

DEPARTMENT OF STATE

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~~Proj No 3910366~~
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FROM . USAID/Isamabad
SUBJECT . Non-Capital Project Paper (PROP)
REFERENCE . (A) FOAID A-74 dated 2/11/70; (PPP)
 (B) AIDTO A-257

Country: PAKISTAN , Project No. 391-11-660-366
Submission Date: December, 1970 , Original X , Revision #
Project Title: REINFORCING INSTITUTIONAL DEVELOPMENT (Phase I)
U. S. Obligation Span: FY 1972 through FY 1973
Physical Implementation Span: FY 1972 through FY 1974

Gross Life of Project Financial Requirements:

U. S. Dollars	\$ 240,000
U. S-Owned Local Currency.....	\$ 240,000(equiv)
Cooperating Country Cash Contribution.....	\$ 240,000(equiv)
Other Donors.....	..
TOTAL:	\$ 720,000

NOTE: Addendum Page

PAGE 1 OF 10 PAGES

DRAFTED BY: <u>AP Lanza / IM Loudis: rnam</u>	OFFICE: <u>EMD</u>	PHONE NO.: <u>x311</u>	DATE: <u>12/12/70</u>	APPROVED BY: <u>D:JC Wheeler</u>
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AID AND OTHER CLEARANCES
 PRO: KAE Williams AD/C: TR Blacka
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I. SUMMARY DESCRIPTION:

Historically, USAIDs have taken the view that the termination of an institution-building project also meant termination of any continuing relationships with the people or the institution with which the project was involved. Actually, there has been little choice since cutting project support means removal of U. S. advisors, the end of participant programs and of any provision of commodities. The prospect for external relationships depends upon the ability of concerned institutions to provide the necessary supporting elements that will maintain international relationships after U. S. assistance has terminated.

In the past, neither U. S. nor host country universities have nurtured institutional relationships. This may be due to the assumption that institutional reciprocity is a by-product of institutional development. It also may reflect a lack of comprehensive joint-planning that would lead institutions to post-project activities using their own resources.

With new projects, contractual provisions can be made to insure such continuity, but for terminated projects, the opportunity to develop and maintain institutional relationships is severely curtailed. While AID cannot be expected to support sponsored institutions indefinitely, a strong case can be made for assisting institutions to marshal their own resources to strengthen professional relationships.

In Pakistan, several AID-supported university projects have terminated since 1965. The concerned Pakistan institutions have reached various levels of institutional maturity. Each has been confronted with a loss of momentum formerly provided by outside stimulation. Returned participants, influenced by traditional pressures and limited resources have become professionally isolated and personally frustrated. Trained researchers, without access to contemporary information and professional intercourse, have been unable to contribute up to their full potential.

Thus the need to reinforce former relationships bears directly on the need to further improve institutional maturity. To ameliorate these needs, external contacts must be re-established. The USAID or its successor should be prepared to provide "interim" assistance until institutions can arrange to support their programs on a self-sustaining basis.

This project aims to reduce further "slippage" by providing immediate assistance to selected US/Pakistani institutions. Beginning FY 1972, USAID proposes to contract the services of an appropriate non-profit organization (e. g. Institute for International Education) to provide advice to participating institutions and manage U. S. dollar and rupee grants that will ~~provide~~ initiate and support the project through FY 1974. After FY 1974, participating U. S. and Pakistani institutions will assume all financial obligations for continuing their relationships with or without the participation of an intermediary contractor.

Rxx project

According to annual/plans to be mutually agreed upon and approved by USAID, the contractor and participating institutions, project funds will be used for initiating visiting professor exchanges and fellowships; supporting specific research studies and seminars and providing for the exchange of research materials and professional journals.

As envisioned, the project will be implemented in two phases. The first phase will begin in FY 1972 and end in FY 1974. The second phase is planned to start in FY 1973 and end in FY 1975. Phase II may be funded by an AID successor and managed by a contractor.

The cost for the first phase is estimated to be \$240,000 plus Rupees 1,152,000 to be derived from U.S.-owned rupee resources. Funds are to be expended in accordance with approved annual plans (described above) and may not necessarily be equally divided among the participants since it is presumed that needs will vary at each institution.

