

Proj. No. 9310124-
2
PD-AAC-561-81
201

I. PROJECT IDENTIFICATION

PROJECT TITLE
211(d) Grant in Agricultural Economics Related to the
Less Developed Countries--Iowa State University

YES NO

2. PROJECT NO. (A.O. 1025-1 V) 931-11-140-124

5. SUBMISSION ORIGINAL REV. NO. (1) 5/12/75 DATE

CONTR./PASA NO. CSD-2824

RECIPIENT (specify)

COUNTRY _____

REGIONAL _____ INTERREGIONAL TA Bureau

4. LIFE OF PROJECT

BEGINS FY 1970

ENDS FY 1975

II. FUNDING (USD) AND MAN MONTHS (MM) REQUIREMENTS

| A. FUNDING BY FISCAL YEAR | B. TOTAL \$ | C. PERSONNEL | | D. PARTICIPANTS | | E. COMMODITIES \$ | F. OTHER COSTS \$ | G. PASA/CONTR. Grant | | H. LOCAL EXCHANGE CURRENCY RATE: \$ US (U.S. CANCE) | |
|---------------------------|-------------|--------------|--------|-----------------|--------|-------------------|-------------------|----------------------|--------|---|---------------------------------------|
| | | (1) \$ | (2) MM | (1) \$ | (2) MM | | | (1) \$ | (2) MM | (1) U.S. GRANT LOAN | (2) SOOP COUNTRY (A) JOINT (B) BUDGET |
| PRIOR THRU ACTUAL FY | 375 | | | | | | 375 | 375 | | | |
| OPRN FY 75 | 95 | | | | | | 95 | 95 | | | |
| BUDGET FY | | | | | | | | | | | |
| BUDGET J1 FY | | | | | | | | | | | |
| BUDGET J2 FY | | | | | | | | | | | |
| BUDGET J3 FY | | | | | | | | | | | |
| ALL SUBQ. FY | | | | | | | | | | | |
| GRAND TOTAL | 470 | | | | | | 470 | 470 | | | |

OTHER DONOR CONTRIBUTIONS

(A) NAME OF DONOR _____ (B) KIND OF GOODS/SERVICES _____ (C) AMOUNT _____

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER *for Alfred Harding*
Lehman B. Fletcher
TITLE Chief, TA/AGR/ESP
DATE 5/12/75

2. CLEARANCE OFFICER *Leon F. Hesser*
Leon F. Hesser
TITLE Acting Director, TA/AGR
DATE 5/12/75

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL
Grant Project Statement, dated April 24, 1975 attached. This Grant Extension Proposal was reviewed by the Research and Development Committee on May 6, 1975 and was unanimously endorsed.

This is the final 211(d) "phase out" extension. No further extensions will be granted.

2. CLEARANCES

| BUR/OFF. | SIGNATURE | DATE | BUR/OFF. | SIGNATURE | DATE |
|----------|---------------|---------|----------|-------------|---------|
| TA/PPU | J. Gunning | 5/14/75 | TA/PPU | C. Molfetto | 5/14/75 |
| TA/PPU | R.E. Kitchell | 5/14/75 | TA/PPU | M. Mozynski | 5/14/75 |
| PPC/DPRE | A. Handly | | | | |

3. APPROVAL AAS OR CHIEF DIRECTORS

SIGNATURE *Curtis Farrar* DATE 5/14/75
TITLE AA/TA

4. APPROVAL AAS (A.O. 1025-1 VIC)

SIGNATURE *John E. Murphy* DATE MAY 20 1975
TITLE John E. Murphy
ACCOUNTING UNIT, AGENCY FOR INTERNATIONAL DEVELOPMENT (DA/AD)

MAY 16 5 29 PM '75

EXECUTIVE SECRETARIAT

MAY 15 1975

ACTION MEMORANDUM FOR THE DEPUTY ADMINISTRATOR

THRU: ES

THRU: AA/PPC, Mr. Philip Birnbaum *ASL*

FROM: AA/TA, Curtis *C* Farrar

Problem: To request A/AID approval of proposed one-year extensions/revisions to four 211(d) grantees during which period grant-financed activities will be phased out in an orderly manner, and AID can meanwhile continue to utilize available training, research and advisory capacities of the four universities -- Cornell, Iowa State, Michigan State and Minnesota and work toward a cooperative type of relationship under a new PROP which could re-involve some or all of these institutions.

Discussion: In June 1970, 211(d) grants were awarded to Cornell University (To Strengthen Competence in Economics of Agricultural Development), Iowa State University (Agricultural Sector Analysis and Planning), Michigan State University (Agricultural and Economic Development) and Minnesota University (To Strengthen Research and Training Competence in Policy Problems of Agricultural Development). During October-December 1974, comprehensive reviews of these grants were conducted at the four campuses by an intra-agency team that included outside experts. The evaluation team reviewed the grants both in terms of performance and in the light of the Agency's policy to emphasize utilization as the basic element in any grant renewal.

