

AIRGRAM

DEPARTMENT OF STATE

UNCLASSIFIED
CLASSIFICATION

For each address check one ACTION | INFO

4890594-⁽²⁾
PD-PAD-421-81
85W
[Signature]

DATE REC'D

1970 MAR 13 PM 2 16

AID
C.R.A. - BR

DATE SENT
3/10/70

20 p.

TO - AID/W TOAID A- 191 X

FROM - SECUL

SUBJECT - Rural Policy Planning & Development PROP

REFERENCE -

Attached is a non-capital project paper (PROP) covering project 489-11-110-594 Rural Policy Planning and Development.

*duplicate in
4890594.1*

~~XXXXXXXX~~
FORTLER

2
DISTRIBUTION
ACTION
EAB
INFO.
AAPC
IS
OA
ITAD
FFP
OFF

NR
State
CIA

PAGE 1 OF 1
PAGES

DRAFTED BY D. M. Chandler R. Morrow:cah	OFFICE AD/P RDD	PHONE NO. 4132	DATE 2/27/70	APPROVED BY: D:rlhouston
---	-----------------------	-------------------	-----------------	-----------------------------

AID AND OTHER CLEARANCES		AD/P-P:AJCoppola	AMB, DCN
RDD:JLCooper	AD/P:AGRevelle	DD:MGWedeman	D, DC, AD/E, AD/P, RDD, C&RM, LEG, AD/C, IIS,

UNCLASSIFIED
CLASSIFICATION

Non-Capital Project Paper (PROP)

Country: Republic of Korea

Project No.: 489-11-110-594

Submission Date:

Original: X Revision No. _____

Project Title: Rural Policy Planning & Development

U.S. Obligation Span: FY 1964 through FY 1973

Physical Implementation Span: FY 1964 through FY 1974

Gross life-of-project financial requirements;

U.S. Dollars:	\$6,248,000
Local Currency:	₩275,500,000

(See Page 5)

A. SUMMARY DESCRIPTION

The Republic of Korea (ROK) is continuing to carry out a vigorous development program and is attempting to achieve more balance in its present development than was accomplished in the past. So far Korea has achieved outstanding success in the industrial sector. Progress in the agricultural sector, while substantial over the past ten years, has been less rapid than in the non-rural sectors. This slower development has largely been due to the decision by the Republic of Korea Government (ROKG) to put most of its fixed capital investment into industry and infrastructure and to the fact that Korean agriculture has proven to be still vulnerable to the vagaries of the weather. In addition, because the most productive land is already being farmed and yields are now quite high, it is not possible that agricultural growth rates will ever equal those which have taken place in industry. However, there still does exist significant potential for added agricultural development, particularly through improving land and water utilization on existing farms.

Korea's pattern of growth has resulted in some problems related to agriculture, which this project is designed to help solve. A major problem is the deficit food supply situation which has resulted from the rapidly increasing non-farm population and incomes and the resultant demand for greater amounts and varieties of food. Since Korea's agricultural production has not been able to meet the increased demands for food, there has been an increasing reliance on imported food and feed grains as well as inflation in some food items. Further, the lower rural incomes are growing at a much slower rate than the higher incomes in the non-rural sector. This disparity results in a capital shortage for agriculture as well as creation of adverse social pressures.

While a part of the uneven growth pattern in agriculture can be attributed to the droughts of 1967 and 1968, a more serious cause is the lack of adequate policies and programs in grain pricing and agricultural investments. Agricultural output in 1969 was 10.7% (1965 constant prices) above that in 1968, but many of the underlying factors which limited growth throughout the 1960's still exist. A continuation of this erratic pattern in agriculture could seriously hamper the nation's overall growth and Korea's efforts to increase the well-being of all its citizens.

The objective of the Rural Policy Planning and Development Project is to assist the Republic of Korea (ROK) in making the most productive use of its agriculture resources in order to maintain a steady and a somewhat more rapid growth in the rural sector. Target areas for this project are the following:

1. Increasing food production through more efficient use of resources;
2. Strengthening agriculture planning and policy formulation capabilities;
3. Increasing rural incomes; and
4. Development of viable fisheries and aquaculture enterprises.

