

3060080(3)

AID 1020-25 (7-68)				SECURITY CLASSIFICATION				001 PROJECT NUMBER			
PROJECT APPRAISAL REPORT (PAR)				UNCLASSIFIED				306-11-755-080			
(U-446) See M.O. 1026.1											
002 PAR		MO.	DAY	YR.	003 U.S. OBLIGATION SPAN			004 PROJECT TITLE			
AS OF:		03	15	69	FY 1	Thru FY 7		PD-AAC-437-D1			
005 COOPERATING COUNTRY - REGION - AID/W OFFICE								ECONOMIC PLANNING			
Afghanistan											

006 FUNDING TABLE

15p.

AID DOLLAR FINANCING-OBLIGATIONS (\$000)	TOTAL	CONTRACT (NON-ADD)	PERSONNEL SERVICES			PARTICIPANTS		COMMODITIES		OTHER COSTS	
			AID	PASA	CONTRACT	DIR. PASA	CONTRACT	DIR. PASA	CONTRACT	DIR. PASA	CONTRACT
CUMULATIVE NET THRU ACTUAL YEAR (FY 1968)	1,747	1,705	-	-	1,538	37	-	5	-	-	167
PROPOSED OPERATIONAL YEAR (FY 1969)	315	282	-	-	282	30	-	-	-	3	-

CCC VALUE OF P.L. 480 COMMODITIES (\$000) → Thru Actual Year : Operational Year Program :

007 IMPLEMENTING AGENCY TABLE

If contractors or participating agencies are employed, enter the name and contract or PASA number of each in appropriate spaces below; in the case of voluntary agencies, enter name and registration number from M.O. 1551.1, Attachment A. Enter the appropriate descriptive code in columns b and c, using the coding guide provided below.

TYPE CODE b	TYPE CODE c	a. IMPLEMENTING AGENCY	TYPE CODE		d. CONTRACT/PASA/VOLAG NO.	e. LEAVE BLANK FOR AID/W USE
			b.	c.		
1. U.S. CONTRACTOR	0. PARTICIPATING AGENCY	1. Robert Nathan Associates	1	5	AID/nesa 186	
2. LOCAL CONTRACTOR	1. UNIVERSITY					
3. THIRD COUNTRY CONTRACTOR	2. NON-PROFIT INSTITUTION					
4. PARTICIPATING AGENCY	3. ARCHITECTURAL & ENGINEERING	2.				
5. VOLUNTARY AGENCY	4. CONSTRUCTION	3.				
6. OTHER:	5. OTHER COMMERCIAL					
	6. INDIVIDUAL					
	7. OTHER:					

PART I - PROJECT IMPACT

I-A. GENERAL NARRATIVE STATEMENT ON PROJECT EFFECTIVENESS, SIGNIFICANCE & EFFICIENCY.

This summary narrative should begin with a brief (one or two paragraph) statement of the principal events in the history of the project since the last PAR. Following this should come a concise narrative statement which evaluates the overall efficiency, effectiveness and significance of the project from the standpoint of:

- (1) overall performance and effectiveness of project implementation in achieving stated project targets;
- (2) the contribution to achievement of sector and goal plans;
- (3) anticipated results compared to costs, i.e., efficiency in resource utilization;
- (4) the continued relevance, importance and significance of the project to country development and/or the furtherance of U.S. objectives.

Include in the above outline, as necessary and appropriate, significant remedial actions undertaken or planned. The narrative can best be done after the rest of PART I is completed. It should integrate the partial analyses in I-B and I-C into an overall balanced appraisal of the project's impact. The narrative can refer to other sections of the PAR which are pertinent. If the evaluation in the previous PAR has not significantly changed, or if the project is too new to have achieved significant results, this Part should so state.