The Pakistani institutions included in Phase I and their former sponsors are:

- 1) University of Dacca, Institute of Education & Research; and Northern Colorado University;
- 2) East Pakistan University of Engineering & Technology, Faculty of Architecture; and Texas Agriculture & Mechanics University; and
- 3) University of the Panjab, Institute of Education and Research; and Indiana University.

The contractor, in cooperation with the institutions involved, may arrange a one-to-one relationship between the institutions cited above. On the other hand if any of the parties deem it more desirable, the contractor may help conclude cooperative arrangements with more than one United States institution for each Pakistani partner.

Late in FY 1972, the contractor and USAID will evaluate cooperative performance and accomplishment. Based on these findings, the USAID will recommend support for engaging three additional US/Pakistan institutions as the Project's second phase.

Beginning FY 1973, AID's successor agency may fund the following sets of institutions; total costs would be approximately \$240,000 plus Rs. 1,152,000 for the three year life of the second phase:

- 1) University of Peshawar, College of Engineering; and the Colorado State University;
- 2) University of Karachi, College of Business Administration; and University of Southern California; and
- 3) University of Sind, Tandojam Agricultural College; and the University of New Mexico.

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During the life of the project, the concerned United States and Pakistani institutions are to increase their contributions of staff and funds gradually so that after United States Government support terminates cooperative institutional relationships will be maintained. Planning and self-help performance for sustaining relationships must be demonstrated by all ~~existing~~ institutions as a condition for continuing United States Government support to project termination in FY 1975. ~~XX~~ It is hoped that this project, if successful, will be a demonstration for setting up similar programs world-wide.

II. PROJECT SETTING AND ENVIRONMENT:

This project addresses itself to a problem inherent in our technical assistance institution-building projects. It is not a problem unique to Pakistan.

Customarily, the USAID terminates institution-building projects without providing for continuing relationships with the people or institutions with which the project was involved. The United States contractor withdraws to his United States ~~homebase~~ homebase and except for sporadic personal correspondence is in no way prepared financially or by staffing to maintain any relationship with the sponsored institution. In turn, the former partner is precluded from generating the kind of international reciprocity needed to sustain institutional development.

The fact is that while United States universities and Mission are fundamentally committed to institution building, neither have tackled the 'isolation' problem that follows termination of a project. United States universities have not planned funds or sought endowments to support post-contractual relationships. USAIDs have shown increased inflexibility toward helping former partners after project goals have been attained. During project execution, stress has been placed on transferring equipment and expertise without providing for continuous dialogue between the developed and developing institutions.

Since each institution-building effort is undertaken to meet specific needs, it is clear that unless the institution matures it will not fulfill its goals. On contract termination, USAID's overall support may end but that does not necessarily mean that all United States relationships must be severed.

In the final Report of the Committee on Institutional Cooperation-AID Rural Development Research Project, the following observations were made about the criteria used for deciding project termination:

First: even though progress had been made in some aspects of institutional development, none of the institutions had achieved the kind of overall maturity that was essential for them to sustain a dynamic, self-generative level of performance. It was questionable whether they would be able to make meaningful contributions to the economic, social and political growth of the country in which they were located;

Second: the criteria used to determine institutional maturity were clearly inadequate. The decisions to terminate projects were made on the basis of achievement in physical characteristics such as numbers of buildings, faculty and students, but they did not take into account the spirit, tradition and institutional role which had been established;

Third: ~~show~~ each of the institutions experienced a traumatic interlude after the assistance contract was terminated that was characterised by periods of retrogression and loss of competence rather than continued growth;

Fourth: there was much evidence that neither the US nor the host country would realize the potentially significant dividends from the investments of money, manpower and professional skills which were spent in the institutional building program unless additional inputs could be made in key areas where little growth had occurred; and

Fifth: there were many valid reasons which suggested that it was not in the best interest of the US to terminate the contracts at a time when many aspects of the institution were still in the early stages of maturity. In most cases, this left a residue of bitterness and disappointment rather than the desired attitudes of appreciation and confident internal initiative."

