

As of this date and through FY 74, the remaining actions to be taken for completion of the project are in the following areas:

A. Participant Training:

Thirteen participants are presently enrolled in U.S. graduate schools and working toward the PhD in Economics. The forecast is that participants will obtain their PhD, return to Tunisia and will be available for reabsorption into the Faculty of Law and Economics according to the following schedule: ~~three~~ by June 1975, ~~three~~ by June 1976, and three by March 1977.

B. U.S. complementary training of French-trained Tunisian Faculty:

The idea of short-term training at U.S. universities for French-trained professors grew out of the increasing acceptance of U.S. economics training as a result of previous project activities. Furthermore, since there will be a shortfall from the original goal of 19 U.S.-trained Faculty members, the "topping off" of the French-training of 4 additional members of the Faculty will provide an important complement to the long-term U.S. training. In a short time frame and for a modest cost, these Faculty members can be exposed to American approaches to teaching economics and its application to problem-solving, thus providing a bridge between the perspectives derived from their prior academic training and those of their U.S.-trained colleagues.

Having obtained their doctoral degrees in a French university, four French-trained Tunisian Faculty members will spend up to six months in a graduate Economics Department in the U.S. in order to update their training by auditing graduate courses and to pursue individual research in a favorable environment. Selection of these participants will be the responsibility of the Faculty of Law and Economics in cooperation with the Project Manager of this project.

C. Short-term American Visiting Professors:

American visiting professors will undertake the following tasks: (1) lecturing to students and Faculty,

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(2) advising on thesis work for PhD candidates in Tunisia (whether they are working for an American or a French degree), and (3) advising and helping Tunisian Faculty with the implementation of the new curriculum. These tasks can be jointly accomplished within a visit of a two to three week duration. A reasonable goal would be to have two such visitors each year, one preferably in the Fall and one in the Spring or the end of the Winter.

D. Visits to U.S. by Dean Belaid and Dr. Gargouri:

Drs. Belaid and Gargouri, respectively Dean of the Faculty of Law and Economics and Head of the Economics Department, spent three weeks in the U.S. in 1973 and visited with most of the participants in their respective universities. Such contacts proved extremely useful and important to the eventual success of the project, and it was recently proposed that they should take place every year.

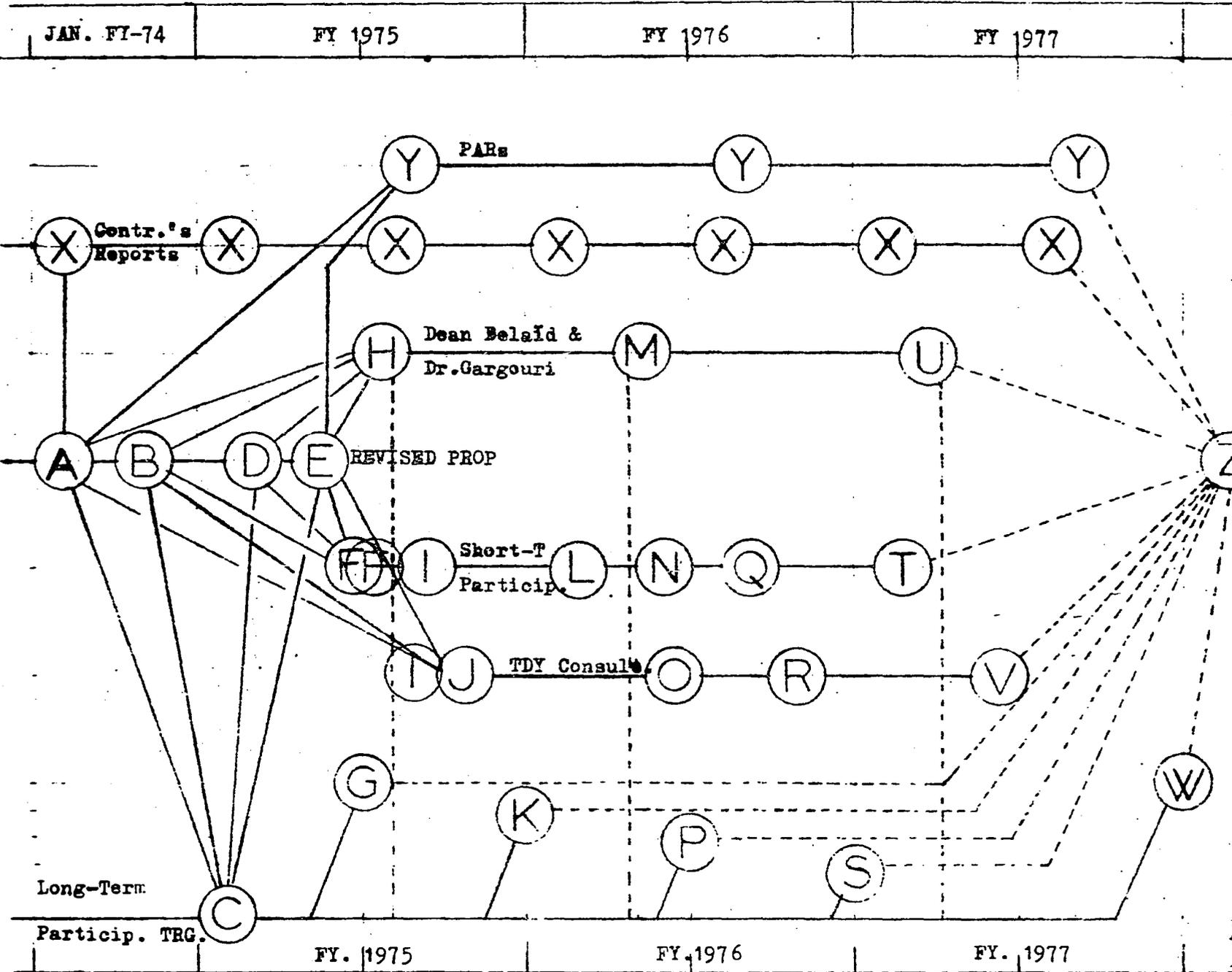
E. Research Activities:

Although a practical research program is not being created within the Department of Economics as envisaged in previous project documentation, research under this project has been jointly conducted by the Faculty and the C.E.R.E.S. In fact, all C.E.R.E.S. economists are Faculty members at the University of Tunis.

A more favorable research environment has been provided by the creation of the "Institut d'Economie Quantitative", a research unit connected with the Ministry of Planning and established with the help of the Sir George William University in Montreal. The Head of the Economic Department is conducting research there on a part-time basis, and it is expected that other Tunisian PhD's will be offered the same opportunity when they return.

USAID will continue to work with the University of Minnesota in an effort to develop ideas for assuring a continuing relationship between the University of Tunis and U.S. universities in the field of economic development.

In addition, the books, periodicals, and educational aids contemplated in the commodity element of FY 75-76 funding represent support of research activities and the library as a research resource.



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Key to Project Events

- A Latest PAR
- B Contractor Work Plan approved by USAID
- C 13 doctoral candidates in training in the U.S.
- D PROSP revision submitted to AID/W
- E PROSP revision approved by AID/W
- F Start English Language Training for short-term participants
- G Three participants (Lahhoua, Ferchicou and Nahli) return to Tunisia with Ph.D's
- 1/ H Dean Belaid and Dr. Gargouri depart to the U.S. for 2 weeks
- I First 2 short-term participants (French-trained) depart to the U.S.
- J First TDY consultant arrives in Tunis for 3 weeks
- K One participant (Safra) returns to Tunisia with Ph.D.
- L First 2 short-term participants return to Tunisia
- 1/ M Dean Belaid and Dr. Gargouri depart to the States for 2 weeks
- N Start English Language Training for two more short-term participants
- O Second TDY consultant arrives in Tunis
- P One participant (Moussa) returns to Tunisia with Ph.D.
- Q Second group of short-term participants leave for the U.S.
- R Third TDY consultant arrives in Tunis
- S Five participants (Boughzala, Daroual, Lahouel, Lardi and Redjeb) return to Tunisia with Ph.D's
- T Second group of short-term participants return to Tunis
- 1/ U Dean Belaid and Dr. Gargouri depart to the U.S. for 2 weeks
- V Fourth TDY consultant arrives in Tunis
- W Last 3 participants (Krichena, Ouassou and Sidane) return to Tunisia with Ph.D's
- X Contractor's Report due (semi-annual)
- Y PAR completed (annual)
- Z Termination of U.S. project assistance.

1/ Dean Belaid's trips are financed from the GOI Trust Fund.