The evaluation concluded that performance under the grants was excellent in the areas most consistent with the Universities' interests and objectives, such as graduate training, staff development and research, relative to their performance with regard to talent-sharing and inter-university collaboration which was not strong. In regard to those lower performance areas, it should be clearly recognized that the weaknesses were due in a large part to AID's failure to provide leadership and direction to the grantees, and that these dimensions of the grant activities were substantially strengthened

through improved inter-university collaboration after AID initiated intensive discussion with the universities in 1973. The report of the comprehensive reviews and the subsequent PARs issued by TA/AGR are attached at TAB A.

The grant project statements recommending one-year phase out extensions of all four 211(d) grants (attached at TAB B) and the comprehensive review team report were formally reviewed and recommended for your approval as they stand by the Research and Development Committee in its meeting on May 6, 1975. While no further extensions of these grants are contemplated, the Committee was aware of AID's current steps toward implementing a new cooperative basis of support with the universities for programs in the area of agricultural economics and considered that the one-year extensions would, in the interval, hold present resources in place to permit consideration of the four universities' participation in the proposed new program.

With your approval, negotiations will be initiated with the four institutions and proposals for one-year grant extensions/revisions will be prepared, with work plans in greater detail, within the parameters of the approved grant project statements and Agency policy and regulations, for subsequent execution by SER/CM. Funds are included in TAB's approved OYB for the four proposed grants.

Recommendation: That you approve, by signature of the four Project Paper (PROP) face sheets, attached at TAB C, the one-year extensions and revisions of the institutional grants on agricultural economics to Cornell University, Iowa State University, Michigan State University and Minnesota University of not to exceed \$400,000 in total and dependent on individual negotiation.

Attachments
a/s

Clearances:

GC/TFHA, ARichstein
GC, CGladson

ARichstein
CGladson

cc: CM/COD, RO'Brien

TA/PPU: ^{fu}HLiot:js:5/14/75

* T. O'Brien

**INSTITUTIONAL GRANT PROJECT STATEMENT
PROPOSAL FOR EXTENSION OF 211(d) GRANT**

Applicant: Iowa State University

Date: April 24, 1975

Grant Title: Agricultural Sector Analysis and Planning

Amount and Term of Grant: \$100,000 through FY 1976

I. Relevance of the Problem and Need for Expertise

There is urgent need in most developing countries to improve the performance of the agricultural sector as a means to promote their overall economic and social development. The current world food crisis is a grave reminder that the rate of growth of world agricultural output is still insufficient. In many developing countries food production has barely kept pace with population growth, while in Africa and parts of other continents per capita food production has actually declined. This inadequate output growth is in spite of expenditures of hundreds of billions of dollars on agricultural programs, including billions of dollars of external development assistance. The Green Revolution has produced a significant surge in output since the mid-1960s, but primarily of a few basic grains grown largely in irrigated areas. Notwithstanding its demonstration that major output gains are possible and its stimulus of substantial new efforts, the Green Revolution has not solved many problems that require much more attention if LDCs are to have the capacity to produce adequate food for their burgeoning populations in the future.

The situation in many countries is even less satisfactory in regard to objectives other than increasing food production. Improving income distribution, reducing underemployment, raising productivity and levels of living of the rural and urban poor, and maintaining price and balance-of-payments stability, are some of the goals that are being increasingly emphasized in LDCs. More and more, countries and aid agencies are placing priority on programs whose benefits will be widely distributed by the output and productivity increasing process itself, rather than deferring concern with equity objectives until adequate output levels have been achieved.

"Rural development" is becoming widely used to reflect the idea that the objectives of agricultural development should include expansion of productive employment opportunities both on and off farms and greater sectoral, regional, and personal equity in the distribution of income and social services, as well as substantial increases in output, if the large number of rural poor in LDCs are to benefit from growth. In this sense, rural development looks at the LDC growth process from the viewpoint of a target population--the majority of people in rural areas who now exist in varying degrees of absolute and relative poverty and whose conditions are tending to deteriorate in many countries as rural populations grow relative to available resources, technology in use, and prevailing institutional structures.

This express concern of rural development with multiple economic and social goals for the target rural population has not yet produced an adequate analytical framework or an approach that shows how the benefits of the development process can be widely extended to the small farmers, landless laborers, and non-farm workers who constitute the poor majority of LDC rural populations. The need to assist LDCs to develop their own capacity to analyze agricultural and rural development problems has been identified by AID as a Key Problem Area. LDCs need to be able to explore a wide variety of kinds of questions about agricultural and rural development analytically--using relevant tools and reliable data. They need to know, for example, how best to allocate resources among different crops. They need to know whether their land, labor, and capital resources are being used efficiently in pursuit of their multiple goals. They need to know the implications of technological and policy choices on output, input, employ-

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ment, and income distribution objectives. They need to better understand how agricultural change effects the total economy and how the agricultural sector is affected by growth and change in other sectors of the economy. They need to understand how to affect and organize for participation their population groups that have largely been excluded from past growth processes. At present, most LDCs are unable to obtain useful answers to these questions due to a lack of analytical capacity and a poor data base. Nevertheless, in a number of countries, policy makers are beginning to recognize the significance of the questions and the importance of the analytical capability needed to answer them, and to make provisions for agricultural and rural sector analysis in their staffing and budget plans as a crucial component of their overall planning systems.