008 NARRATIVE FOR PART I-A (Continue on form AID 1020-25 I as necessary):

The objective of the project is to develop and encourage the adoption of economic and fiscal policies designed to optimize the mobilization of resources for economic and social development; to improve and expand data on which more effective economic planning can be based; to strengthen economic policy and planning institutions; to encourage the adoption of planning techniques which support and encourage private initiative, investment and capital formation; to effect improvements in fiscal and organizational operations directed toward

MISSION DIRECTOR APPROVAL →	SIGNATURE <i>R. McClure</i>	DATE 4/10/69
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PAR Continuation SheetNarrative for Part 1-A (continued)

more effective relationships between planning and budgeting and public revenue mobilization. The inception of the team's activities coincided with the launching of the second Five Year Plan and has continued through almost two years of the Third Five Year Plan. The Second Plan was already structured before the first team arrived and they were involved in annual reviews within the Development Budgets until the Third Plan was prepared.

The first dramatic breakthrough of the Contract Team came in the acceptance of its proposals for foreign exchange reform in 1963. Probably the most significant single event during the early years of the project was the rising inflation which followed a very substantial investment both by foreign donor agencies and by the Royal Government of Afghanistan (RGA) in an infrastructure program larger than could be tolerated with the fiscal and manpower resources available. Much of the time of the team during that period was therefore devoted to advising on the control of inflation. By 1965, a period of stability was reached.

During 1965 and the greater part of 1966 the Robert Nathan Associates (RNA) spent a substantial amount of time assisting in the preparation of the Third Plan.

The final Plan was the work of the Ministry and the Cabinet Council. It was the first time that attention had been paid to making clear efforts at a policy statement and associated strategies. The outline of the Plan document was that of the Team. The substance of the Team's writings were adapted to the decisions of the Ministry and Cabinet. Previous Plans had been merely lists of projects and largely were formed by donor government choices for project loans and grants. The Government failed to persuade the Jirga to pass the Third Plan. The Development Budget as it was passed by the Jirga during 1966 also carried a stipulation against starting any new projects. New revenue sources which had been recommended failed to materialize.

During the second year of the Third Plan the team participated in the development of a revised Plan when it became clear that the original aspirations could not be met.

In the preparation of the Third Plan and its revision, the Nathan Team prepared drafts for all sections first on their own and then in cooperation with counterparts in the Ministries of Planning, Finance and the sectoral Ministries and agencies. Other foreign advisors were consulted but did not participate in the drafting, with some exceptions. On some of the more important policy topics of the Third Plan and its revision such as proposals for monetary and fiscal programs many papers were prepared and many high level discussions held.

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During the past two years a major event in the economy has been the so-called stagnation. The Team advised among other policies temporary deficit financing which the Government and the Jirga finally accepted over the advice of the other foreign advisors. As a result, at least in part, of the Contract Teams efforts, the development expenditures came closer to the budget estimates than in recent years. The expansion in public expenditures a relatively good wheat crop and upward movement in private investment is showing the first evidence of an end to the stagnation in general economic activity. This has provided the Contract Team with new evidence to press for action on the public revenue front to guard against future inflation.

The apparent actual deficit this past year of Afs 600 to Afs 800 million was the amount recommended by the Team. At least this amount of public investment was made without inflation, which would not otherwise have been made. At best it can be said only that the downtrend has been arrested and the outlook for private investment seems to have improved.

A more recent major event has been the drive to develop a firm program for new revenues. This was incorporated in the Third Plan and its revision. Recent Cabinet actions have further clarified an action program for Jirga presentation, the outcome of which will be the most important single determinant of whether a more vigorous public development program can be launched. The Contract Team has participated in preparation of the definition of the potential changes in the tax administration including especially customs administration and rates, and through revised system of land taxes. These are the two items being given most attention to achieve a level of public revenues which can provide the self-help to match aid programs for a reasonable rate of growth.