III. STRATEGY:

This project will help solve a long-neglected problem by making it possible to further the development of United States-sponsored institutions following project termination. It also provides a mechanism for maintaining institutional contacts during the transition from AID to whatever new form United States bilateral aid assistance may take.

Historically, the USAID and American and Pakistani universities have worked closely on projects to accelerate institutional development. In the process, they have gained a clearer insight into the shortcomings of the development effort. One deficiency has come from a lack of planning mutual inputs that would reinforce institutional collaboration after project termination. A second deficiency has been caused by the growing financial and enrollment pressures on United States campuses which impose added restraints on professional and cultural foreign exchanges.

To help overcome these deficiencies, we propose to stimulate United States universities to accept a greater share of the responsibility for maintaining productive exchanges with foreign institutions. In addition, we expect to elicit more collaboration between United States and Pakistani universities to mount programs on a self-help basis and with the assistance of other donors, i. e. foundations and international organizations.

To accomplish these objectives, short-term consultants representing the proposed contractor and each participating institution, and funded under invitational travel or technical support will conduct feasibility studies on the need for professor exchanges and fellowship programs, professional reference materials and research collaboration. If the project is approved for FY 1972 implementation, the USAID will require United States and Pakistani institutions and the contractor (a non-profit organization) to cooperate in seeking assistance from donors other than A.I.D. and/or its successor agencies. This project will provide three years of limited interim assistance during which time a strong support base for continuing ~~relations~~ relations must be established.

The project, therefore, is not intended to continue United States Government assistance indefinitely but rather to reduce the initial shock of United States withdrawal and allow institutions time to make necessary adjustments. Such adjustments should include the seeking of grants and endowments from foundations and other donors and budgets that take into account the responsibilities the institutions have to themselves and each other.

As a first step, Texas A&M has sent, during FY 1971, its Dean of Engineering to exchange views with East Pakistan University of Engineering and Technology (EPUET) and to develop detailed plans for a continuing relationship. Northern Colorado

In addition to the required semi-annual reports, the contractor and AID will undertake a separate evaluation late in FY 1972. This will measure project success based on institutional participation, changes in faculty attitudes and the degree of self-help (in lieu of AID assistance) that each institution has generated. On this evidence, and on further exploration with other United States/Pakistani universities, the USAID will make appropriate recommendations for undertaking the second phase in FY 1973. This will provide three years of United States Government support to encourage reinforcement of institutional development in selected colleges of Peshawar, Karachi and Sindh Universities in cooperation with the Universities of Colorado, Southern California and New Mexico or other United States institutions agreed to by all parties to the project.

It is intended ~~that~~ that the overlap of these phases will provide a bridge for maintaining project continuity during the transition of fiscal responsibility from the USAID to an aid successor agency. We expect this type of project to demonstrate for Missions and institutions, other than those in Pakistan, methods for reinforcing institutional development through international collaboration.

V. COURSE OF ACTION:

A) FY 1971 Actions:

Upon completion and USAID acceptance of the FY 1971 feasibility studies, a USAID contractor (non-profit organization such as IIEG) will be engaged. The contractor and the cooperating universities will work out program and financial details for executing the first phase (FY 1972-1974) of the project.

Plans shall reflect agreement that staff time at the cooperating institutions shall be donated; that no project funds shall be used for university salaries and that participants will make budgetary provisions for continuing their relationships after the FY 1974 phase-out of United States Government support.

Upon acceptance of these conditions, USAID will submit a grant-request for ~~xxx~~ 1,152,000 United States-owned rupees for review and approval. After the project and the rupee grant are approved, first phase implementation will begin in FY 1972.

B) FY 1972 Actions:

During FY 1972, the contractor shall ~~begin~~ in cooperation with the Universities of Dacca, Panjab, EPUEI and selected United States institutions a project grant of \$160,000. The grant shall first fund the contractor for two years and will be under the contractor's management. The funds shall be used to support mutually agreed, AID-approved activities that will reinforce institutional relationships and promote the institutional maturity of Pakistani institutions.