Following the concern with world food supplies in the mid-60s the less developed countries and AID began to attach much higher priority to agricultural development. This shift in priorities soon revealed a critical deficiency in the Agency's skilled manpower. To provide the help the developing countries needed in the shaping of programs and policies which would substantially increase their agricultural production, research, skilled methodology, sophisticated analysis, and professional expertise were required and could only be provided by economists with understanding of and experience in agricultural development. But the Agency had very few professionals of this category on its rolls and in a period of reduced appropriations, lowered manpower ceilings, and diminished Agency attraction to career professionals, it did not seem possible to add significantly to their numbers by direct hire.

A large part of the Agency's needs, of course, could be met through contracts with private consultants and with universities, and these devices were extensively used. But there remained the responsibility of establishing the framework of a total program, or ordering priorities, of evaluating results and of seeing that results were applied. Moreover, there were AID missions with substantial agricultural development programs in some of the more important food-deficit countries which would obviously profit by having agricultural economists as regular staff members. These requirements could be met only if the Agency and LDCs had access to a larger number of capable economists professionally trained and working on problems of agricultural development.

The need for trained and experienced agricultural development specialists has continued to increase both within AID and LDCs. Missions, Regional Bureaus, and Central Bureaus have been unable to attract and retain personnel with the skills they need in this key problem area. The deficit supply in talent has been accentuated by the recent strong shift in emphasis in the Agency toward agricultural and rural development objectives, especially in terms of their relationship to small farmers and the rural poor. Needs for additional manpower and analytical results are reflected in the overall Agency approach to food production and increased equity and in the country strategies proposed in many of the CAPs. The Agency, in collaboration with the Regional Bureaus, is planning major new initiatives to mobilize additional talent in U.S. universities and to expand agency activities designed to strengthen LDCs capabilities to undertake their own planning and policy analysis. These Grants have been an important element in building the basis for the new system and their extension as proposed is an integral component of the evaluatory approach to an expanded program that has been formulated.

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Agency needs for manpower and analytical expertise were important considerations in the Agency's decision in 1970 to negotiate the agreements which are the subject of this proposal. Section 211(d) of the Foreign Assistance Act provides authority to grant assistance "to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry out programs concerned with the economic and social development of less developed countries."

The requirements for analytical work generated by the Agency's high-priority agricultural programs were already being met considerable part by the faculties of American universities. Increased and improved research on agricultural economics related to the problems of the developing countries was needed as was the specialized training of greater numbers of students, particularly those from the developing countries. These requirements justified the use of the 211(d) authority. And, since a faculty dealing with the agricultural development in the poor countries would obviously benefit from direct exposure to the problems of these countries and first-hand experience with current efforts to cope with them, it was considered appropriate to include in the grant agreement an arrangement under which some members of the department receiving financial support from AID would do a regular tour of duty with the Agency. Further, a pool of jointly approved staff members from the participating institutions was to be available for short-term services.

This was the rationale of the 211(d) grants made to the four universities in June 1970. The objectives were stated in virtually identical language in all four grants:

1. To create a framework within which a significant number of U.S. agricultural economists interested in the international aspects of their discipline can work cooperatively on certain research problems of urgent importance to developing countries, thereby increasing the effectiveness of their efforts, and making the most efficient use of scarce research resources; to provide an efficient means for applying the product of this research in a way which will be helpful to the developing countries; and to contribute to the development of professional contacts and collaboration among agricultural economists in the United States and in the developing countries.

2. To increase the competence of the University in the area of economic development problems, particularly as they relate to the agricultural sector and the relationship between agriculture and other economic sectors, by providing a continuing arrangement for faculty members to conduct research on campus and abroad and to carry on work in developing countries.

3. To enable the University to provide increased training in economic development and agricultural economics at the graduate level for students from the U.S. and the developing countries.

4. To provide members of the University faculty the enriching experience of dealing directly with problems of agricultural development in the less developed countries by arranging for them to serve with AID in capacities which will contribute to the development of their professional skills and to their understanding of how to accelerate agricultural growth in the less developed countries and deal with the practical problems involved in the process.

II. Grantee Performance and Results-to-date

A. The grants were evaluated during October-December, 1974 by campus visits of an intra-agency team which included outside experts. The team reviewed the grants both in terms of performance and in light of the Agency's policy to emphasize utilization as the basic element in any grant renewal. The Evaluation Team recommended a limited extension for each of the four grants.