This technical assistance project was initiated in FY 1964* and is expected to terminate in FY 1973. In this project it is proposed that the U.S. continue to fund needed technical advisory services and training to meet the project objectives. The financing requirements are summarized and attached hereto. In addition, other directly contributing, but separately funded, U.S. inputs to the agriculture sector consist of local currency proceeds from PL-480 commodity sales and a ~~xx~~ development loan(s) for the agriculture sector.

* While this particular project (489-11-110-594) began in FY 1964, there had been earlier AID projects in agriculture (489-11-110-588, 489-11-130-431) which date back to FY 1957 and have since terminated. Any residual activities from the earlier projects have been consolidated into the current project.

NON-CAPITAL PROJECT FUNDING

PROP Date:

Project No. 489-11-110-594

Dollar Funding (\$000)

<u>Fiscal Year</u>	<u>Direct Hire</u>	<u>PASA</u>	<u>Contract Services</u>	<u>Participants</u>	<u>Commodities</u>	<u>Total</u>
Prior thru FY 1969	2,819	84	268	420	130	3,721
FY 1970	475	20	296	127	-	918
FY 1971	395	-	218	88	-	701
FY 1972	375	-	125	100	-	600
FY 1973	<u>250</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>300</u>
Total:	4,314	104	907	785	130	6,240

LOCAL CURRENCY FUNDING (M000)

<u>Year</u>	<u>PL 480 CLCC</u>	<u>Counterpart</u>	<u>Trust Fund</u>
Prior thru 1969	12,797,000	-	240,000
1970	20,150,000*	739,000	57,182
est. 1971	15,000,000	900,000	54,000
est. 1972	10,000,000	-	45,000
est. 1973	<u>10,000,000</u>	<u>-</u>	<u>35,000</u>
Total:	67,947,000	1,639,000	431,182

* This amount includes non-programmed carry-over funds from CY 1969 plus CY 1970 funds earmarked for GMSA and MACF.

B. SETTING/ENVIRONMENT

The generalized characteristics of the Korean nation are those of a country rapidly changing from an agrarian society to an industrial/urban society. However, a large proportion - about half - of the population is still dependent upon agriculture for its livelihood. Due to limited land and capital resources, the agricultural sector produces a little less than 30% of national income, and the average farm income is only a little over 40% of the average in the non-agriculture sector.

The amount of arable land in Korea comprises about one-fourth of the total land area, and the amount of new land which can be economically developed is limited. The average farm size is only a little over two acres and consequently the production and income per operating unit is likewise limited. Largely through labor intensive land preparation and use of fertilizer on high yielding rice varieties, the Korean farmer maintains yields of about four metric tons of rough rice per hectare (comparable to yields in the U.S. and Taiwan).

The major production increasing innovations, such as high yielding rice varieties, fertilizer and pesticides, have already been introduced and are being widely used by Korean farmers. While there is little new land which can be developed, there does exist considerable potential for increasing agricultural production by making selected investments in (1) irrigation, drainage, and access improvements on existing paddy land; (2) upland development; (3) additional applications of lime and fertilizer; (4) agricultural education and research; (5) agricultural related supply, processing, credit and marketing business; and (6) mechanization and other forms of capital intensification.

Past ROKG agricultural development policy has primarily concentrated upon increasing rice production through (1) variety improvement, (2) encouraging increased use of commercial fertilizer and pesticides, and (3) improvement of irrigation facilities. In order to carry out these policies, reasonably effective institutions for agricultural education, research, and extension, land and water development, and provision of rural credit have been developed. Fertilizers and pesticides are locally produced and the manufacture and distribution of hand tools and threshers is generally adequate. While rice has been the principal target of development efforts, considerable diversification in the composition of agricultural products has also taken place. In 1960, major grain crops accounted for 69% of the total value of agricultural, fisheries and forestry production; by 1968 grain crops accounted for only 46% of total product value and livestock products, vegetables, fruit and fish replaced the share lost by grain.

The net result of these policies and programs has been ^{total} agricultural/fisheries output some 50% greater in 1969 than in 1960 (in 1965 constant prices). This progress is reflected in a reasonably high rate of growth in agricultural production of about 4.2% per annum (1960-1969). Unfortunately, neither the stability of the growth rate (from over 10% in three years to negative growth in three years) nor the amounts are satisfactory for Korea's needs or optimal ~~given~~ the potentials which exist.

