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PROJECT PAPER

for the

POPULATION RESEARCH AND DEVELOPMENT PROJECT

(# 391-4110)

JUNE 1977

Prepared By

USAID PAKISTAN

AGENCY FOR INTERNATIONAL DEVELOPMENT

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A. FUNDING SOURCE	FIRST FY B. FX	FIRST FY C. L/C	FIRST FY D. TOTAL	LIFE OF PROJECT E. FX	LIFE OF PROJECT F. L/C	LIFE OF PROJECT G. TOTAL
AID APPROPRIATED TOTAL						
(GRANT)	(300)	( )	(300)	(800)	( )	(800)
(LOAN)	( )	( )	( )	( )	( )	( )
OTHER U.S. 1.						
OTHER U.S. 2.						
HOST COUNTRY		74	74		317	317
OTHER DONOR(S)	18		18	82		82
TOTALS	318	74	392	882	317	1199

11. PROPOSED BUDGET APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. 1ST FY 77 F. GRANT	E. 1ST FY 77 G. LOAN	H. 2ND FY 78 I. GRANT	H. 2ND FY 78 J. LOAN	K. 3RD FY ___ L. GRANT	K. 3RD FY ___ M. LOAN
(1) PH	301	420		300		500			
(2)									
(3)									
(4)									
TOTALS				300		500			

A. APPROPRIATION	N. 4TH FY ___ O. GRANT	N. 4TH FY ___ P. LOAN	Q. 5TH FY ___ R. GRANT	Q. 5TH FY ___ S. LOAN	LIFE OF PROJECT T. GRANT	LIFE OF PROJECT U. LOAN
(1) PH					800	
(2)						
(3)						
(4)						
TOTALS					800	

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SIGNATURE: Steven W. Sinding *Steven W. Sinding*

TITLE: Chief, Population Policy and Research Division

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POPULATION RESEARCH AND DEVELOPMENT
PROJECT PAPER

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Appendix A : List of Sub-Project Ideas

I. PROJECT SUMMARY AND RECOMMENDATIONS

A. Grantee and Implementing Agencies

The Grantee will be the Government of Pakistan. The executing agencies for the Government of Pakistan will be two: (1) the Population Planning Division within the Ministry of Health and Population Planning and (2) the Planning and Development Division of the Ministry of Finance, Planning, Economic Affairs, and Provincial Coordination. Within the Population Planning Division, the Demographic Policy and Implementation Research Center (DPIRC) will be responsible for the action-research portion of the project. Research related to the determinants of fertility behavior and population impact analysis will be the responsibility of the Population and Social Planning Section of the Planning and Development Division.

B. The Grant

Amount: $800,000 (All disbursements will be complete by the end of the fourth and final year of the project. The bulk of the disbursements are expected to be during years 2 and 3).

C. Purpose

The purpose of the project is to selectively enlist the support of major employers, village organizations, public and private research organizations, and enlightened citizens in the development and implementation of well-planned, innovative programs to encourage small families.

D. The Project

The proposed Grant will fund a research and development project to design and test a broad range of innovations, and to support demographic research, which will assist the Government of Pakistan in its efforts to find ways of accelerating the rate of fertility decline.

The project is divided into two parts. On the DPIRC side, two types of sub-projects of an experimental or quasi-experimental nature will attempt to investigate innovative ways of delivering, and creating a demand for, contraceptive services. The findings of these sub-projects will be used by policy makers to make decisions about, and to promote, more widespread adoption of innovations that have been successfully tested.

Examples of the types of sub-projects might include the incorporation of family planning services into the health benefits of large organizations, such as the Military, Pakistan International Airlines, and the Pakistan Railways, or the use of the commercial sector to market and distribute contraceptives.

The other component of the project, housed in the Planning Division, will support what might be broadly termed "population impact analysis." This will include the study, in non-experimental ways, of the determinants of fertility and the development of methods of estimating the impact of alternative public expenditure strategies on fertility. One important application of this will be the assessment of the impact of relevant and proposed Government plans on demographic variables.

In order to undertake this action research, the staff of the DPIRC and Population and Social Planning Section (PSPS) will identify potential organizations and work with those interested in developing sub-project proposals. These proposals will be reviewed by the respective staffs of the DPIRC and PSPS. Those proposals which meet the established criteria in terms of quality and relevance will then be forwarded to USAID for approval and disbursement of funds. After review and approval by the USAID Project Implementation Committee in consultation with the Mission's Research Committee, a Project Implementation Letter will be issued to either DPIRC or PSPS.

By the end of year two of the project, it is expected that sub-project findings will begin to become available. These findings will be reviewed by DPIRC and PSPS staff, USAID, and the high level Steering Committee, and specific plans made to disseminate these in the most effective manner. Dissemination is expected to include preparation of executive summaries, publication of sub-project reports, seminars, a possible project newsletter, and briefings of the relevant policy level persons in Government. To the largest extent possible, the emphasis will be on reaching these persons with readily comprehensible policy-relevant findings.

It is difficult to try to estimate the number of sub-projects that will be initiated under this project. There is no standard in this regard that we are trying to achieve. However, we have for planning purposes, estimated that total output will be approximately 30 research and development sub-projects over the life of the project. A possible breakdown of this by year and implementing agency is included in the evaluation section of the Project Paper (PP).

The major USAID inputs will be $800,000 in foreign currency to be used to finance the sub-projects, and data processing.

Over the life of the project, it is expected that roughly $575,000 and $225,000 will go to DPIRC and PSPS respectively.

The inputs anticipated under this project will enable the Government of Pakistan to develop sub-projects, contract with individuals and organizations to carry out these sub-projects, and analyze and disseminate the results.

Recent findings of the Pakistan Fertility Survey give further support to what was already felt by many to be the case--that the prevalence of contraceptive use in Pakistan has changed little despite a major effort to provide access to contraceptive services. It is clear, then, that an effort must be made to find new ways of influencing fertility behavior. This project intends to support such an effort, primarily through small scale action research projects. Without this information, policy-makers lack the empirical basis upon which important decisions must be made. Through a program of small scale research and development, it is hoped that potential costly policy and program mistakes can be avoided. Evidence that the project purpose has been achieved will be the following:

1) Major improvements in the delivery of family planning services that are directly attributable to the project.