The evaluation concluded that progress under the grants was excellent in those areas of greatest consistency with the Universities interests and objectives.

1. Graduate training: graduate and undergraduate curricula were broadened and improved by the addition of new courses related to agricultural development; additional graduate students, including a considerable number from LDCs were trained in relevant analytical field; equality of graduate training was improved by providing opportunities for students to undertake field research in IDCs.

2. Staff development: the number of faculty members involved in research and training on agricultural development problems was maintained, and in some cases increased, when other funding was insufficient to sustain the Universities' capability in this priority area.

3. Research: research in the high priority areas of the grant agreements was initiated and expanded. This research was improved by the flexibility afforded faculty members to travel and work in LDCs with 211(d) support.

The talent-sharing commitments contained in the grant agreements, however, which required the Universities to move outside their normal interests and relationship to AID, have not been completely satisfied. (Only one university has fulfilled its talent-sharing commitment.) The grants did not provide AID access to the number and quality of personnel it needed on either a long-term or short-term basis.

Similarly, cooperative work among the Universities did not develop to the extent hoped, especially in the early years of the grant program.

These deficiencies in performance are particularly regrettable because they prevented the grants from having as much direct impact on AID as had been expected and because the discreet activities of the four institutions were never integrated into a coherent program. Nevertheless, it should be clearly recognized that these weaknesses were due, in part, to the failure of AID to provide leadership and direction to the program and that these dimensions of the grant activities were substantially strengthened after AID initiated intensive discussion with the Universities in 1973.

B. Iowa State University was awarded a 211(d) grant of \$375,000 for a five-year period on June 14, 1970. The grant was amended in February 1973 and an additional \$400,000 was provided to fund a sector analysis program in Thailand, extending the grant to February 1976.

The general objective of the 211(d) grant was to strengthen and expand the capacity of Iowa State University to conduct research and provide training in agricultural economic development with emphasis on the relationship between agriculture and other sectors of the economy. The grant program was designed to provide economists with analytical skills and experience in agricultural sector problems and analysis in developing countries, expand the opportunities of existing and new faculty for research and development, and enlarge the number of graduate students doing research on economic development. The program also emphasized intersectoral linkages through employment and income distribution as high priority elements of the problem-oriented research program. The University agreed to develop the necessary expertise in these areas by:

- expanding the interests of the faculty in international development agricultural economic problems;
- hiring additional faculty members with competence in international development;
- providing support for foreign and U.S. students interested in economic development (encompassing the expansion of existing courses with an international development dimension built into them);
- collaborating with other institutions on new techniques, research findings, etc. through seminars and conferences, and utilizing visiting lecturers;
- arranging for University faculty member to serve with AID in capacities which would contribute to the development of their professional skills and understanding of how to accelerate agricultural growth in developing countries.

Iowa State University has made substantial progress in achieving the grant purpose and objectives. The Department of Economics has added two new tenured staff positions that will be continued, regardless of grant support. The percentage of time devoted by faculty members to economic development work has more than doubled during the grant period. The department has also tried to employ a multidisciplinary approach to its work in economic development, utilizing faculty from the Departments of Statistics, Sociology, Agriculture and Agronomy. The University has increased the foreign student component of graduate students in the Department of Economics, they now represent 46% of the total, up from 35% before the grant was made. Two new graduate economic development courses have been established during the grant and will become permanent course offerings of the Economics Department; other economics courses have incorporated an international development dimension, thus strengthening them. Iowa State has fulfilled its commitment to provide six man-years of staff time to AID through the talent-sharing provision of the grant. In addition, other economics faculty members have carried out research and teaching activities in 11 developing countries under the auspices of international development agencies such as AID, FAO, World Bank, Agricultural Development Council, ILO, and Ford Foundation for a total of approximately 35 man-years of staff time. Several seminars and/or workshops related to problems in economic development were presented, many with lecturers from other institutions. Major agricultural sector studies have been or are presently being performed by Iowa State University for Uruguay, Guatemala, Panama, Peru, and Thailand.

In summary, the grant purpose and objectives have, for the most part, been effectively addressed by Iowa State University. There could have been more cooperation and collaboration between Iowa State and the other 211(d) agricultural economics grantees in sharing research findings, exchanging students and faculty members, and undertaking joint research projects. In the past year, positive efforts have been initiated in these areas. Further utilization of the existing capacity in Iowa State University's Economics Department in the future appears difficult, especially on short notice, because of its involvement in domestic teaching and research activities and the high level of involvement in contracts and talent sharing commitments to AID. Nevertheless, Iowa State appears to be a focal point for expertise in agricultural sector analyses work (as evidenced by the sector analyses it has and is presently performing for AID and other agencies). The increasing amount of attention being focused on agricultural sector analysis by AID suggests that a continued relationship should be maintained.