There has been active participation by the Team in policy formulation. In agriculture this included assistance in the development of the wheat program, and more recently, in proposals for diversification. These have been actions in connection with economic strategies for encouraging the private sector for redressing the balance of payments for building new institutions which can gradually replace the present structure without unduly disrupting the society. Proposals have been made for the formation of a High Economic Council which has now been active for nearly two years and for which new proposals have been made. Papers outlining a new banking structure and for the Industrial Development Bank have been produced and promoted by the Team in cooperation with others. The Agricultural Credit Bank has also received much attention and with recent IBRD and UNDP action there is promise of its early fulfillment. Basic statistics, the organization for their collection and action have received much recent attention. A Household Survey in Kabul was completed in an effort to get some basic factors to apply in economic analysis of demographic and personal income and expenditure patterns.

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Implementation of the plans and follow up work have received special attention. Reporting procedures have been prepared by the Team in cooperation with Ministry personnel which provide guidelines for long-term future use.

Efforts have been made to increase the effectiveness of participant training especially for those going to the United States. This has been receiving more attention in recent years and promises to yield some better results. Programs of in-house training advocated cooperatively with the Gaman and Soviet Teams have yet to be activated.

The general area of upgrading the level of Ministry personnel effectiveness has thus far been among the least rewarding. When the project began seven years ago the Ministry had just been created. It is now fully staffed but many of the promising people have moved on to become Governors or other functionaries and have been replaced by junior employees.

New plans and programs need to be laid to develop strong cadres innovators at least in key sections of several Ministries before the planning function can be considered on the road to maturity. The long time recommendation of the Team to place the planning function under a Deputy Prime Minister is another action which could contribute to a viable planning system. The Ministry is aware of the need for policy analysis and determination but still requires help to formulate it. They could independently write the outlines of a new Plan, but still lack the depth of analysis to provide internal and external consistency.

PART I-B - PROJECT EFFECTIVENESS

I-B-1 - OUTPUT REPORT AND FORECAST - (See detailed instructions)

3. This section is designed to record progress toward the achievement of each project output target which was scheduled in the PIP, Part II. Where progress toward a target is significantly greater or less than scheduled, describe reason(s) beneath the target.	4. ACTUAL AND PLANNED OUTPUTS (ALL DATA CUMULATIVE)				5. PROJECTED TOTAL FOR PROJECT LIFE
	3. ACTUAL CUM. TO DATE	4. AS OF PRIOR JUNE 30		5. PLANNED BY NEXT JUNE 30	
		a. PLANNED	b. ACTUAL		
Preparation of papers and memoranda to clarify Third Five Year Plan Economic policies, strategies and institutions. (Including Revised Plan)	On Schedule				
Establishment Agricultural Credit Bank	IBRD action undertaken				
Development of an accelerated wheat program	Government with USAID assistance making firm progress				
Establishment of an Industrial Development Bank and an Development Industrial Advisory Center	Still in negotiation with Jirga Positive decision made to launch the IAC under Ministry of Commerce				
Complete steps and gain acceptance of Plan	Plan revised and resubmitted to Jirga with only partial acceptance in principle				
Prepare a statistical program	Papers prepared, interministry cooperation begun, Household Survey made, Survey of Progress improved in structure and analysis				
Number of Economists-Statisticians (Participants to U.S. and Third Country)	-	-	-	8	29
Increase in public revenues	Jirga revenue presentation made in Revised Plan - Legislation prepared for follow-up				

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PART I-B - Continued

010

B 2 - OVERALL ACHIEVEMENT OF PROJECT TARGETS

Place an "X" within the bracket on the following seven-point scale that represents your judgment of the overall progress towards project targets:



PART I-C - PROJECT SIGNIFICANCE

011

C.1 -- RELATION TO SECTOR AND PROGRAM GOALS (See detailed instructions M.O. 1026.1)

This section is designed to indicate the potential and actual impact of the project on relevant sector and program goals. List the goals in col. b and rate potential and actual project impact in cols. c and d.

