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DEPARTMENT OF STATE

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FROM - USAID Rawalpindi

SUBJECT - Preliminary Project Proposal

REFERENCE -

Country: PAKISTAN Project No. 391-11-690-346

Submission Date: Aug. 1, '69 Original X Revision No. _____

Project Title: Low Cost Books

U.S. Obligation Span: FY 1971 - 1972

Physical Implementation Span: F. Y. 1971 - 1973

Gross Life of Project Financial Requirements:

U.S. Dollars \$ 353,000

U.S. Owned Local Currency ---

Cooperating Country Cash Contribution ---

Other Donors ---

T O T A L : \$ 353,000

OTHER AGENCY

State
HEW
USIA
Yam
Troy

PAGE 1 OF 3 PAGES

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Preliminary Project Proposal**LOW COST BOOKS****I. SUMMARY DESCRIPTION:**

Although the Government of Pakistan recognizes the urgent need for science and technology books, to date it has no plan that will provide for the production of up-to-date textbooks or reference books at low prices and in quantities appropriate to the need. This project involves a two-pronged attack on the problem of books with attention to the particular roles of the GOP and the private publishing sector operating in cooperation with each other.

The short-range goal of improving the supply of selected books can be met during the life of this project by assisting Pakistani publishers and/or the GOP to acquire copyrights and by partially subsidizing royalty payments for locally printed copies of selected books for use in on-going An AID contractor will act as intermediary between US and Pakistani publishers and will be responsible for all negotiations of price and for quantity and quality of editions, on a pattern similar to the Indian-American Book Program of AID/USIS in New Delhi (see Section II).

As a longer range goal, project funded consultants will assist the GOP and/or the Provincial governments to establish textbook and library development units within the existing educational planning organization. These units are to set standards, policy and implementation methods to improve textbook and library development programs.

Overall, this project will increase the supply of good quality, low-cost textbooks for universities and other institutions of higher learning, and assist the Government of Pakistan to identify, adopt and adapt and/or translate the books best suited to Pakistan. It also will strengthen the present educational system by introducing current U.S. publications, references and texts in the fields of science and technology.

II. PROJECT SETTING AND ENVIRONMENT:

Because of its problems with foreign exchange, Pakistan imposes rigid controls on imports. The policy under which textbooks are imported requires granting of a general

license which permits only single-order imports upto Rs. 50,000. This situation produces many ill effects:

- 1) Textbooks are limited ^{in numbers} and students do not have the benefit of texts prescribed for courses in which they are enrolled;
- 2) University, college and departmental libraries cannot order sufficient quantities of texts or supplementary references to meet the total requirements; and
- 3) U.S. texts are high-priced and since students have no access to foreign exchange, they substitute inferior publications that are available from the local market. Some, from Russia, are low-cost but of poor quality with many mistakes in English. Other publications are Pakistani, based upon good foreign books, but run-through with substantive errors and misprints.

Student's International Editions have partially satisfied needs but they must be imported. Therefore, these editions, though low in cost, are still out of reach for many students and for advanced courses with small enrollment - importation of a Student's International Edition is not commercially feasible. As a result, engineering, technology and medical books are available only in high priced clothbound editions that are out of reach for all but a few.

The limited availability of textbooks creates widespread problems for students and for the GOP. It poses limitations on US-trained professionals ^{from the United States} Pakistan to teach in Agricultural, Medical, Engineering and technical colleges and universities. Additionally, it threatens the effectiveness of several AID projects and the institution-building that is their goal.

The advances in quality and growth that Pakistan hopes to achieve in its educational system will require drastic changes in official attitudes on ^{the part of the government}. Financing and organization of both public and private sector book preparation, production and distribution must be reviewed and revised. The GOP has recently shown much interest in an "India-913" book program. ^{Under this program} books are reprinted in India and sold inexpensively to students. In addition to meeting immediate needs for books, the program has set high publishing standards and developed continuing commercial relationships between US and Indian publishers.

Though this project suggests nothing as elaborate as the Indian book program, it should have the effect of awakening the GOP to the advantages in foreign currency savings of a low-cost reprint program over costly book importation.