III. Grantee Commitment to Long-Term Involvement

Iowa State University's commitment to the economic development scene is reflected in several ways.

The University's Center for Agriculture and Rural Development (CARD)-- which operates under the auspices of the College of Agriculture and the Economics Department-- is involved in research work on problems concerning agricultural economic and rural development, as they relate to the U.S. and developing countries. A considerable number of faculty members in the Department of Economics have had experience in agricultural and economic development research and consulting activities in developing countries through the 211(d) grant, AID mission contracts, and Ford Foundation grants. They have also responded positively to requests from organizations such as the World Bank, ILO and BID for experienced personnel. As stated previously, Iowa State has carried out research and teaching activities in 11 developing countries during the grant; in addition, graduate students performed research leading to approximately 35 master's theses and PhD dissertations on economic development in eight other developing countries.

Major sector studies were performed for Uruguay, Guatemala, and Panama. Currently, AID missions have engaged Iowa State University personnel in two contracts:

- 1) USAID/Thailand agricultural sector analysis project under Dr. Earl O. Heady, Director of CARD.
- 2) USAID/Peru agricultural planning and analysis project under Dr. John Timmons.

The University has devoted a large share of its grant funds to graduate student research and support. Those graduate students supported by 211(d) funds will continue to be maintained even if the grant is not extended. However, their overseas research activities will be cut back sharply, thus forcing these students to write theses and dissertations on domestic topics. The majority of these supported students are from developing countries.

Iowa State University's Department of Economics is jointly administered by the College of Agriculture and the College of Sciences and Humanities, which makes it well suited to pursue multidisciplinary approaches to domestic and foreign development problems. The University administration has strongly indicated its desire to expand its contributions to economic growth and agricultural development in developing countries to the extent that appropriate funding can be found.

IV. Rationale for Extension

The need for the capacity generated by these grants continues to accelerate in the Agency. The goal of assisting LDCs to improve their capability to analyze policy and development alternatives in terms of their multiple development goals represents a key problem area for AID. A

major expansion of AID's efforts to help LDCs explore analytically a wide variety of questions about their agricultural and rural development is anticipated. They need to better understand the implications of technology and policy choices on output, employment and income distribution. Without improved planning and policy analysis, LDCs are finding it increasingly difficult to identify and implement the interdependent policies, programs and projects at the sector and district levels needed to achieve their multiple objectives for economic and social development.

The one-year grant extensions are proposed so that AID can continue to utilize the training, research and advisory capacities of the Universities while new mechanisms are being implemented to support larger AID programs in this area and to permit LDC graduate students to complete work already underway (no new starts).

The extension will involve support for the following activities:

1. Dissertation research by LDC and U.S. students on important agricultural development topics linked to LDC research planning and educational agencies.
2. Completion of research by faculty members on key development issues and problems where direct utilization by AID or another assistance agency is foreseen.
3. Salary support for faculty members that will be available to AID on a short-term basis for sector and subsector analysis, project identification and design, and evaluation and advisory services.

No further 211(d) support for these activities beyond the one-year extension is planned. AID should and will use other mechanisms to maintain the increased quantity and quality of training and research and to utilize the competence of faculty members in collaborative work with LDC personnel. Any further 211(d) extensions would be limited to specific utilization activities that fall within the Agency's policies on 211(d) grants and that cannot be funded by other contract, grants or agreements.

The programmatic focus and proposed allocation of funds activity areas for one-year extension is given in Section V below.

Failure to extend the grant as proposed would leave the Universities without resources to complete the dissertation and faculty research already in progress. The most serious consequences for the Agency would be the reduction in trained manpower and the disappearance of the staff competence that has been sustained, expanded and enhanced by the grants. Without additional financing to provide for an orderly phase-down of grant activities and a build-up in alternative approaches to mobilizing staff talent and training graduate students, many of the achievements and much of the payoff to AID from the original grants will be dissipated.

Alternative sources of funds for training and research on agricultural and rural development are generally unavailable. Universities can seldom use state funds for these purposes. Foundation programs have been drastically curtailed. No regular source of federal funds other than AID exists. It therefore becomes essential for this Agency to continue its support in a field so clearly vital to its primary program interest.

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V. Revised Grant Project Design

The purpose of the 211(d) grant to Iowa State University was to strengthen its competence and expand its capacity in agricultural economics as it relate to less developed countries. In requesting a one-year extension of the grant the grant project design has been redefined to reflect a new purpose, objectives, inputs and outputs which emphasize utilization of the university resources supported by the extension. Essentially, this grant extension will provide for an orderly phase-out of the grant activities with emphasis placed on utilization of the grant-supported research and related activities.