In the past the principal inhibitors to more rapid and constant growth in agriculture have been: (1) budgetary constraint, and resultant inability of the ROK to maintain a grain price policy which would serve as a consistent and reasonable incentive price to farmers; (2) the choice of priorities for fixed capital investment which resulted in limited allocations of capital to agriculture; and (3) limited investments in agricultural research and in the planning and coordination of agricultural development.

The ~~xxx~~ recent and rapid development of the non-rural sector and the resultant differentials in incomes between sectors plus the short grain crops of 1967 and 1968 has brought the rural development problem sharply to the attention of national leaders. As a result considerably more resources have recently been allocated to agriculture than was the case in the past. Major activities which evidence a "new look" toward agriculture are: (1) the executive branch of government's direct participation in promoting ninety income producing projects (silk, dairy, mushrooms, etc.); (2) heavy investments in ground water development and paddy rearrangements; (3) an increase in grain purchase price; (4) increased credit to agriculture and fisheries; (5) capitalization of a government holding corporation directed toward promoting agribusiness; and (6) reorganization of the land and water development agencies and increasing their responsibilities to include mechanization of agriculture.

In summary, the environment in which this project is expected to function is one in which (a) industrialization will continue to be the major national goal, but agriculture will receive relatively more capital resources than in prior years; (b) labor will continue to be drawn from the rural sector and will require substitution by capital in order to increase farm labor productivity and farmers' incomes; and (c) increased attention to choice of agricultural investments will ~~be~~ be required as agriculture moves into a more diversified and modernized stage and where the "easy", high return innovations have already been adopted.

C. STRATEGY

Korean officials have acquired an increasing capacity for planning and the establishment of objective targets. It is the basic strategy of this project to identify with the planning process and to focus existing technical manpower and training on key areas of development policy and programming, and, within the limited time remaining for USAID's direct involvement, attempt to build an analytical and planning capability into the ROK which will help insure the relevance of present and future agricultural development.

The key policy issues upon which the project will focus will continue to be identified by direct hire advisors working with Korean counterparts and short-term consultants. In addition to advice and consultation, USAID will use the self-help provisions of PL-480 agreements and the loan conditions of development loans to focus attention upon key issues and bring about specific actions as required. When thus treated as a "single package", the aid element to agriculture is very substantial in dollars, won and manpower. It is through a combination of problem analysis and directed expenditures that maximum results can be achieved.

The provincial governments have primary responsibility for implementing development programs, and they also have been instructed to develop local policies and projects which are of particular usefulness to their localities. It is therefore required that technical assistance in program development and management also be continued at the provincial level.

The project will continue to reduce efforts in the purely technical fields. Short-term consultants will be employed as needed for technical studies; management assistance will be provided to the agri-business sector; and a university contract and participant training will constitute the major effort to increase long range agricultural research potential.

The objectives of this project, and the strategy to meet these objectives, are consistent with U.S. goals, which are generally to assist Korea to become self-sufficient in as many areas as is economically possible. The project contributes directly to Korean goals of food self-sufficiency and improving farm incomes.

The strategy and objectives of this project are also closely coordinated with AID's Development Loans and with specific parts of various AID technical assistance projects, including Economic Planning, Water Resources Development, Improved Administration of Banking and Credit, and Industrial Development.

The U.N., The Asian Development Bank, and a number of third countries are also providing technical assistance, training, loan funds, and some grants for agricultural development in Korea. These inputs are either at the basic technical level, such as the U.N. Soil Fertility and Land Classification projects, or related to specific third country interests, such as livestock development grants by West Germany and Australia. These programs are encouraged by the Mission and are not duplicated by this project.

D. PLANNED TARGETS, RESULTS AND OUTPUTS

The planned results under the Rural Development project xx relate to broad Korean goals as well as to the particular objectives of U.S. assistance activities. The various targets under this project are all directed towards the general purposes of (1) increasing rural incomes and food production most efficiently and (2) the development of a long-range, research program, planning and implementation capability in Korea so that sustained growth in output can become a regular feature of the Korean rural economy. Accordingly, this project is designed to help achieve the following specific targets during the periods indicated. The targets are for those activities where the Rural Policy Planning and Development Project has direct input or influence. The results and expected outputs of strictly Korean ventures or U.S. private investment, even though A.I.D. induced, are not included.