III. STRATEGY:

The GOP's strategy for producing low-cost books is to circumvent private sector publishers/importers and to utilize government facilities exclusively. It also intends to establish sales-distribution centers in government universities. This will inhibit private-sector development; especially in the printing industry, which is a major contributor to Pakistan's economy. It will reduce private sector incentive and destroy competition. Without competition the quality of texts will certainly suffer.

The Mission strategy is to assist the GOP to evaluate a variety of tested low-cost publishing and/or consumer procurement schemes that will utilize both government and private-sector resources. These include the English Language Book Society Plan, plans for direct subsidization of college and university libraries, government financing of book coupon schemes (for students and booksellers) and the feasibility of government-supported book depositories on a regional and/or provincial basis.

If the recommendations of consultants are favorable and a project is approved, in FY 1970 USAID will provide two short-term Technical Support funded consultants to determine the feasibility of and assist in developing the details of this low-cost book reprint project. These consultants will undertake a study to determine how to lower book costs for this project and how to maintain low cost book production in both public and private sectors beyond the termination of this project.

Beginning in FY 1971, USAID will contract with an appropriate U.S. institution or agency to provide the services of two full-time advisors, one each for East and West Pakistan and for the services of four short-term experts selected from major publishing houses in the United States.

The resident and short-term consultants will focus on the immediate problem of supplying students for USAID-supported education, agriculture, engineering, technology and vocational projects, with modern ~~text~~ textbooks; and secondly, on ways to assist the central and provincial governments to implement long-range plans identified in the FY 1970 Low-Cost Book Feasibility Study.

During FY 1972 the USAID contractor, with GOP approval, will negotiate both US-^{contract} publishing contracts according to agreed plans for pricing, titles, quantity and quality. The contractor will also provide assistance to the GOP and/or the Provincial Education Departments to establish, within the existing educational planning framework, a permanent textbook and library development unit. This

is especially important as existing Textbook Boards and other GOP organization devices have not functioned effectively and are in need of good planning guidance. Such guidance will hopefully encourage the GOP not to ~~xxx~~ sever its private sector publishing connections completely in favor of Government monopoly. It must recognize that where needs are so great every resource should be brought to bear on the problem.

During FY 1972 consultants will continue to negotiate US-Pakistani publishing contracts. Additionally, they shall begin to assist the Government of Pakistan and/or the Provincial Planning and Development Divisions to establish within the existing educational/planning framework, a permanent Textbook and Library Development Cell. This cell shall be concerned with: (1) analyzing per pupil textbook costs according to alternate means of purchase and distribution (including rental and fee system); (2) developing 5 to 10 year publishing schedules in keeping with enrollment projections and library development projections; (3) funding methods to accommodate paper and graphic commodities needed to support the publishing schedule; (4) training programs for editors, managers, publishers, financial and distribution specialists; and (5) proposals to provide textbooks and self-instructional materials for all pupils including the indigent and the illiterate.

IV. PLANNED TARGETS AND GOALS:

This project will help the quality of Pakistani education by developing a system for providing current U.S. textbooks in the fields of science and technology in adequate numbers for sale to students and schools at low cost. It will, in the process, help to establish continuing commercial relationships between US and Pakistani publishers by providing for the acquisition of US copyrights and for partial royalty payments for demonstration texts required for use in Mission supported project activities in East and West Pakistan. Books for Summer Science Institutes, Commercial Institutes, Agricultural and Engineering University projects and for projects related to the development of technical and vocational skills have been imported with project grant funds in past years. As projects terminate and assistance is no longer available it will be necessary to arrange for books through other means than importation. Pakistani low-cost reprints ^{are} one possibility. The more permanent benefits of establishing continuing commercial relationships between U.S. and Pakistan publishers will depend in great part of the GOP willingness to reconsider its present rupee-to-dollar conversion limitations. It is expected that following the convincing demonstrations planned for FY 71 and FY 72, the GOP will recognize the foreign currency advantages of a low-cost reprint program over costly book importation; that the GOP will increase conversion allowances for royalty payments from 10% to at ^{least} 20% of the local retail price.

To accomplish this goal, U.S. consultants must demonstrate, immediately and convincingly to the Government of Pakistan that the nation's book production/procurement problem can be partially solved through use of private sector resources, initiative and competitiveness.