a. CODE NO. AID W USE (OPTIONAL)	b. SCALE FOR COLUMN c: 3= Very Important; 2= Important; 1= Secondary Importance SCALE FOR COLUMN d: 3= Superior/Outstanding; 2= Adequate/Satisfactory/Good; 1= Unsatisfactory/Marginal	c. POTENTIAL IMPACT ON EACH GOAL IF PROJECT ACHIEVES TARGETS	d. ACTUAL IMPACT ON GOAL TO DATE RELATIVE TO PROGRESS EXPECTED AT THIS STAGE
	B. SECTOR AND PROGRAM GOALS (LIST ONLY THOSE ON WHICH THE PROJECT HAS A SIGNIFICANT EFFECT)		
	(1) To develop and encourage the adoption of economic and fiscal policies designed to maximize the mobilization of resources for economic and social development	3	2
	(2) To improve and expand data on which more effective economic planning can be based.	2	2
	(3) To strengthen the planning institutions of the country.	3	2
	(4) To encourage the adoption of planning techniques and policies which support and encourage private initiative, investment and capital formation.	2	2
	(5) To effect improvements in fiscal operations and methods of government, especially to increasing revenues.	2	1

For goals where column c. is rated 3 or 2 and column d. is rated 1, explain in the space for narrative. The narrative should also indicate the extent to which the potential impacts rated 3 or 2 in column c. are dependent on factors external to the achievement of the project targets, i.e., is there a substantial risk of the anticipated impact being forestalled by factors not involved in the achievement of project targets. If possible and relevant, it also would be useful to mention in the narrative your reading of any current indicators that longer-term purposes, beyond scheduled project targets, are likely or unlikely to be achieved. Each explanatory note must be identified by the number of the entry (col. b) to which it pertains.

012 NARRATIVE FOR PART I-C.1 (Continue on form AID 1020-25 I):

(5) Budget and monetary procedures have not changed and continue to be cumbersome. Memoranda and papers are on file for changes and these have been given sympathetic consideration only. Action in recent months to move development budget releases more quickly than ever before is the only response in this area. Final actions are yet to be taken on revenue measures even though cabinet decisions are moving in a positive direction.

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PART I-C - Continued

C.2 - GENERAL QUESTIONS

These questions concern developments since the prior PAR. For each question place "Y" for Yes, "N" for No, or "NA" for Not Applicable in the right hand column. For each question where "Y" is entered, explain briefly in the space below the table.	MARK IN THIS COL.
013 Have there been any significant, unusual or unanticipated results not covered so far in this PAR?	N
014 Have means, conditions or activities other than project measures had a substantial effect on project output or accomplishments?	Y
015 Have any problems arisen as the result of advice or action or major contributions to the project by another donor?	N
016 If the answer to 014 or 015 is yes, or for any other reason, is the project now less necessary, unnecessary or subject to modification or earlier termination?	N
017 Have any important lessons, positive or negative, emerged which might have broad applicability?	N
018 Has this project revealed any requirement for research or new technical aids on which AID/W should take the initiative?	Y
019 Do any aspects of the project lend themselves to publicity in newspapers, magazines, television or films in the United States?	N
020 Has there been a lack of effective cooperating country media coverage? (Make sure AID/W has copies of existing coverage.)	N

021 NARRATIVE FOR PART I-C.2 Identify each explanatory note by the number of the entry to which it pertains. (Continue on form AID 1020-25 C as necessary):

014

In summary fashion there are listed here some unique elements of Afghan society within which the program is embraced, the general stage of development of the country and certain relevant social changes which are discernible. These are designed more to remind the reader within his own knowledge of the situation rather than to provide an embellished background or a systematic framework. In some sense this is designed to identify the potential limits within which progress might be made in achieving a systematic set of economic plans and of economic policy and the practical implementation thereof.

It is an easy truth to state that the aspirations and objectives of the people and the government of Afghanistan are only partially committed to the achievement of substantial economic development. The goals of the society are strongly associated with the maintenance of the society which has existed for centuries. These aims reflect value in the religious, tribal and family aspirations and their continuity. Economic development is often a threat to the current power establishment. People and their government aspire to higher levels of living but not at too great a cost to the solidarity of their current society.