1. Increase Agricultural Production Through More Efficient Use of Resources

The food grain gap continues to be a major problem in Korea; it affects both farm and urban incomes, balance of payments positions and general economic development. While self-sufficiency in all grains is not an appropriate economic goal, the import ratio can be reduced since yields are not yet optimum and there is still potential for selected land and water development projects. The project targets xx for supporting production increases are:

- (a) advise the ROKG on the use of prices as a major policy tool to provide incentives to increase production (by FY 1973);
- (b) provide advisory assistance in program execution at the provincial level, which will assist the ROK to carry out effective production programs (by FY 1973);

- (c) help the ROK begin the development of about 350,000 hectares of productive new land (15 percent above the present level) and increase productivity by the rearrangement of 450,000 hectares of paddy land by 1976;
- (d) help the ROKG meet FY 1971 targets of improving irrigation on 500,000 hectares, converting 45,000 hectares of low productivity paddy land to upland, and direct seeding of 80,000 hectares of rice;
- (e) advise the ROKG on the most efficient way of increasing grain production (especially rice and, secondarily, barley) in order to satisfy increased consumer demand, help check inflation, and minimize food imports (by FY 1973). The rice target for CY 1970 is 4.5 million metric tons of polished rice which would satisfy domestic consumption requirements and add to emergency stocks;
- (f) advise the ROKG on the means to increase the farmer's use of chemical fertilizer to 700,000 MT by FY 1971 and the use of 1,500,000 MT of lime by FY 1975;
- (g) assist the ROKG Office of Rural Development (ORD) and Seoul National University's Agricultural College at Suwon to improve the effectiveness of the overall program of research for Korean agricultural development, especially in such areas as research administration and coordination and in the graduate training required to support such research (by FY 1973); and
- (h) provide advice concerning the greater use of machinery to facilitate increased production and productivity (by FY 1973).

2. Strengthen Agricultural Planning and Policy Formulation Capabilities

Assistance in development of pricing, production and consumption policies is a continuing and particularly important need in a food deficit country where short-falls in production can lead to rapidly increasing food prices and windfall profit to those who may be holding stocks. Conversely, excessive imports can depress farm prices unduly. Further, establishment of very high incentive prices to encourage production can lead to monetary instability as if large deficit spending occurs in implementation of price incentive programs. It is apparent that in this

setting a considerable amount of advanced planning of resource use will be required to meet agricultural as well as general development objectives. In-depth studies of future demand and supplies of both farm products and industrially produced farm inputs are required.

As Korean agriculture becomes increasingly diversified, the ability to set investment criteria and conduct sophisticated feasibility analyses is crucial. This is particularly so where land and capital are relatively scarce and labor resources are excessive in general, but may be "scarce" in certain situations with existing technology.

Therefore, the specific targets of this project are to assist in:

- (a) consolidating the presently ~~scattered and uncoordinated~~ agricultural statistical, economic and planning activities into a single functional unit in the Ministry of Agriculture and Forestry (MAF) with the technical capability for national planning and policy analysis and with responsibility for data gathering and analysis (by FY 1973);
- (b) strengthening the Agricultural Economic Research Institute to better perform its role as the primary source of empirical analysis and information on the characteristics of Korea's agricultural sector for use in formulating agricultural policy. More specifically, the targets are to enlarge the institute from two to five divisions (Farm Management and Marketing plus Land and Water Economics, Agricultural Policy Research, and Rural Sociology) and to upgrade the competence of the institute's professional staff (by FY 1972); and
- (c) working with and providing training for the personnel in appropriate ROKG agencies to reach a level of proficiency so that they can (1) develop the original and appropriately revise the agriculture and fishery portions of national development plans; (2) conduct project feasibility studies including agricultural cost/benefit analyses; (3) develop improved programs for agricultural production and make detailed projections for food needs; and (4) institute a practical feedback informational system concerning farmers' production, marketing, and organizational programs (by FY 1973).