Based upon experiences in carrying out the program thus far and upon discussions during and following the evaluation process, the objectives/ outputs expected under an extension of the Iowa State Grant are as follows:

- (1) To identify high priority problems faced by less developed countries in improving their agricultural production, income distribution and employment of resources and to conduct studies on these problems which promise results of an improved understanding and solution of these problems.
- (2) To provide training for students from the developing countries and U.S. in the conduct of these studies.
- (3) To increase the capacity of the University staff to train students and perform research on agricultural problems in less developed countries through participation in the training and research processes.
- (4) To encourage utilization of the research results in improving agricultural development in less developed countries by staff and trained students.
- (5) To strive for improved information and participating networks among and between the universities and AID.

Within recent months, the Iowa State 211(d) program has moved toward these reoriented objectives with activities and procedures which are an integral part of this proposal for extending the program during FY 1976. ✓

The proposed 211(d) program under extension of the Grant, will be staffed by (1) participating professors and (2) research assistants. One (or more) participating professor(s) will form a resource team with one (or more) research assistant(s) who will engage in the research and follow up the research with utilization activities through the established linkages.

✓ Reference is made to the comprehensive Review Team Report of 3/24/75.

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After achieving a requisite level of economic knowledge through course work and exams, the student and his major advisor will form a team who will apply for a research activity grant through the 211(d) Committee within the Department of Economics. The application will include statement of the linkage to be developed in the country, the problem to be studied, objectives of the study, methods to be used, expected utilization of study results and a budget. AID may provide suggestions on research problems and country priorities and needed assistance in establishing linkages within the country.

After identifying the country, the in-country entity and the problem, the research team will develop the conceptual analysis of the research including the model with data needs and availability specified. Usually, the research assistant may be expected to spend around three months in the country to obtain needed data not otherwise available. This trip must be prefaced with careful planning for the trip, evaluation of data needs and the manner such data will be obtained and processed. At an appropriate time during the research assistant's stay in the country, the participating professor will travel to the country to evaluate the progress in obtaining data and to hold discussions with country linkage staff, AID mission and others, regarding the project and its possible uses to the LDC linkage agency. Usually, the research assistant will return to Ames to analyze the data, and prepare a report of the study which will usually double as a thesis or dissertation.

Upon completing the report of the research, copies will be made available to the in-country linkage agency and to AID missions, Regional Bureaus and TAB, and to other potential users.

AID grant funding and the University staff and research assistants will provide the necessary resources to carry out the three major activities of research, training and utilization through the necessary linkages as specified. Also, workshops in agricultural development will be held as part of the 211(d) Inter-University network. These workshops will bring staff members from other universities together to discuss research, training and utilization activities.

The estimated cost of these activities, by inputs and outputs, is as follows:

1976 Proposed Extension Budget

Inputs

| | | |
|------------------------------|---|------------------|
| Salaries | - | \$ 21,500 |
| Graduate Research Assistants | - | 51,000 |
| Travel | - | 15,000 |
| Equipment & Supplies | - | 5,000 |
| Printing and other services | - | 7,500 |
| | | <u>\$100,000</u> |

Outputs

| | |
|---|------------------|
| Graduate Student Training | 66,000 |
| Faculty Research | 14,000 |
| Advisory and Consulting Services (short-term) | 15,000 |
| Information dissemination (workshops and seminars) | 5,000 |
| | <u>\$100,000</u> |

VI. Complementary Action and Management Considerations

The Iowa State University Grant was amended in 1973 to provide support for three years to develop institutional capability to support a Mission-funded agricultural sector analysis in Thailand. The program under the basic grant was funded only through June 1975. After reviewing progress under the amendment, the following recommendations are made:

- (1) Transfer management of the program supported by the 211(d) grant amendment to EA/TD/RD.
- (2) Extend the amendment without additional funding to June 1978 to coincide with the Mission-funded sector analysis project.

A memo explaining the basis for these recommendations and discussing future activities under the amendment is given as Attachment 3.

Also, a proposal for providing assistance to LDCs in agricultural sector analyses and rural development, if approved, will augment utilization of the faculty capabilities through cooperative agreements with the Iowa State University Department of Economics.

The requested extension of the original 211(d) grant will enable Iowa State to continue its research activities in Peru, Ethiopia, Sri Lanka and Guyana; therefore, management of this extension, if granted, should remain in the Technical Assistance Bureau.

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**SUMMARY PROGRESS STATEMENT
ONGOING PROJECTS**

Project # 140-124

Project Title 211(d) Grant in Agricultural Economics Related to Less Developed Countries

Contractor a) Iowa State University

b) _____

I. Implementation Progress

1.

| <u>Outputs</u> | <u>Progress to Date & Relationship to Project Purpose and Goal</u> |
|--|--|
| 1. Increased numbers of faculty and graduate students in international development work. | 1. Grantee has developed and maintained a competent staff component devoting substantial time in work associated with agricultural and rural development, in keeping with project purpose and goal. 2. Grantee has generated graduate students foreign and domestic, pursuing work in international development. 3. Linkages have been developed and new courses in development added and existing courses strengthened. |
| 2. New courses designed to highlight problems in economic development in LDC's. | |
| 3. New linkages and active participation with LDC's. | |

II. Project on Schedule; Life-of-Project Budget Accurate?

a. Project was due to terminate February, 1976 but will be extended through FY 1976, after approved by R and DC.

b. The extension, if approved, requests additional funding of \$95,000. No additional extension will be requested.