2) A large number of private sector initiatives to stimulate fertility decline among employees, by providing family planning services and by using selective benefits as incentives for small families.

3) The existence of a body of research knowledge upon which population-influencing development planning is based.

4) The existence of publicly administered benefits schemes as incentives for small families.

E. Summary of Findings

The conclusion of the project analyses undertaken in the technical, economic, social and financial sections of this paper is that the project is feasible, reasonably priced, and represents the best alternative available to achieve the project purpose. It is our judgment, based on a close working relationship with the implementing agencies, that the project is capable of being implemented at this time.

F. Statutory Criteria

This Project meets all applicable statutory criteria. See Annex B for details.

G. Project Issues

1. Conceptual Issues - The principal issue here is whether or not the project, as designed, will lead to meaningful findings which will in fact be translated into policy and program improvements. This, in turn, raises three subsidiary questions: (a) Can the implementing agencies define research activities with sufficient precision that their results will have direct relevance for policies and program improvements? (b) Can the implementing agencies marshall sufficient human and physical resources in Pakistan to carry out policy and program relevant research? and (c) Have adequate arrangements been made to assure that research and development findings are fully and appropriately communicated to program managers and decision-makers?

The Mission believes the first two questions can only be answered in the context of actual performance. The risks in this project are high. The Population Planning Division does not have a good record of either research sponsorship or research utilization. However, recent steps have been initiated to create a reasonably strong and well-staffed research and development unit - the Demographic Policy and Implementation Research Center (DPIRC) (see Technical Feasibility Analysis below). Sub-projects are intended to be kept as simple and as action-oriented as possible, recognizing the limited research and evaluation capabilities now existing in Pakistan. The majority of sub-projects will be carried out by operational, rather than research, agencies and institutions and will contain the minimum necessary data collection and analysis components for purposes of evaluation. In some instances these evaluations may be carried out by competent employees of the agencies or organizations implementing the sub-projects. In other cases, DPIRC staff will handle the analysis and evaluation of sub-projects. With respect to the third question, we believe adequate provision has been made and adequate staffing is in place to give us optimism that research and development results will be effectively utilized.

The Planning Division has had more experience in the sponsorship and utilization of research. It is anticipated that the Population and Social Planning Section will have adequate professional expertise to define population impact analysis with sufficient precision to produce meaningful research findings, that the resources of the Pakistan Institute of Development Economics and one or two other research institutions capable of carrying out such relatively sophisticated research

can be marshalled, and that the Planning Division, itself, has the expertise necessary to interpret and act upon the research findings.

2. Procedural Issues - A number of procedural issues were raised in the PRP approval cable (76 State 003998) which are dealt with below:

(a) "Reservation of $100,000 out of first year funds for technical assistance and selected research projects to be jointly designed by GOP Population Planning Division, USAID, and AID/W:" The Mission believes that aeequate technical assistance is generally available in-house at USAID in the persons of two officers with experience in population research and development. To the extent that additional assistance is required, we believe that this is better procured through centrally funded grants and contracts, including Indefinite Quantity Contracts.

Two or three of the projects listed in Attachment A are sufficiently well along in design not to require either additional technical assistance or the specific reservation of funds in the Mission's view.

(b) Organizational responsibility for implementation of the three types of research and development anticipated (i.e. action research in family planning; action research "beyond family planning;" population impact analysis): As recommended in the approval cable, responsibility for implementation of the first and second types of research will rest with the Population Planning Division's DPIRC. Responsibility for population impact analysis will rest with the Planning Division, and we anticipate that most of it will be carried out by the Pakistan Institute of Development Economics, thus linking the Planning Division and PIDE more closely than in the past when such analysis was carried out through a bilateral agreement between USAID and PIDE. The Mission agrees that, while it would be desirable to carry out "beyond family planning" research in the context of a full-service family planning delivery system, the absence of such a system in nearly all parts of Pakistan makes this impossible. Furthermore, we believe that the evidence is strong that a fundamental lack of demand for family planning services exists even in those places where services are more readily available in the country, and that this evidence justifies experimentation "beyond family planning" even in the absence of a full range of services.

(c) Role of Population Planning Council vs Population Planning Division: The terms were used interchangeably in Pakistan at the time of the drafting of the PRP. Since then usage has changed so that it is commonly understood that the Division (PPD) has operational responsibility for the population program. Throughout this paper, the term Population Planning Division is used.

(d) Steering Committee: As will be seen in the Detailed Description and Evaluation portions of this paper, the Steering Committee will have advisory and evaluation responsibilities only.

(e) Authority and responsibility of project director(s): This issue remains to be worked out in negotiation of the Project Agreement. It appears at this writing that the project directors (i.e. the Director of DPIRC and the Chief of the Population and Social Planning Section) will have the authority to recommend sub-projects to USAID for funding subject to review by their superiors (the Secretary of Population Planning and the Special Secretary of the Planning Division, respectively).

(f) Use of U.S.-owned Rupees: The Mission has reviewed AID/W's suggestion that the use of U.S.-owned rupees be considered in this project. The issue has also been discussed with the Government. In accordance with our analysis reported in Islamabad 2748, we have concluded that it would not be advisable to consider the use of rupees. The activities to be carried out under the project will be innovative and experimental. The Government will need a considerable incentive to undertake some of them. New resources, in the form of foreign exchange, represent such an incentive. We believe it is likely that some of the more exciting and innovative of the proposed experiments and innovations (e.g. the use of monetary or physical goods incentives for communities and individuals) are more likely to be attractive to the Government to the extent that they are backed by dollars rather than rupees. A determination is hereby requested under provisions of Section 612(b) to permit certification of dollar payments in lieu of local currency.

(g) Pakistani research/management expertise and absorptive capacity: The PRP approval cable raises several issues here: in-house vs external research; absorptive capacity of the Pakistani social science research community; and the possible use of foreign, indigeneus, and U.S. private organizations as research sub-grantees.