The country is still at a stage of development in which most motivations are associated with individual increase in well-being, but only in part is that reflected in the desire for increased economic benefits for the society. The people are much interested in the status of their position with the family, with the tribe and in the primary contacts of everyday life. They have had a minimum of experience except in the commercial area with the functional division of labor and rational decision making and rational action to achieve functional ends. Even within government departments the old tradition continues to hold. By and large the people have not realized the net product which comes from group cooperation or inter-ministerial cooperation. These are things which have to be learned over time. In fact in many cases there is a readiness to trade a far lesser product in terms of total output in an activity for

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PAR Continuation Sheet

Narrative for Part 1-C.2 (continued)

Increased individual prestige within the in-group. Once again these are things which involve a learning process and which imply a fundamental realignment of organizational loyalties and habits and attitudes in order to achieve substantial economic growth.

These are facts of life that an advisory team must face and find ways to shift and change. The higher the individual is placed in the hierarchy the more likely he is to understand the concepts of functional cooperation and the net product which comes from such action. By the same token the amount of communication required to shift the attitudes in the lower levels is very substantial. This has been a reason why the Nathan team has from the beginning been forced to work very substantially with Cabinet and sub-Cabinet personnel and then down through the organization as far as time and resources would permit.

Where successes have been achieved they have almost always been by finding the incentives which bring about a response from the top to the lower echelons rather than by simple, rational economic analysis alone. In fact, the most difficult job of the advisory team is to understand the motives and to find the incentives which will create action almost as much as the requirement to find the right answer to a complex, economic policy.

Even when the Government understands the needs, defines the right questions (with advice), and takes the right decision, the organization and management must be assisted to get implementation. The lines up to the Jirga and down through the Ministries all require staff assistance to achieve final results.

018

USAID might explore more fully the institutions and attitudes of the country to get better insight into incentives and other actions which would be a promising means of speeding broader acceptance of development procedures. This should, as a beginning, add on competence from the field of sociology and anthropology where experience in other developing countries might provide insights into motivations and incentives which might be used effectively for economic development in Afghanistan.

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PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

022 A-1 - INDIVIDUAL ACTIONS (See detailed instructions M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

(a) PIP ITEM NO.	MAJOR ACTIONS OR STEPS; CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS	(b) STATUS - PLACE AN "X" IN, ONE COLUMN		
		(1) BEHIND SCHEDULE	(2) ON SCHEDULE	(3) AHEAD OF SCHEDULE
1.	Preparation of papers and memoranda to clarify Third Five Year Plan economic policies, strategies and institutions.		Completed	
2.	Assist functioning officials in the initial and early follow up decisions, correspondence and organizational actions to establish the Agricultural Credit Bank, the Accelerated Wheat Program, the Industrial Development Bank, and the Industrial Advisory Center and laws and regulations associated therewith.		Continuing	
3.	Develop specific procedures for Plan Implementation including eventual announcements to Government agencies of functions of each in relation to Ministry of Planning.		Continuing	
4.	Prepare series of proposed steps to be taken on a timed basis for increasing public revenues and mobilizing private savings		Continuing	
5.	Assist in preparing organization charts in Ministries and help outline job functions, authority and managerial practices needed to make them effective. (The team has on request and independently helped prepare and comment on Ministry organization, authority and management practices. The Ministry has reviewed and accepted most organizational suggestions and has written job descriptions. No real changes have occurred, however, in the process of authority delegation and in management practices).		X	
6.	Prepare structure of a statistical program including training, primary sources, standard definitions, periodic reports and publications.		Continuing	
7.	Help Ministry find better methods of selection of its officials for participant training		Continuing	

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PART II - Continued

023

II-A.2 - OVERALL TIMELINESS

In general, project implementation is (place an "X" in one block):

(a) On schedule	X
(b) Ahead of schedule	
(c) Behind schedule	
(1) AID/W Program Approval	
(2) Implementing Agency (Contractor/Participating Agency/Voluntary Agency)	
(3) Technicians	
(4) Participants	
(5) Commodities (non-FFF)	
(6) Cooperating Country	
(7) Commodities (FFF)	
(8) Other (specify):	

BLOCK (c): If marked, place an "X" in any of the blocks one thru eight that apply. This is limited to key aspects of implementation, e.g., timely delivery of commodities, return of participants to assume their project responsibilities, cooperating country funding, arrival of technicians.