III. Significant Change(s) in Project Proposed?

a. Amended portion of grant to be transferred to East Asia Bureau for management - February 1973 grant amendment funds being used primarily in Thailand for an agricultural sector analysis project.

b. GPS submitted and approved by R and DC 5/6/75.

IV. Role of TA Technical Office; Mandays required

a. Grant Project Manager - 39 mandays/yr

b. Grant Project Alternate - 20 mandays/yr.

Attachment: PAR dated April 14, 1975

PROJECT APPRAISAL REPORT (PAR)

11

PAGE 1

| | | | |
|---------------------------------------|--|--------------------------------|-------------------|
| 1. PROJECT NO. AID/csd-2824 | 2. PERIOD FOR PERIOD: July 1970 TO June 1975 | 3. COUNTRY Worldwide | 4. PAR SERIAL NO. |
|---------------------------------------|--|--------------------------------|-------------------|

5. PROJECT TITLE: **A Grant to strengthen within Iowa State University competence in the economics of agricultural development for the LDCs, including staff support services for solution to the problem.**

| | | | |
|---|---------------------------------------|--------------------|-------------------------------------|
| 6. PROJECT DURATION: Began FY 71 Ends FY 76 | 7. DATE LATEST PRCP 2/14/73 | 8. DATE LATEST PIP | 9. DATE PRIOR PAR 6/31/74 |
|---|---------------------------------------|--------------------|-------------------------------------|

| | | | |
|------------------|--|--|---|
| 10. U.S. FUNDING | a. Cumulative Obligation Thru Prior FY: \$ 206,400* | b. Current FY Estimated Budget: \$ 159,600* | c. Estimated Budget to completion After Current FY: \$ 100,000 |
|------------------|--|--|---|

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

| a. NAME | b. CONTRACT, PASA OR VOL. AG. NO. |
|------------------------------|-----------------------------------|
| Iowa State University | AID/csd-2824 |

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

| A. ACTION NO. | | | B. LIST OF ACTIONS | C. PROPOSED ACTION COMPLETION DATE |
|---------------|--------|------|---|------------------------------------|
| USAID | AID/ # | HOST | | |
| | | | The attached report substitutes for a regular PAR covering the period from 7/1/74 to 6/31/75 inclusive | |
| | X | | Recommend grant be extended through FY 1976 at the level indicated above in 10(c) for the following purposes: (a) Orderly phase-out (b) Permit graduate students financed by the grant to complete work (c) Allow more time to discuss other mechanisms to utilize capabilities developed. | 4/30/75. |
| | X | | Recommend that activities included under the Amendment to the original 211(d) grant be transferred to the EA Bureau for management and with the period of extension with no additional funds end June 30, 1978 as outlined in the attached report. *Only reflects the original grant agreement. The funds and activities under the grant amendment have been recommended to be transferred to East Asia Bureau for management, as indicated above. | |

D. REVISIONS REQUIRED

REVISED OR NEW: PROP PIP PRO AG P/O/T P/O/C P/C/P

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE: **Arlo J. Minden** *AM* **11-11-75**

MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE: **Leon F. Hesser** *LH* **4/11/75**

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project: _____
 From FY _____ to FY _____
 Total U. S. Funding _____
 Date Prepared: _____