3. Increase Rural Incomes

Probably the greatest single factor which will improve per capita farm income will be the continued withdrawal of farm labor into industry and thus leaving the agricultural product to be shared by fewer persons. However, it is apparent in this situation that additional capital and land development must be provided for the agricultural sector in order to maintain existing levels of output. Direct subsidies to agriculture incomes through product price or transfer payments, increased production of higher value crops, more efficient marketing of farm supplies and products, and improved efficiency of existing resource use (better farm management) are the other major possibilities of ~~not~~ increasing farm income. Thus, target areas of the project are to:

- (a) ~~to~~ help the ROKG develop a feasible rural income, price and investment policy which will help improve the farmers' welfare and productivity and which can be incorporated into the ROKG Third Five Year Plan (by FY 1971);
- (b) help the Agriculture and Fisheries Development Corporation (AFDC) to solve technical food processing problems and the marketing and management problems of its subsidiary firms. Development of these firms will provide increased outlets for farmers' products. These firms also provide technical assistance to farmers in the production of new high value crops and larger scale livestock enterprises. These activities will substantially increase incomes of participating farmers (by FY 1972); and
- (c) provide advice to the National Agricultural Cooperatives Federation (NACF) on major policy and credit issues (through FY 1973).

4. Development of Fisheries Industries

As incomes increase, the demand for protein foods creates economic opportunities for farmers and fishermen, but it can also lead to food inflation and lost opportunities if these demands are not met with local production. With Korea's limited land base and limited potential for raising feed grains for livestock, one of the most economically feasible ways of filling the protein gap is through the development of fisheries.

Development of fisheries and aquaculture can also substantially improve the incomes of this particularly depressed sector. In addition, there remains considerable potential for increased exports and greater degree of processing local and overseas catch. Targets in the fisheries element of the Rural Development Project are to:

- (a) provide advisory assistance to the Office of Fisheries (OFA) which will help the ROKG emphasize aquaculture as a source of production in order to exploit the potential of these artificially cultivated resources as well as development of natural fisheries (by FY 1973);
- (b) advise the OFA, which works with private companies and fishery cooperatives, on the most efficient means of increasing marine production to 250,000 MT for export (valued at \$112 million or more if processing facilities are developed) and 800,000 MT for domestic consumption (by end of FY 1971);
- (c) help institute improved marketing and pricing policies to distribute the increased fishery supply to the domestic consumer more expeditiously and to increase Korea's share of the world market (by FY 1973); and
- (d) help the ROKG fishery industry establish vertically integrated operations to improve overall domestic supplies and increase the export value of fishery products (by FY 1972).

E. COURSE OF ACTION

The basic course of action for this project will be to:

1. provide advisory services at the national level to analyze and identify key problem areas and development opportunities;
2. provide advisory services at the provincial level of operations to assist the ROK in program execution, management and to adapt national programs to local situations;
3. provide contract and short-term consultant advisory services in agri-business development, agricultural research and advanced agricultural education and in specialized technical areas as required to assist in policy development; and

4. provide technical training for Korean agriculturalists and planners.

These actions will be coordinated with Development Loans, agricultural self-help requirements, and the use of PL 480 won proceeds in order to assure attainment of the project objectives outlined above. Specific actions relative to the major objectives will be as follows:

- I. Actions for Increasing Production

- (a) Continue services of up to seven provincial rural development officers who are presently devoting full attention to assisting Korean officials in carrying out projects supporting production in the nine provinces. This unique professional contribution stems from their ability to (1) recognize desirable levels of production inputs, (2) analyze technical resources available and help organize these resources for maximum contribution toward program goals, (3) teach in training programs, (4) establish evaluation criteria for programs, (5) spot potential bottlenecks in projects, and (6) generally help improve the administration of action agencies. Particular attention is given to priority projects involving fertilizer, lime, credit, and execution of locally initiated USAID food-aided development projects.
- (b) Direct hire advisory services will be provided to the Office of Rural Development to assist it in carrying out the extension functions; contract assistance will be started (FY 1970) to improve its research capability and research administration and coordination.
- (c) The senior project management staff will assist the Ministry of Agriculture and Forestry (MAF) in its overall planning for agricultural production.
- (d) Funds from PL-480 commodity sales will continue to be earmarked for agricultural development. In the 1970 agreement this consists of the won equivalent of \$40 million for the grain management and fertilizer accounts and provisions that the ROK will (1) distribute 500,000 metric tons of limestone; (2) establish and maintain a grain price policy which will provide reasonable incentives to farmers and (3) generally support agricultural development with a renewed priority and emphasis.

- (e) Project personnel will continue to analyze development loan potentials. For FY 1970, loan funds of approximately 10 million dollars are expected to be made available for land and water development. Priority attention will continue to be given to development loans in the remaining life of the project.
- (f) Participant training summarized on the last page of this document will also contribute to short and long run production increases.