In the last quarter of FY 1972, the contractor and USAID will make an extensive evaluation of project accomplishment. This will be followed by separate feasibility studies involving three additional Pakistani universities. Based on the project evaluation and new feasibility studies, USAID will suggest programming adjustments for the on-going project and make additional recommendations involving three additional Pakistani institutions. This second phase will be proposed for implementation beginning in FY 1973.

C) FY 1973 Actions:

Final Phase-I funding of \$10,000 will be provided the contractor in FY 1973. Participating institutions will ~~have established linkages with other community organizations and funds~~ have increased their contributions both in terms of staff-time and funds and will have established linkage with other community and private organizations to support some research and community services. It is expected that by the end of FY 1973 participating institutions will have made necessary budgetary arrangements to continue their relationships without AID assistance.

During FY 1973, the second phase would be initiated. It is recommended that it involve three institutions and follow a course of action similar to that undertaken in Phase-I.

D) FY 1974 Actions:

Phase-I of the project terminates. Phase-II continues through FY 1974 during which United States/Pakistani universities establish adequate staffing and budgetary provisions to maintain their relationships after project termination.

E) FY 1975 Actions:

Phase-II of the project terminates.

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Noncapital Project Funding (Obligation in \$000)

PROP Date: December, 1970
Original XX
Project No. 39171-660-366

Project Title: REINFORCING INSTITUTIONAL DEVELOPMENT

Fiscal Year	Ap	L/G	Total	1/ Cont.	Personnel Services			Participants		Commodities		Other Costs	
					USAID	PASA	Cont.	U. S. Ag.	Con-tract	Dir. & Con-tract US Ag.	Con-tract	Dir. & Con-tract US Ag.	Con-tract
Prior thru Act. FY													
	TC	G	160	160			40		60			60	
			30	30			0		0				
All Subs.	-	-	-	-			-		-			-	
Total Life	-	-	240	240			60		90			90	

1/ Memo (nonadd) column.
Addendum: Phase one of this project extends from FY 1972 thru 1974 and is funded as per totals appearing on page one.
*Phase two of this project may begin in FY 1973 and extend thru FY 1975. This phase may be funded for \$240,000 by the USAID successor.
Total level as Proposed.

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SUB: PROP - REINFORCING INSTITUTIONAL DEVELOPMENT
391-11-660-366

REF: (A) PROP DTD 12/12/70 (B) STATE 024288 (C) AIDTO CIRC-A-410.

1. APPRECIATE NESA AND TAB APPROACH SUBJECT ACTIVITY. IN RESPONSE
REF (C), REQUEST FY 72 CP INCLUDE RELATIONSHIP PROVISION FOR
THREE PAIRS:

- I) IER/DACCA UNIV. AND NORTHERN COLORADO UNIV.
- II) EPUET/ TEXAS A AND M
- III) IER/PUNJAB UNIV. AND INDIANA UNIVERSITY.

2. OUTLINES FOR A.I.D. PROGRAMS HAVE BEEN DRAFTED FOR IER/DACCA
AND NCU BY PROF. JACK SHAW. FOR EPUET/TAMU BY DEAN C.H. RANSELL.
DRAFTS WILL BE MAILED AID/W NEXT WEEK. AT INDIANA UNIV. PROFS.
JUNG AND CHIAPETTA ARE PREPARED TO RECOMMEND A PROGRAM OF
COOPERATION WITH IER/PUNJAB.

3. MISSION'S ESTIMATE OF ANNUAL GRANT TO EACH PAIR IS 40,000
DOLLARS AND RUPEES 192,000. REQUEST MINIMUM 2 YEAR GRANTS.

4. PROP, LAST PARAGRAPH, PAGE 2, RECOMMENDED SERVICES OF
NON-PROFIT CONTRACTOR. EXPERIENCED INTERMEDIARY COULD BE FOCAL
POINT FOR WORLDWIDE PROGRAM AND EASE TAB AND MISSION'S
MANAGEMENT LOAD. IIE/NY EVIDENCED INTEREST THIS POSSIBILITY AS:
MAY OTHER POTENTIAL CONTRACTORS. DOES AID/W INTEND TO PURSUE
QUESTION OF CONTRACTOR?
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