As regards the issue of in-house vs external research, it is now anticipated that the great majority of grant funds will be used to sponsor research and development activities to be carried out by institutions external to the Population Planning Division and the Planning Division. The Federal Republic of Germany has expressed an interest in supporting Population Planning Division in-house research regarding the integration of health and family planning services. We anticipate that the research capacity of the PPD will be more or less fully occupied by such an endeavor and that A.I.D. funds will be used to support largely external sub-projects.

In this PP, the Mission and the Government have attempted to give relatively much more emphasis than the PRP did to small-scale, extremely simple experimental and quasi-experimental activities that can be carried out by operational rather than research institutions. This was done for two reasons. First, we believe that the absorptive capacity of the research community here is extremely limited. Second, we have concluded that the replicability of R & D results is a direct function of the simplicity of the original design. Hence, we plan on supporting activities which promise easy replicability by a relatively large number of organizations and institutions in the public and private sectors. This, in turn, implies that the role of social science research institutions in this project will be fairly limited.

It is conceivable that research ideas will emerge which would best be carried out through collaborative arrangements between Pakistani and foreign institutions -- either U.S. or third country. The Project Paper is mute on this subject but both the Mission and the Government are open to the possibility of such collaboration.

Other procedural issues, not covered in the PRP approval cable, but identified since are as follows:

(h) Since the project is designed to have Pakistani organizations or individuals perform sub-projects via technical service contracts, a waiver of U.S. Source requirements is herein requested. See (page 63) for complete discussion.

(i) As of this writing, PPD has opened the possibility that the Project will be administered by a new unit to be created expressly for the purposes of the Population Research and Development Project. This unit might be within the DPIRC or it may be completely independent of it. Since it is the quality of staff rather than the administrative location of that staff which is crucial to the success of the project, the Mission has chosen not to regard this as a crucial issue but will remain firm on the matter of staff quality.

II. PROJECT BACKGROUND AND DETAILED DESCRIPTION

A. Background

1. Demographic

The current population of Pakistan is estimated to be about 75 million. Approximately 71 percent of the population is rural, with about 55 percent engaged in agriculture. The population is distributed unevenly among the four provinces, with about 60% residing in the Punjab. The literacy rate is estimated to be 20%, with the level among males exceeding that of females at 30% and 9%, respectively. Approximately 30% of children aged 5-19 years are currently in school. With nearly 46% of the population under the age of fifteen, Pakistan has a very young age distribution and the potential for continued high birth rates in the future.

The demographic changes which have occurred in Pakistan since the turn of the century are indeed familiar in most low income countries. The level of mortality has declined by more than half, while fertility has remained relatively unchanged at very high levels. As a result, the rate of natural increase has risen to around three percent per year, which if maintained, would lead to a doubling of Pakistan's population in less than 25 years.

(a) Fertility

Demographic data from the early 1960's regarding fertility in Pakistan suggest that relatively little change has occurred. A comparison of the findings of the Population Growth Estimation Project (1962-65) and the Population Growth Survey (1968 and 1971) reveal relatively little change in total fertility rates. Although some decrease in age-specific marital fertility was observed among the younger age cohorts, this was largely offset by a rise in fertility among older women. Estimates of the U.S. Bureau of the Census (1971) indicate a slight increase, from 7.2 to 7.3, in the number of children per woman from 1961 to 1972. The 1975 Pakistan Fertility Survey once again shows no decline in fertility.

The high levels of marital fertility are further exacerbated by nearly universal marriage, and the relatively young age of marriage. According to data for 1965, the percentage of never-married females in Pakistan is only 0.9. Although reliable data on female age of marriage (legally 16) is difficult to obtain, available estimates would place it between 17 and 19.

(b) Mortality

With the exception of an influenza epidemic in the early 1900s, and the civil disturbances at the time of partition, the decline in mortality has been steady since 1900. The dramatic decline in overall mortality can be attributed to a general improvement in living conditions. Improved transportation, communication, and agricultural production helped to stabilize food supplies, which in conjunction with later preventive health programs reduced the susceptibility of much of the population to disease and famine. During this period of mortality decline, the crude death rate is believed to have declined gradually from about 40 per thousand to 30 by 1950. Between 1950 and 1960, this decline accelerated, dropping from 30 to 19. The decline continued at a much slower pace during the 1960s, with recent comparative data suggesting that there may have been no discernible change between 1962 and 1971.

For planning purposes, the Government of Pakistan estimates the crude death rate to be 14.5 per thousand. Given the experience of the last decade, it seems doubtful that mortality will decline substantially over the next 5-10 years.

(c) Migration

One unique feature of Pakistan's recent demographic past is the migration between India and Pakistan which occurred at the time of partition. Estimated in-migration was about 2 million, with a large portion of these refugees settling in urban areas. Although the social disruption and urban or semi-urban settlement of the refugees might have been expected to result in lowered fertility, research findings indicate that this is not the case. Although international migration during other periods of time was not insignificant, it is not expected to be a major factor in considering population growth in Pakistan in the near future.

2. Population Planning Experience

The preceding discussion clearly indicates that fertility is the demographic variable that must be affected if a reduction in population growth rates is to be achieved. In recognition of this fact, the Government has established a tentative demographic goal of reducing the crude birth rate from 43.6 per thousand to 33.8 per thousand by 1983. A brief discussion of past and current efforts by Government to lower fertility follows:

Family Planning in Pakistan

Thus far, the major effort to reduce fertility in Pakistan has been through family planning programs. The first organized program was started in 1952 by the Family Planning Association of Pakistan, a private group which served to pave the way for involvement by other groups. Between 1955 and 1960, the Government provided support to these activities with an allocation of Rs. 500,000. In the second Five-Year Plan (1960-65) the Government increased its support by adding family planning services (mostly IUDs) to the maternal and child health clinics that were operated by the Ministry of Health and Social Welfare, and by extending the outreach capability of the program through the use of various types of fieldworkers.