II. Actions in Strengthening Agricultural Planning and Policy Formulation

The MAF has recently expanded the authority and organization of its Planning Coordinators Office to include an overall planning unit with responsibility for assisting in the development of plans of MAF bureaus and MAF semi-autonomous agencies. The office continues to coordinate the budgets of agricultural agencies, and it has also been given the responsibility for export promotion of agricultural products.

The major project ~~ax~~ actions will be to help develop this office into an effective unit with the ability to coordinate and utilize available agricultural, economic and technical research in the formulation of relevant policies, plans and programs. The action strategy will be to provide advisors and consultants who will participate directly in policy and program development and thus contribute directly to planning and staff development.

Major services will be:

- (a) provision of the advisory services of four agricultural economists; ~~(through FY 1973)~~
- (b) provision of short-term consultants in land use policy, income policy, price policy and project feasibility training ~~services provided~~ in FY 1970, and similar services are expected to continue throughout the life of this project;
- (c) participant training will be provided, including some at the PhD. level, to enhance the competence of the policy and planning staff;

- (d) an agricultural sector analysis team will be provided in FY 1970 to assist in (1) identifying the most viable sub-sectors of the agricultural economy for purposes of inducing private investment and in identifying government development leading opportunities; and (2) conducting a general analysis of the agricultural sector for purposes of Third Five Year planning. Investment needs in marketing, research and production inputs will be identified.

Subsequent teams for reviews and possible revisions of the TFYP are expected to be made available.

III. Increasing Rural Incomes

The increase in rural incomes which derive from USAID actions result primarily from production increases in the major grain crops, from land and water development projects, and as a result of utilizing agricultural research information. However, there are some additional activities which are specifically directed toward increasing farm incomes. These are income policy analysis, diversified crop production, food processing and marketing, and farm management research. USAID-provided services will consist of:

- (a) Consultant and direct hire advisory services in income and price analysis. The objectives of these ~~services~~ services are to determine an appropriate level of price and income support feasible under Korean conditions; ~~(through FY 1973)~~
- (b) Full time contract consultant services to the AFDC in management, marketing and food processing and short term consultant services in related fields; ~~(through FY 1973)~~
- (c) Full time advisory services of a horticulturist to assist in developing high value crops for export and domestic consumption; ~~(through FY 1973)~~
- (d) Advisory services to the Agricultural Economic Research Institute, which is responsible for farm management and other agricultural economics research; ~~(through FY 1973)~~
- (e) Rural Development Officers services of technical and management advice in the implementation of MAF's ninety specialized income increasing projects; ~~(through FY 1973)~~ and
- (f) Participant training in food processing, marketing, production economics and related areas.

IV. Fisheries Development

USAID action in the development of fisheries and aquaculture enterprises currently include the services of one senior fisheries policy advisor and participant training. At the policy and planning level this advisor will assist in:

- (a) analyzing present production and marketing programs in order to identify the most likely sources of increased fish production and sources of income increases for fishermen;
- (b) developing export policy and programs which will maximize foreign exchange earnings over the long run;
- (c) identifying technical assistance and training needs which may be met from U.S. or other external assistance programs.
- (d) analyzing investment potentials in the fisheries industries for Korean private and government investments or for foreign investors when such investments are the most appropriate.

Assistance Summary

In order to meet the targets listed above, USAID proposes to provide the services listed in the table below. This table reflects FY 1970 requirements. Similar commitments will be required throughout the remainder of the project; the particular needs will be set forth in subsequent Project Implementation Plans or revisions to this PROP.

Advisory and Participant Training Assistance - FY 1970

Chief, Rural Development Division

Direct Hire Advisors

Dep. Food & Agr. Off. - Policy/Planning
 Dep. Food & Agr. Off. - Operations
 7 Rural Dev. Off - Provincial
 2 Agr. Economists

Fisheries Advisor
 Horticulture Advisor
 Agronomy Advisor
 Extension Advisor
 Agric. Research-short term

Contract AdvisorsFull Time

Agr. Business, Management
 Agr. Business, Marketing
 Food Processing
 Agr. Economist - Agr. Planning, USDA/PASA

Short-term

Income Distribution
 Price Policy
 Land Use
 Feasibility Analysis Training
 3 Agr. Business
 2 Agr. Research & Graduate Training
 Agr. Sector Analysis