II-B - RESOURCE INPUTS

This section appraises the effectiveness of U.S. resource inputs. There follow illustrative lists of factors, grouped under Implementing Agency, Participant Training and Commodities, that might influence the effectiveness of each of these types of project resources. In the blocks after only those factors which significantly affect project accomplishments, write the letter P if effect is positive or satisfactory, or the letter N if effect is negative or less than satisfactory.

1. FACTORS-IMPLEMENTING AGENCY (Contract/Participating Agency/Voluntary Agency)

024 IF NO IMPLEMENTING AGENCY IN THIS PROJECT, PLACE AN "X" IN THIS BLOCK:		032 Quality, comprehensiveness and candor of required reports	P
		033 Promptness of required reports	P
025 Adequacy of technical knowledge	P	034 Adherence to work schedule	P
026 Understanding of project purposes	P	035 Working relations with Americans	
027 Project planning and management	P	036 Working relations with cooperating country nationals	P
028 Ability to adapt technical knowledge to local situation	P	037 Adaptation to local working and living environment	P
029 Effective use of participant training element	P	038 Home office backstopping and substantive interest	P
030 Ability to train and utilize local staff	P	039 Timely recruiting of qualified technicians	
031 Adherence to AID administrative and other requirements		040 Other (describe):	

2. FACTORS-PARTICIPANT TRAINING

041 IF NO PARTICIPANT ELEMENT IN PROJECT, PLACE AN "X" IN THIS BLOCK:		TRAINING UTILIZATION AND FOLLOW UP	
		052 Appropriateness of original selection	P
PREDEPARTURE			
042 English language ability	P	053 Relevance of training for present project purposes	P
043 Availability of host country funding	P	054 Appropriateness of post-training placement	N
044 Host country operational considerations (e.g., selection procedures)	N	055 Utility of training regardless of changes in project	P
045 Technical/professional qualifications	P	056 Ability to get meritorious ideas accepted by supervisors	N
046 Quality of technical orientation		057 Adequacy of performance	P
047 Quality of general orientation	P	058 Continuance on project	P
048 Participants' collaboration in planning content of program	P	059 Availability of necessary facilities and equipment	
049 Collaboration by participants' supervisors in planning training	N	060 Mission or contractor follow-up activity	P
050 Participants' availability for training	P	061 Other (describe):	
051 Other (describe):			

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PART II-B - Continued

3. FACTORS-COMMODITIES

PLACE AN "X" IN APPROPRIATE BLOCK:	062 FFF	063 NON-FFF	064 NO COMMODITY ELEMENT	X	
					072 Control measures against damage and deterioration in shipment.
065 Timeliness of AID/W program approval (i.e., PIO/C, Transfer Authorization).					073 Control measures against deterioration in storage.
066 Quality of commodities, adherence to specifications, marking.					074 Readiness and availability of facilities.
067 Timeliness in procurement or reconditioning.					075 Appropriateness of use of commodities.
068 Timeliness of shipment to port of entry.					076 Maintenance and spares support.
069 Adequacy of port and inland storage facilities.					077 Adequacy of property records, accounting and controls.
070 Timeliness of shipment from port to site.					078 Other (Describe):
071 Control measures against loss and theft.					

Indicate in a concise narrative statement (under the heading a. Overall Implementation Performance, below) your summary appraisal of the status of project implementation, covering both significant achievements and problem areas. This should include any comments about the adequacy of provision of direct hire technicians as well as an overall appraisal of the comments provided under the three headings (b, c & d) which follow. For projects which include a dollar input for generation of local currency to meet local cost requirements, indicate the status of that input (see Detailed Instructions).