In the Fourth Five-Year Plan, the program shifted from the use of midwives (dais) to full-time field motivator teams, while largely abandoning the IUD in favor of condoms and orals. The decision to launch this new field organization (Continuous Motivation Scheme) was based upon the findings of a pilot project in Sialkot District of the Punjab. This Scheme emphasized the importance of continued use, rather than initial acceptance, through regular visits by field worker teams to the homes of acceptors to motivate potential clients and to supply contraceptives. The program was interrupted between 1969 and 1971 by the political changes which brought about the division of Pakistan into four provinces, and the civil war which resulted in the loss of East Pakistan. The program lost considerable momentum as a result because of the preoccupation of the Government with these problems and the loss of foreign aid during this time.

Following a review of the program in 1972 initiated by the new Prime Minister, Zulfikar Ali Bhutto, the program was resumed in 1973 at an expanded level. The Special Committee which reviewed the program established family planning as a vertical program within the Ministry of Health and Social Welfare and recommended a two-year budget of Rs. 204 million ($20,400,000). Shortly thereafter, the Government decided to initiate an intensive effort to reduce to a minimum inadequate contraceptive supply as a barrier to acceptance by pursuing a strategy of "contraceptive inundation," using both Government and private distribution channels. The inundation program began in March 1975 with USAID providing the bulk of the orals and condoms required. The inundation program in Pakistan represents one of the first full-scale national level efforts to assess the extent to which the failure to use a modern method of contraception is due to the lack of availability. With this in mind, USAID and the Government of Pakistan jointly undertook an evaluation during FY 1977 of the program to assess both operational performance and demographic impact.

In recent months, the program has been in a state of considerable flux. In May 1976, the leadership of the Population Planning Program in Pakistan was elevated to that of a full Secretary. The new Secretary took over at a time when program morale was particularly low, with evidence becoming increasingly convincing that contraceptive inundation had generally not succeeded in providing an adequate supply of contraceptives at the village level, and that the Continuous Motivation Scheme was not producing the results that had been anticipated. With the release of the Pakistan Fertility Survey later that year, which showed that only about six percent of the eligible couples were using any form of contraception, the need for a major reassessment of the existing strategy became imperative.

Although a comprehensive strategy for reorganizing the population planning effort in Pakistan is still being developed, several important program changes and the general thrust of the new program are worth mentioning. In November 1976, a decision was made to move to full federal administration of the program. The implications of this are still unclear, but important changes in personnel management are expected to result. The Continuous Motivation Scheme has been officially abandoned and will be replaced by a more intensive clinical approach. It is expected that, with the exception of contraceptives distributed by the former male members of the Field Motivator Teams, distribution and marketing of non-clinical methods of contraception will be handled by the commercial sector. The administration of the clinical and non-clinical components of the program have been "bifurcated" in the field, with all of the clinical staff reporting to a District Technical Officer, while the Population Planning Officers and former male field motivators continue to report to the District Population Planning Officer.

Major new program efforts are expected in training, communication and publicity, outreach through other ministries and agencies engaged in population, improved program statistics and evaluation, and more clinical services, with major new emphasis being given to the broad introduction of voluntary sterilization.

Beyond Family Planning

During the later 1960s increasing concern began to surface regarding the extent to which family planning efforts could reduce fertility. In Pakistan this concern was underscored with the release of preliminary findings of the 1972 Census, which revealed a population increase of 22 million since 1961 and an implied annual growth rate of 3.5 percent. The Special Committee acknowledged the importance of the causes and consequences of demographic change to all development sectors and

recommended the establishment of what became the Demographic Policy and Implementation Research Center (DPIRC) to consider these issues. DPIRC was made responsible for assisting such development sectors as rural development, education, housing, labor, health, employment, and manpower in assessing the relationship between population variables and their respective sector or sub-sector goals.

Interest within the Planning Division in the relationship between demographic variables and development led to a request for a special consultant team from the Smithsonian Institution's International Program for Population Analysis to carry out a population impact analysis of Pakistan's draft five-year development plan (1976-1980) -- the "Development Perspective." The analysis attempted to quantify the expected demographic impact of changes in several development variables, such as infant and child mortality, age of marriage, female employment, female education, and income distribution. The project helped to encourage consideration of development programs as determinants of demographic change as well as the consequences of such change in achieving development objectives. A workshop involving members of the Planning Division was held in August 1976 to continue the discussion of these relationships and the techniques that can be used to assess these in development planning.

In a recent public policy statement, Planning Secretary, V.A. Jafarey, drew attention to the relationship between fertility behavior and various development programs. He cited government efforts designed to increase income, female education, female employment, and to reduce infant mortality, while specifying the fertility implications of each. In addition, specific reference was made to the use of incentives and disincentives to encourage smaller families. This statement represents a shift in thinking from the development consequences of rapid population growth to consideration of the role of development programs in bringing about demographic change.

The Future

Although a substantial effort has been made to reduce fertility through the provision of family planning services, it is clear that the demographic change that can be attributed to these efforts is relatively small. The achievements on the contraceptive supply side must be complemented by more innovative approaches to creating "demand." In this regard, this project will support both action and experimental research which seeks to test innovations in family planning service delivery, communication, and education. It will also encourage the testing of "beyond family planning" measures, such as community and

individual incentives, to encourage smaller families. A major objective is to broaden the base of participation in the population movement to include many public and private sector institutions in the delivery of services and other measures to encourage smaller families.

A critical point has been reached in terms of the awareness of policy makers of the relationship between population variables and development objectives. The challenge now is to develop a better understanding of the determinants of fertility, thereby enabling policy-makers to act upon their concern. This project will respond to that need by supporting efforts to (1) define and quantify the relationship between demographic variables and development programs more precisely, (2) develop methodologies for integrating population considerations into development planning, and (3) identify new program approaches to bringing about a direct reduction in fertility.

B. Detailed Description

The Technical Analysis section (Part 3. A) which follows goes into substantial detail on the capabilities and interrelationships of the institutions involved in the implementation of this project. Furthermore, the appended draft description of the project to be incorporated into the Project Agreement provides additional detail on the procedures of implementation. In this section, following a general statement on the nature of the project, we confine ourselves to a narrative description of the Logical Framework (which appears at the end of this section).