Participant Training

<u>USAID ADMINISTERED</u>	<u>Number</u>	<u>Contract Administered</u>	<u>Number</u>
Marketing Research	3 (1)*	Processed Food Container	
Land Use & Econ. Planning	1 (1)	Manufacturing	4
Production Econ.	1 (1)	Vegetable & Fruit Production,	
Agric. Statistics	2 (1)	Freezing, Dehydration,	
Fisheries		Quality Control	5
(Stat. Prod. Marketing)	6	Food Processing Engineering	<u>1</u>
Observation Team			10
(Prod. Agric. Admin.)	10		
Insect Control	1		
Extension Training	<u>1</u>		
	25 new		

* (4 extensions of persons in training)

AIRGRAM

DEPARTMENT OF STATE

Proj. No. 4890594.1
PH

UNCLASSIFIED
CLASSIFICATION

For each address check one ACTION | INFO

3D

TO - Seoul AIDTO A 235

Jhon

DISTRIBUTION
ACTION
EAB
INFO.

DATE SENT
5-9-70

**EXSEC
IS
QA
AAPC
SRD**

FROM - AID/W

SUBJECT - PROP Approval

REFERENCE -

**SEOUL
HECTO
ATT**

Attached is a copy of the Project Authorization approving the PROP for Rural Policy Planning and Development 489-11-110-594.

Attachment: a/s

ROGERS

PAGE 1 OF 1 PAGES

DRAFTED BY <i>[Signature]</i>	OFFICE EA/NEAP	PHONE NO 29084	DATE 5/6/70	APPROVED BY <i>[Signature]</i>
AID AND OTHER CLEARANCES EA/NEAP:CSBell <i>[Signature]</i>		EA/NEAP:Cleo F. Shook		EA/TECH:D. Davis (info)

UNCLASSIFIED
CLASSIFICATION

PROJECT AUTHORIZATION

F

1. PROJECT NUMBER 489-11-110-594	3. COUNTRY Korea	4. AUTHORIZATION NUMBER 0051
2. PROJECT TITLE Rural Policy Planning & Development		5. AUTHORIZATION DATE 5/4/70
7. LIFE OF PROJECT a. Number of Years of Funding: 17 Starting FY 19_56 Terminal FY 19_72		6. PROP. DATED 3/10/70
b. Estimated Duration of Physical Work After Last Year of Funding (in Months): 12		

A.I.D.
Reference Center
Room 1656 NS

FUNDING BY FISCAL YEAR (in U.S. \$ or \$ equivalent)	DOLLARS		P.L. 480 CCC + FREIGHT	LOCAL CURRENCY			
	GRANT	LOAN		Exchange Rate: \$1 =		HOST COUNTRY	
				U.S. OWNED		JOINLY FUNDED	
			GRANT	LOAN	Counterpart	Trust Fund	
Prior through Actual FY 69	8,468						
Operational FY 70	914					2,820	177
Budget FY 71	701					10,880	193
B + 1 FY 72	600						190
B + 2 FY 73	300						180
B + 3 FY							
All Subsequent FY's							
TOTAL	10,983					13,700	960

9. DESCRIBE SPECIAL FUNDING CONDITIONS OR RECOMMENDATIONS FOR IMPLEMENTATION, AND LIST KINDS AND QUANTITIES OF ANY P.L. 480 COMMODITIES

10. CONDITIONS OF APPROVAL OF PROJECT

(Use continuation sheet if necessary)

11. Approved in substance for the life of the project as described in the PROP, subject to the conditions cited in Block 10 above, and the availability of funds. Detailed planning with cooperating country and drafting of implementation documents is authorized.

This authorization is contingent upon timely completion of the self-help and other conditions listed in the PROP or attached thereto.

This authorization will be reviewed at such time as the objectives, scope and nature of the project and/or the magnitudes and scheduling of any inputs or outputs deviate so significantly from the project as originally authorized as to warrant submission of a new or revised PROP.

A.I.D. APPROVAL	CLEARANCES	DATE
SIGNATURE AA/EA P. d. [Signature] TITLE DATE	EA/NEAP, C.F. Shook	April 25, 1970
	EA/NEAP, C.S. Bell	April 29, 1970
	EA/TECH, R. Johnson	April 29, 1970
	EA/DP, C.H. Breecher	April 29, 1970