Finally, by contract termination in FY 1973 Textbook and Library Development Cells will have been set up to serve the functions described in Section III - Strategy.

V. COURSE OF ACTION:

During FY 70 two short-term consultants funded under Technical Support for a total of six man-months will undertake a survey and provide the necessary details for a full project proposal. They will evaluate a variety of tested low-cost publishing and/or consumer procurement schemes including the English Language Book Society Plan, plans for direct GOP subsidization of college and university libraries, government financing of book coupon schemes for students and booksellers and the feasibility of government-supported book depositories. During FY 1971 and FY 1972 four GOP participants, two each from East and West Pakistan will analyze and evaluate book publishing and/or procurement schemes that are successful conducted by federal state and municipal education agencies in the United States.

During FY 1971 two full-time advisors and 4 three-month consultants will be contracted. They will be in project implementation with arrangements for reprinting US university-level texts in science and technology and poly-technic and vocational level texts that have been approved by the GOP. Services of two advisors and one short-term consultant will be required in FY 1972-73.

Books for reprint will be identified by the consultants acting as liaison between each Mission-supported project that requires textbooks and between Pakistani publishers and their U.S. counterparts. The consultants will instigate discrete demonstration activities that will illustrate how low-cost books can be produced in the private sector as a service to the GOP. To do this, the U.S. contractor will:

First: Identify titles of U.S. textbooks currently used in each of the on-going USAID supported science and technology projects and, based upon three-year enrollment projections, estimate the number of volumes needed to meet the requirements;

Second: survey plant facilities of representative Pakistani publishers to assess printing and storage capacities and distribution capabilities;

Third: determine the U.S. publisher's dollar demands on stipulated quantities of each reprint and act as a clearing house for copyright and royalty agreements;

Fourth: advise Pakistan publishers that the Resident consultant will assist in negotiating individual reprint contracts with U.S. publishers, or that the resident consultant will award local contracts based on ability to produce quality reprints at the lowest possible per unit cost;

Fifth: for each contract the Resident Consultant (using project funds) will remit directly to the US publisher the dollar portion of the royalty costs that fall between ten percent of the established rupees sales price per copy and ten percent of the US sale price per copy that the US publisher requires; and

Sixth: each Us-Pakistan contract shall require the local publisher to pay part of the royalty costs amounting to ten percent of his fixed rupee sales price per unit. This shall be paid to the US publisher in dollars through official rupee-to-dollar conversion by the State Bank of Pakistan.

This method will serve to fix the rupee sales price at a minimum since the local publisher will be required to convert to dollars and remit 10% of his rupee sales price to his US counterpart. The project consultants must see that price levels are maintained and that book count, storage and distribution procedures are carried out in keeping with the Us-Pakistan contract obligation.

Contracts for low-cost book reprinting procedures similar to those described above are being applied by LMS in Pakistan and India. AID/W in its Book Development Fund program, has in previous years negotiated the purchase of copyrights at the request of various Missions.

Over the two-year life of this project the activities described above will be strengthened by the involvement of GOP education, planning and publishing officials.

By project termination in FY 1973 the consultants will have assisted the GOP in establishing within the existing education/planning framework a permanent Textbook and Library Development Cell to strengthen GOP planning for book development in the public and private sectors.

SPAIN

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NONCAPITAL PROJECT FUNDING (OBLIGATION IN \$000)

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TABLE I

HCJ TITLE: LOW-COST BOOKS

PROJECT: _____

DATE: 1969

Original _____

Rev. No. _____

Project No. 391-11-346-146

(IN \$000)

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Fiscal Years	AP	L/C	Total	Personnel Serv.			Commodities		Other Costs	
				Cont.	AID	PASA	Cont.	U.S.	U.S.	Cont.
1971-1973										
Prior through Act. FY										
Oper. FY 1970	TC	G								
Budg. FY 1971	TC	G	306	295			193		102	
B + 1 FY 1972	TC	G	47	47			47		-	
B + 2 FY 1973	TC	G								
B + 3 F.Y.										
All Subs.										
Total Life			353	342			240		102	

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