General Nature of the Project

Because this is a research and development project, it has been structured in order to achieve the greatest possible flexibility. As a result, the project description is not a tight, time-phased action plan to accomplish a finite objective or end-of-project status. To attempt such a description would be to defeat the basic purpose of the project: to provide the Government of Pakistan with the resources necessary to carry out a broad range of relatively high-risk innovations as part of the search for ways of bringing about an accelerated rate of fertility decline. We and the Government have attempted to identify a series of possible sub-projects -- innovative experiments and quasi-experiments -- which are listed in Appendix A. To the greatest extent possible, we have attempted to identify sub-projects in advance. Some of these, as will be seen by studying Appendix A, are already fairly well-developed in terms of methodology and implementation planning. Others are still mere ideas. In order words, we and the Government are attempting to create a vehicle for the promotion of innovations. Thus, we are not able even at this writing to specify a detailed set of

end-of-project conditions. Knowledge of those conditions will emerge only as the project gets underway, as the interests and capabilities of sub-grantees and contractors become known, and as we discover, through the project itself, new and promising directions for further examination.

Narrative Description of Logical Framework

Sector Goal: Slow the rate of population growth in Pakistan from 3.0 percent per year in 1976 to less than 2.7 percent per year by 1983. This is the objective toward which the overall A.I.D. population strategy in Pakistan is directed. The Population Research and Development Project has a specific place in that strategy. Up to the present time the major effort has been to create a nationwide system for the delivery of family planning services. This has involved support for the Government's four-pronged service delivery approach: continuous motivation through house-to-house visits by fieldworker teams, contraceptive inundation (i.e. provision of contraceptives at a volume that permits the widest possible availability at a price the poorest can afford), major expansion of clinics, and a new thrust in sterilization. The combined efforts of the Government and the donor agencies have led to a major expansion of contraceptive availability and the provision of clinical services. Much work remains to be done before inundation has been achieved at the lowest levels of the distribution system and high quality clinical services are available to the entire population.

At the same time that A.I.D. and the Government were giving primary emphasis to building up the contraceptive supply and service delivery system, attention was also being given to the issue of motivation for smaller families. Through a grant to the Pakistan Institute of Development Economics (PIDE), A.I.D. has been supporting basic research on the determinants of fertility and, to a lesser extent, evaluation of population program impact on fertility. A.I.D. and the Government believe that it is now timely to substantially increase the level of effort in attempting to understand and to modify the determinants of fertility behavior. This decision reflects a fundamental conclusion by both the A.I.D. Mission and the Government: that in anticipation of the eventual existence of a comprehensive delivery system, it is important to begin to build up a greater capacity to stimulate demand, particularly in view of recent demographic survey data and statistics on program performance which indicate that despite the major build-up in delivery capability since 1973, no appreciable increase in the prevalence of contraceptive use appears to have occurred. This conclusion may be regarded as the critical assumption affecting the purpose-to-goal link. Hence, it is widely believed in Pakistan that in order to achieve the sector goal of reducing the

population growth rate to below 2.7 percent by 1983, much more needs to be done to encourage Pakistani couples to limit their fertility. This project is a partial but important response to that conclusion.

Project Purpose and Proposed "End-of-Project Status" Conditions

The purpose of the project is to selectively enlist the support of major employers, village organizations, public and private research organizations, and enlightened citizens in the development and implementation of well-planned, innovative programs and projects to encourage small families.

During 1975 a high-level committee, appointed by Prime Minister Bhutto, examined the population planning program in considerable detail and issued a series of recommendations. While the report of this blue-ribbon committee is still secret, its major conclusions have been widely discussed since it was submitted in August 1975. One of these conclusions, and a subject of considerable discussion at the level of the Federal Cabinet and the Provincial Coordination Committee, was a recommendation that the program be disaggregated such that different approaches to fertility limitation should be directed at different types of groups within the society. The Committee apparently felt rather strongly that a uniform approach, such as the Continuous Motivation Scheme, was not sufficiently sensitive to the distinctive characteristics and the different levels of motivation of the panoply of groups which comprise Pakistani society. The approach made to members of an industrial trade union in Lahore or Karachi should be different from the approach made to individual farm families in the rural areas, the Committee felt. Hence, the "differential approach" was recommended and has since been sanctioned at the highest levels of the Government. This project is, to a considerable extent, an effort to respond to this new policy initiative by providing the Government the resources required to experiment and to innovate in its search for approaches that work. At the same time, it will provide resources to individual groups within the society to devise their own means for providing motivation to limit family size.

As is noted in the Logical Framework, there are several objectively verifiable indicators which can be used to evaluate the outcome of the project. These include improvements in the performance of the contraceptive delivery system which can be directly attributed to research and development activities supported by this project; an increase in other public sector and private sector activities to both provide family planning services and offer selective benefits as incentives to employees to have fewer children; major improvements in the base of knowledge about fertility determinants in Pakistan upon which broader public sector policies can be based (population impact analysis); and the possible existence of nationwide benefits schemes as incentives for

smaller families. Normal evaluation procedures as well as careful project management will serve to verify whether or not or to what extent the project has fulfilled its purpose.

The major assumption upon which the success of this project depends is that there exists within Pakistan sufficient interest in and capability of carrying out population research and development activities to justify optimism that innovative, replicable activities will be stimulated and that successful results will be adopted. In order to give this crucial assumption maximum justification, the project has been purposefully designed to give major emphasis to comparatively simple sub-projects whose results can be known and acted upon quickly. The Background and Technical Analysis sections of this PP include substantial discussion of the issues surrounding this assumption.

Project Outputs

The principal outputs of the project will be a series of approximately 30 research and development sub-projects and communications activities designed to translate sub-project results into population policy and program improvements. The sub-projects can be characterized according to three broad types:

(A) Action Research: Experiments and Demonstration Projects in Addition to Family Planning. These projects would be designed to try out a broad range of innovations to encourage fertility limitation among those sectors of Pakistani society which are not readily attracted to the family planning program. For example, experimentation with various forms of individual and community benefits as incentives to limit fertility or delay marriage would be supported under such sub-projects. It is anticipated that these activities would be carried out by institutions in both the private and public sectors (e.g. large firms, the Integrated Rural Development Programme, the Population Planning Division, Provincial Government departments, etc.).