Discuss separately (under separate headings b, c & d) the status of Implementing Agency Actions, Participants and Commodities. Where above listed factors are causing significant problems (marked N), describe briefly in the appropriate narrative section: (1) the cause and source of the problem, (2) the consequences of not correcting it, and (3) what corrective action has been taken, called for, or planned by the Mission. Identify each factor discussed by its number.

079 NARRATIVE FOR PART II-B: (After narrative section a. Overall Implementation Performance, below, follow, on form AID 1020-25 I as needed, with the following narrative section headings: b. Implementing Agency, c. Participants, d. Commodities. List all narrative section headings in order. For any headings which are not applicable, mark them as such and follow immediately below with the next narrative section heading.)

a. Overall Implementation Performance.

The overall performance has been generally successful in the planning and policy formation areas. Environmental problems of a developing country have had an effect as stated in 014. The major problem area will be the development of the ability of the Afghan officials to effectively plan and manage the program after the termination of the project.

b. Implementing Agency: The performance of the contractor has generally been satisfactory

c. Participants: While the number of participants with some training is increasing, there are none who have reached a high degree of academic achievement. In no one section, for instance, of the Ministry of Planning, is there a single unit sufficiently well trained and competent to form a "critical mass" of innovators.

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306 11 755 080**PAR CONTINUATION SHEET**

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

- 04A**
Selection procedures are not yet systematic. General agreement by the Minister to a 600 years plan of training requirements and candidate assignments is pending implementation.
- 04B**
Participant supervisors generally are more interested in keeping personnel on the job if they are good than upgrading them for the future. Also the tendency is to plan more for the desires of participants than for the needs of the project.
- 05A**
Too often jobs are filled while participants are away and inflexible organizational arrangements reduces the possibility of assignment to appropriate jobs on return from training.
- 05B**
Response is very spotty on acceptance of new ideas by supervisors. Often new ideas are considered an insult to the supervisor from below or a threat to his position.
- d Commodities:** There have been no significant commodity inputs during the life of the project.

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PART III - ROLE OF THE COOPERATING COUNTRY

The following list of illustrative items are to be considered by the evaluator. In the block after only those items which significantly affect project effectiveness, write the letter P if the effect of the item is positive or satisfactory, or the letter N if the effect of the item is negative or less than satisfactory.

SPECIFIC OPERATIONAL FACTORS:	
080. Coordination and cooperation within and between ministries.	N
081. Coordination and cooperation of LDC gov't. with public and private institutions and private enterprise.	P
082. Availability of reliable data for project planning, control and evaluation.	N
083. Competence and/or continuity in executive leadership of project.	P
084. Host country project funding.	P
085. Legislative changes relevant to project purposes.	N
086. Existence and adequacy of a project-related LDC organization.	P
087. Resolution of procedural and bureaucratic problems.	N
088. Availability of LDC physical resource inputs and/or supporting services and facilities.	
089. Maintenance of facilities and equipment.	P
090. Resolution of tribal, class or caste problems.	
091. Receptivity to change and innovation.	P
092. Political conditions specific to project.	P
093. Capacity to transform ideas into actions, i.e., ability to implement project plans.	P
094. Intent and/or capacity to sustain and expand the impact of the project after U.S. inputs are terminated.	N
095. Extent of LDC efforts to widen the dissemination of project benefits and services.	P
096. Utilization of trained manpower (e.g., participants, counterpart technicians) in project operations.	
097. Enforcement of relevant procedures (e.g., newly established tax collection and audit system).	
098. Other:	
HOST COUNTRY COUNTERPART TECHNICIAN FACTORS:	
099. Level of technical education and/or technical experience.	N
100. Planning and management skills.	N
101. Amount of technician man years available.	P
102. Continuity of staff.	P
103. Willingness to work in rural areas.	
104. Pay and allowances.	N
105. Other.	

In the space below for narrative provide a succinct discussion and overall appraisal of the quality of country performance related to this project, particularly over the past year. Consider important trends and prospects. See Detailed Instructions for an illustrative list of considerations to be covered.