**Agricultural Economics Related to the
Less-Developed Countries (211(d) grant)**

Project Title & Number: _____

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|--|--|--|--|
| <p>Program or Sector Goal: The broader objective to which this project contributes:</p> | <p>Measures of Goal Achievement:</p> | | <p>Assumptions for achieving goal targets:</p> |
| <p>Project Purpose:</p> <ol style="list-style-type: none"> 1. Strengthen and expand competence in agricultural economics related to problems in LDC's. 2. Strengthen and develop institutional capacity in research, training, consulting and technical assistance that AID, LDC's and other donors can draw upon for expert advice and assistance related to problems in international agricultural development. | <p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ol style="list-style-type: none"> 1. Increased strength and depth of University capacity. 2. Increased knowledge of problems in LDC's and commitment to international development research, training and technical assistance related to these problems. | <ol style="list-style-type: none"> 1. Annual Reports. 2. Comprehensive Review Documentation 3. Publications 4. In-house reviews | <p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> 1. University support for and commitment to international development work in LDCs exists. 2. Commitment to international development work by faculty core group. |
| <p>Outputs:</p> <ol style="list-style-type: none"> 1. Increased numbers of faculty and graduate students (U.S. and LDC) with teaching and research experience in LDC's and willing to respond to service requests from AID and USAIDS in various aspects of international development work. 2. New courses specifically designed to highlight problems in economic development in LDC's. 3. New linkages and active participation with LDC's. <p>Inputs:</p> <ol style="list-style-type: none"> 1. AID grant support, facilitating assistantships to graduate students research by faculty members, curriculum development, library materials, travel expenses etc. 2. University resources including support services, physical plant facilities, etc. | <p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> 1. Utilization of capacity by AID, LDCs and other donors. 2. Number and duration of talent sharing appointments. 3. Increase in research in critical problem areas of economic development. 4. Number and content of new and existing economic development courses. 5. Number of significant new LDC collaborating relationships. 6. Number of joint undertakings by the grantees. | <ol style="list-style-type: none"> 1. Number of Faculty added to core groups 2. Number of service requests 3. Workshops and seminars held 4. Publications generated. | <p>Assumptions for achieving outputs:</p> <p>Interest among faculty members and students in international economic development is established with regard to responding to service requests, courses and linkages.</p> |
| <p>Inputs:</p> <ol style="list-style-type: none"> 1. AID grant support, facilitating assistantships to graduate students research by faculty members, curriculum development, library materials, travel expenses etc. 2. University resources including support services, physical plant facilities, etc. | <p>Implementation Target (Type and Quantity)</p> | <ol style="list-style-type: none"> 1. Support budget 2. University financial contribution | <p>Assumptions for providing inputs:</p> <ol style="list-style-type: none"> 1. LDC's need and want expertise related to their problems in economic development. 2. Demand for expertise in LDC's can not be entirely met by direct-hire or contract personnel. |

Narrative

TA/AGR agrees with the conclusion of the review team that this grantee has developed and maintained a competent staff component that devotes a substantial amount of time to work associated with agricultural and rural development in LDCs. The utilization and response capabilities of this staff component, however, is still limited by competing international and domestic demands. While the institution may be able to respond to a small number of specific requests, utilization will essentially have to be based upon negotiations for individual staff members' time or a commitment for a portion of the faculty's total time within the context of existing workloads, including other competing demands especially from domestic activities.

We also are cognizant of the highly perishable nature of the capabilities that the 211(d) grant has created in the institution. The University is under pressure to allocate its scarce staff resources to domestic problems and has no alternative source of funds to support work on international development. The proposed extension will keep faculty members committed, provide limited direct access by AID for specific projects, and facilitate new initiatives to mobilizing talent for AID utilization.

The Department is heavily involved in training graduate students for professional careers devoted to LDC problems. Termination of 211(d) support would reduce the size and diminish the quality of the graduate training program. It would be difficult and often impossible to arrange field research under adequate faculty supervision. The grant extension will maintain the higher quality graduate training while AID develops other means for continuing it beyond the end of the grant period.

TAB/AGR will make every effort to structure long and short-term assignments in AID/W and field missions that will interest faculty members in the University and, thus, fulfill talent-sharing commitments.

Extensive discussions have been held with the regional bureaus to identify their anticipated needs for expanded economic analysis for agricultural and rural sector planning. Use of cooperative agreements as means of mobilizing and utilizing U.S. university talent for collaborative policy analysis and planning activities in LDCs is under consideration by the Agency. It is anticipated that this system will be implemented in FY 76 through a manpower pool drawn from several universities to undertake initial country-level activities and needed methodological and state-of-the-arts work. Thus, the new approach will become an integral part of our response to the evaluation team's recommendation that AID should maintain, and find funding mechanisms to utilize, the competence and capacity that have been developed and enhanced by this grant.

TA/AGR is proposing one-year grant extension so that AID can continue to utilize the training, research and advisory capacities of the University while the new mechanisms are being implemented to support larger AID programs in agricultural and rural development. The extension will involve support for the following purposes:

1. Dissertation research by LDC and U.S. students on important agricultural development topics linked to LDC research and planning agencies.

2. Research by faculty members on key development issues and problems where direct utilization by AID or another assistance agency is foreseen.

3. Salary support for faculty members that will be available to AID for sector and subsector analysis, project identification and design, and evaluation and advisory services.

No further 211(d) support for these activities beyond the one-year extension is planned. Any further 211(d) extensions would be limited to specific utilization activities that fall within the Agency's policies on 211(d) grants and that can not be funded by other contracts, grants or agreements. Planned activities and budget for the year's extension is given in the Revised Grant Project Statement.

An additional action on this grant is the transfer of the grant amendment to East Asia Bureau for management. The amendment was made for the purpose of developing institutional capacity to support a sector analysis in Thailand. Following a review of the project in Thailand in January 1975 and later discussions with the University, TA/AGR and EA agreed that work under the amendment could best be utilized under the management of EA/TD/SD. This shift will facilitate linkage to other sectoral analytical efforts in the Region.