(B) Action Research: Experiments and Demonstration Projects in Family Planning. These projects would be designed to broaden both the range of services and the number of institutions which deliver voluntary family planning services in Pakistan. It would give heavy emphasis to engaging the private sector in the incorporation of family planning services as part of the regular health benefits which such organizations provide to their employees, to stimulating the commercial marketing and distribution of contraceptives, and to searching for improved methods of delivering family planning services through the existing national program.

(C) Population Impact Analysis. This is a term which covers a broad range of observational research, including sample survey research and analysis. It is concerned with discovering, in non-experimental ways, the determinants of fertility, and with estimating the impact on fertility of alternative public expenditure strategies. Population impact analysis is designed to provide such institutions as the Planning Division with information upon which integrated, multi-sectoral policies, programs, and projects can be melded into a national population policy. We anticipate that population impact analysis in Pakistan would be carried out through the contributions of discrete research by several institutions, including the Pakistan Institute of Development Economics; the Department of Sociology, University of Karachi; the Social Science Research Center, University of the Punjab, etc. Data sources for such work include the 1972 Population Census, the Pakistan Fertility Survey of 1975, the H.E.D. Survey of 1973, the renewed Population Growth Survey, and several survey research projects which are presently on the drawing boards of a number of institutions within and outside the population planning community. It is anticipated that findings from population impact analysis will be readily operationalizable as action experiments and pilot and demonstration projects characterized as Types A and B. It will be important in organizing Type C research activities to closely coordinate them with the ongoing work of the Pakistan Institute of Development Economics which is, itself, engaged in certain aspects of population impact analysis.

It is anticipated that approximately 10 sub-projects would be initiated in year 1, 15 in the year 2, and 5 in year 3. Roughly three quarters of the projects in each year would correspond to Types A and B above, administered by DPIRC. The remaining quarter would correspond to Type C to be administered by the Population and Social Planning Section.

It is further anticipated that in many cases of projects involving the private sector, firms or institutions in the private sector which undertake sub-projects will underwrite a substantial portion of the costs, depending on DPIRC mainly to provide technical assistance and funds for research and evaluation aspects of larger pilot or demonstration efforts. Likewise, we anticipate that on occasion grantees will wish to contract with firms which specialize in particular aspects of a project such as marketing, motivational research, and so on.

The project will contain three years of funding for four years of activity. Year 1 will represent start-up -- solicitation and review of proposals, preparation of sub-grant agreements, beginnings of research

and development activities. Years 2 and 3 will see individual projects maturing and being completed. In Year 4, sub-projects not initiated until the third (and in some cases, the second) year will be completed but no new funding will be provided by A.I.D. It is anticipated that all sub-projects will have been completed and all final reports prepared and results otherwise disseminated by the conclusion of the fourth and final year of the project. Further details on the implementation of sub-projects are contained in the Implementation Planning section, Part IV of this PP, and in Annex F.

In addition to sub-projects, themselves, the second important set of outputs of the project will be a series of activities designed to disseminate the results of the sub-projects and, ultimately, to lead to their adoption as policy and program innovations. These activities may range from the publication of sub-project reports, to the publication and broad distribution of summaries of these reports in the form of a regular project newsletter, to a series of briefings and seminars which bring the sub-project investigators together with Government and private sector policymakers and decisionmakers who are in positions to implement successful results in much broader policy and program frameworks. In addition, the project is designed in such a way that the end-users of the research and development products -- policy and decisionmakers -- will be involved in the process of sub-project identification and development through their participation on the Steering Committee and through early and frequent consultations with their project staffs. Once again, the Implementation Planning section of this PP contains considerably more detail on the mechanics of the dissemination/implementation process.

Output indicators in the case of this project are relatively simple: the existence of completed research and development projects, the publication of results, and the holding of seminars and briefings to disseminate these results. Similarly, the means of verification will involve simple observation on the part of the project manager and the Project Committee, as well as more formal evaluations which will be held during the 24th and 48th months of the project. These evaluations will seek to assess not only the quantity, but also the quality of the work completed. Furthermore, they will attempt an assessment of the extent to which sub-project results have been more widely adopted -- the effectiveness of the project in promoting adoption of successfully tested new ideas in the form of improved population policies and improved population planning program operations.

Whether or not the planned outputs will actually result from the inputs depends upon a number of assumptions. First, it is assumed that a broad range of Pakistani institutions can be identified which have the capability of developing and implementing the sorts of sub-projects identified above and in Appendix A. Second, it is assumed that these institutions, if identifiable, can be stimulated to actually carry out such sub-projects. And third, it is assumed that these institutions and the direct grantees (the Population Planning Division and the Planning Division) can produce and disseminate publishable reports of findings. The Technical Analysis (Part III. A of this PP) includes an extensive discussion of these assumptions and justification of the Mission's assertion that they can be sustained.

Project Inputs

Over two years A.I.D. will contribute $800,000 in foreign currency for the Population Research and Development Project. These funds will be split into a $300,000 obligation in FY 1977 and a $500,000 obligation in FY 1978 for project activities to terminate in FY 1980. The A.I.D. obligations will, in turn, be subdivided into total grants of roughly $575,000 for the Demographic Policy and Implementation Research Center and $225,000 for the Population and Social Policy Section. Details of the budget and disbursement procedures can be found in the Financial Analysis and Plan (Part III. B) of this PP and in the Implementation Planning section (Part IV).

The bulk of the dollar funds will be used to support research and development sub-projects. A small proportion of the funds will be used as necessary to cover foreign exchange costs of the project for commodities (printing and reproduction equipment, research paraphernalia, computational equipment, etc.). No technical assistance or training foreign exchange costs are anticipated.

Government of Pakistan inputs include budget rupees for sub-projects, all project staff salaries and internal travel, rental of office space, printing and some data processing, and all other incidental expenses associated with the project.