For only those items marked N include brief statements covering the nature of the problem, its impact on the achievement of project targets (i.e., its importance) and the nature and cost of corrective action taken or planned. Identify each explanatory note.

106 NARRATIVE FOR PART III (Continue on form AID 1020-25 I):

The ratings are based on comments in 014.

080

See 087 below.

082

The RGA has not systematically compiled and maintained statistical data necessary for program or operational planning. This is especially true in relation to basic information for economic planning.

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085

Neither the Third Plan legislation or its revision has been enacted by Parliament. The Industrial Bank law has yet to be enacted also.

087

Communication and coordination between Ministries and within departments is almost non-existent except at Cabinet level, making the solution of procedural and administrative problems extremely difficult. More efforts to encourage inter-agency projects and interaction, more training in Western schools and agencies, and additional assistance in management techniques are among the tactics of promise for this problem.

088

The RGA is likely to require several more years of economic advice and assistance before satisfactory in-house capability is established not only in terms of competence in economics and planning of individual local personnel but also in terms of organizational capabilities throughout the Ministries.

089

The level is low and will require many years to get even a few well trained economists in key positions. A larger training (participant and in-service) program is required to develop innovating groups.

090

Management skills are one of the greatest deficiencies in the Government and industry. Incentives have not yet been found to change this.

091

Pay and allowances are below subsistence levels.

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PART IV - PROGRAMMING IMPLICATIONS

IV-A - EFFECT ON PURPOSE AND DESIGN

Indicate in a brief narrative whether the Mission experience to date with this project and/or changing country circumstances call for some adjustment in project purposes or design, and why, and the approximate cost implications. Cover any of the following considerations or others that may be relevant. (See Detailed Instructions for additional illustrative considerations.) Relevant experience or country situations that were described earlier can simply be referenced. The spelling out of specific changes should be left to the appropriate programming documents, but a brief indication of the type of change contemplated should be given here to clarify the need for change.

For example, changes might be indicated if they would:

1. better achieve program/project purposes;
2. address more critical or higher priority purposes within a goal plan;
3. produce desired results at less cost;
4. give more assurance of lasting institutional development upon U.S. withdrawal.

107 NARRATIVE FOR PART IV-A (Continue on form AID 1020-25 I):

The project has had progressive influence in higher echelons of Government but will require continuing activity to achieve the long term goals of planning, economic policy and their implementation throughout the Government as a whole.

To shorten the term when U.S. withdrawal could be made without unduly upsetting current progress, new steps should be taken to develop training of sufficient numbers of personnel, not only to provide the economists, statisticians and other experts, but also to influence the organizational effectiveness and staff line responsibility which will provide a viable and innovating planning unit.

IV-B - PROPOSED ACTION

108 This project should be (Place an "X" in appropriate block(s)):

1. Continued as presently scheduled in PIP.	
2. Continued with minor changes in the PIP, made at Mission level (not requiring submission of an amended PIP to AID/W).	
3. Continued with significant changes in the PIP (but not sufficient to require a revised PROP). A formally revised PIP will follow.	
4. Extended beyond its present schedule to (Date): Mo. ___ Day ___ Yr. ___. Explain in narrative, PROP will follow.	X
5. Substantively revised. PROP will follow.	
6. Evaluated in depth to determine its effectiveness, future scope, and duration.	
7. Discontinued earlier than presently scheduled. Date recommended for termination: Mo. ___ Day ___ Yr. ___	
8. Other. Explain in narrative.	

109 NARRATIVE FOR PART IV-B:

Achievement of the goals will require extension of the project for eight to ten years beyond the current termination date. The project may have to carry as an interim measure an even larger share of the substantive and administrative actions while larger numbers of personnel are sent abroad, or a greater share of time is spent on systematic in-house training.

It would be desirable to obtain a short-term consultant to deal with the question of Afghan institutions and attitudes. Such a study should provide a better insight into incentives and other actions which could be a promising means of speeding broader acceptance of development procedures.

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