At this writing there are no firm commitments by other donors to contribute to the project. While the UNFPA has expressed interest in the project, the Government has neither requested nor has the UNFPA suggested that any of its $3,000,000 annual contribution to the program be devoted to research and development activities. It is entirely possible that if the project generates sub-projects whose total funding requirements exceed the financial limits of this project, the UNFPA would be able to allocate a portion of its annual contribution to this project.

The Ford Foundation has made a $25,000 grant to the DPIRC for innovative research and development activities in FY 1976. None of these funds were used in FY 1976 but Ford appears willing to extend the period of the grant for another year.

Finally, the Ford Foundation and the Population Council (New York) have tentatively proposed that a Population Council Associate and Representative be stationed in Pakistan to work in the general area of population policy and research. It is presently anticipated that this Associate would spend at least 50 percent of his or her time in the Population and Social Planning Section of the Planning Commission. As such, he/she would serve as at least an informal adviser to the Planning Commission for its portion of this project. Preliminary conversations with representatives of the Ford Foundation and Population Council have produced a clear understanding that if the present plans materialize, they would agree to the Associate/Representative's being associated with the Population Research and Development Project. The Government has expressed interest in the Ford-Population Council proposal and appears to be agreeable to the association of this person with the project. Under the present proposal, Ford would pay local support costs of the Associate while the Population Council would cover the costs of salary, internal travel, etc. It is hoped that agreement can be reached on the assignment of such a person to Pakistan and his/her involvement in this project prior to the final signing of the Project Agreement.

The objectively verifiable indicators, means of verification, and important assumptions regarding the provision of project inputs are self-evident in the Logical Framework and do not require additional discussion here.

Sub-Project Review and Approval Process

As soon as the Project Agreement is signed, the DPIRC and PSPS staffs will begin an active process of proposal solicitation. This will involve the issuance of letters and brochures inviting proposals for sub-projects to be funded under this project and extensive countrywide travel to visit prospective contractors/grantees. Such visits would be paid not only to universities and research institutions, but also to private and voluntary associations, industrial organizations, trade unions, public sector institutions, and others. Each would be encouraged to develop ideas for either research or action sub-projects (depending upon the nature of the institution in question).

Once proposals are received, they will be carefully reviewed by the respective staffs of the DPIRC and PSPS. In many cases it will be

necessary for proposals to be reworked and redrafted. Most often this will involve close and careful collaboration between the project staffs and the organizations submitting the proposals. It is our belief that close involvement of the project staffs in sub-project development, especially in the development of sub-projects involving institutions which are not normally engaged in research and development activities, will be necessary in order to establish a clear mutual understanding of objectives and methodologies.

Sub-project proposals which meet the conditions of acceptability established by the project staffs, will then be forwarded to USAID for approval and for the disbursement of funds. The A.I.D. project manager, chairing the Project Implementation Committee, and in consultation with the Social Science Research Committee, will review the proposal and, if it is approved, prepare a Project Implementation Letter (described in detail in Section IV.E.3 and Annex C)for Mission transmittal to the relevant project manager, either at EPIRC or at PSPS. The Project Implementation Letter will contain a mutually agreed upon scope of work, set of reporting requirements, and budget. USAID will, thereafter, receive copies of all sub-project reports, both interim and final, including a quarterly financial accounting of A.I.D. funds made available under the project (for details, see Section IV.E.3 and Annex C).

After considerable discussion between the Mission and the Government, it was determined that additional proposal review procedures would not be necessary. Some thought was given to the idea of establishing a technical proposal review committee or committees to review proposals submitted to both of the implementing agencies. However, it was ultimately decided that such committees would not be necessary because of the extensive review processes which would occur within the implementing agencies and within the A.I.D. Mission. Furthermore, the high level Steering Committee (see below) is expected to provide the sort of evaluative oversight of the project which will prevent serious straying from basic objectives. Because the administrative heads of the organizations within which the implementing agencies are located will be involved in the sub-project reviews, it was not considered necessary to establish additional technical review procedures.

Steering Committee

Shortly after the signing of the Project Agreement, a single Steering Committee will be established. The functions of the Committee will be fourfold:

(a) to provide overall policy guidance and direction and to establish priorities for areas with which sub-projects will deal;

(b) to periodically evaluate progress and to arrange for formal project evaluations at the end of the 24th and 48th months of the project;

(c) to provide basic coordination between the two implementing agencies and to assure that sub-projects supported by each are mutually reinforcing and not overlapping; and

(d) to provide the project with a high level of legitimacy and to help provide the crucial linkage between project-supported activities and the policy levels of the Government of Pakistan.

Because the Steering Committee will play such an important role in both project implementation and policy, it is important that its members occupy positions of considerable importance within the Government. While it is not possible to specify at this time who the members will be, it is expected that they will include high-ranking officials of the Population Planning Division; the Planning and Development Division; the Economic Affairs Division; the ministries dealing with education, health, rural development, social welfare, and local government; and, perhaps, a representative of the Prime Minister's office, among others. Recruitment of members of the Steering Committee will begin immediately after the signing of the Project Agreement. The Steering Committee will meet on at least a semi-annual basis, perhaps more often if that appears to be possible and desirable.

Technical Assistance, Training, and International Study Travel

In the PRP and in earlier versions of this Project Paper, provision was made for external technical assistance to the project, especially to assist in the development and implementation of sub-projects. However, after careful consideration and consultation with the Government, it has been decided not to make separate provision for such assistance within the project. Rather, we would prefer to call upon technicians from abroad on an ad hoc basis, taking advantage of the numerous existing channels through which such assistance can be provided as the need arises. For its part, the Government feels that in most instances the sort of expertise required will be available within Pakistan and that the preponderant majority of sub-projects will not require any form of technical assistance. Since one of the Mission's chief objectives is to keep the sub-projects as simple, and therefore as susceptible to replication as possible (at least insofar as Types A and B sub-projects are concerned) we readily endorse the Government's position.

International training was another subject which received considerable discussion during the drafting of this PP. In the end, it was decided by the Project Development Committee that (a) comparatively little training of the staffs of the implementing units would be required if the recruitment of such staff meets present expectations, and (b) existing training opportunities provided by the Expanded Population Planning Project (393) and the new Mission Development Training Project (now in the PP stage) could meet any foreseeable training needs.

Finally, some thought has been given at various stages of project development to the possibility of providing funds for international study trips by both the staffs of the implementing agencies and, possibly, recipients of contracts/grants in order to observe innovative population activities in other countries. There are two reasons for the decision not to provide funding for this purpose. First, it was decided that the vast majority of sub-projects undertaken in Pakistan would be so society and culture specific that initiatives in other countries would have limited relevance for Pakistan. Second, to the extent that activities in other countries might have relevance for similar projects in Pakistan, funds from other sources do exist to make study trips possible outside the limited resources provided by this project. For example, both the Ford Foundation and The Asia Foundation have in the past sponsored such trips and both have indicated their willingness, in principle, to continue to fund future trips of this sort where they appear to be appropriate. Mission funded invitational travel, on an ad hoc basis, also remains a possibility.

PCI 72-6

LOGICAL FRAMEWORK FOR SUMMARIZING PROJECT DESIGN

Est. Project Completion Date FY 1979

Date of this Summary June 06, 1977

Project Title: POPULATION RESEARCH AND DEVELOPMENT

	NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
If Purpose, Then Goal (DEVELOPMENT HYPOTHESES)	Program Goal: The broader objective to which this project contributes: Slow the rate of population growth from 3.0 percent per year in 1976 to less than 2.7 percent per year by 1983.	Measures of Goal Achievement: 1) a decline in the rate of population growth from the present estimated 3.0% per year to 2.7% per year by 1983. 2) a decline in the present crude birth rate from the present estimated 44/1000 to 37/1000 by 1983. 3) an increase in the current contraceptive use rate of 6% in 1975 to 18% in 1983, the majority being young-age, low-parity couples.	1. decennial census, sample surveys, registration of births and deaths. 2. data provided by the Information Feedback System of the Population Planning Division.	Concerning long term value of program/project: 1. a large proportion of Pakistan's couples of child-bearing age either are or can be motivated to accept effective contraceptive practices. Assumption for achieving higher goals: 1. a slowing of the rate of population growth will lead to improvements in levels of income, education, health and general well-being for the entire population of the country.
If Outputs, Then Purpose (DEVELOPMENT HYPOTHESES)	Project Purpose: Selectively enlist the support of major employers, village organizations, public and private research organizations, and enlightened citizens in the development and implementation of well-planned innovative programs to encourage small families.	Conditions that will indicate purpose has been achieved: End of project status. 1) major improvements in the delivery of family planning services directly attributable to project. 2) a large number of private sector initiatives to stimulate fertility decline among employees, by providing fp services and by using selective benefits as incentives for small families, directly attributable to the project. 3) the existence of a body of research knowledge from which population-influencing development planning is based. 4) the existence of nationwide incentives schemes administered by the public sector directly attributable to the project.	1. family planning program evaluation, cost-benefit analysis 2. observation of numbers of new and separate initiatives undertaken by private and public sectors in and in addition to family planning. 3. The existence of evidence in the Fifth Development Plan and subsequent plans that they have been influenced by population impact analysis.	Affecting purpose-to-goal link: 1. Pakistan's private sector, public sector, and many of its communities have an interest in promoting smaller family size or such interest can be stimulated. 2. the public and private sectors have the capacity of translating research findings into program and policy innovations.
If Inputs, Then Outputs (MANAGEABLE INTEREST)	Outputs: 1. Research studies, pilot, and demonstration projects relevant to family planning and population planning program and policy innovations. 2. Meetings, seminars, consultations to disseminate findings.	Magnitude of Outputs necessary and sufficient to achieve purpose. 1. 24—35 research, experimental, pilot, and/or demonstration projects completed and results published. 2. number of meetings, seminars and consultations will be determined on the basis of how many are needed.	(1) simple observation, evaluation of the project at 24 and 48 months. (2) examination of published reports.	Affecting output-to-purpose link: 1. the sorts of projects described can be effectively carried out by Pakistani research and action institutions. 2. results will be publishable. 3. the results will be of sufficient interest to the Government and the private sector that they will actively participate in meetings, conferences, etc. designed to disseminate and utilize research, pilot and demonstration project results.
	Inputs: Activities and Types of Resources A.I.D. - $800,000 for: subgrants; data processing; commodities. Government - $317,000 rupee equivalent for: subgrants; salaries/benefits; office space; travel (domestic); printing, data processing, etc.; Misc. office expenses. Other Donors: possible technical assistance/ participant training.	Level of Effort/Expenditure for each activity. 1. One research grants unit in the DPIRC of PPD composed of 7 full-time professionals. 2. One Population & Social Planning section established in Planning and Development Division 3. 24-35 grants obligated before end of second year.	Simple observation and monitoring of project records; evaluation of the project at 24 and 48 months.	Affecting input-to-output link: 1. AID will decide to provide the inputs required. 2. The Government will provide the inputs required. 3. Other donors will provide the inputs required. 4. The Government has the capability of effectively administering a grants-making unit or can employ persons who have such a capability.

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III. PROJECT ANALYSIS

A. Technical Feasibility

Several key technical issues which relate to the feasibility of this project will be considered here. The first relates to the choice of "research and development" as a strategy for influencing the decision-making process. The assumption is that decisionmakers will be influenced by the empirical data generated by these research and development activities. Second, is the knowledge to be gained by this research essential and is it necessary to provide funds specifically for this purpose in order to get it? And finally, does the technical capability exist within Pakistan and is it available to carry out the activities anticipated in this project? Will this project be able to compete effectively with the demands that are already being made upon the relatively small number of qualified potential researchers in Pakistan?

In addition to a discussion of the suitability of the strategy and technology, the issues of replication, employment, and the environmental implications will also be considered.

1. Suitability of the Strategy

If the objective is to influence population policy and family planning program decisions in a favorable way, is the support of basic, experimental and action research the best way of doing this? In order to answer this question, one must know something about the decision-making process and environment, and what alternative strategies are available.

The rationale for undertaking this project is the belief that if decisionmakers are given access to scientific information concerning population policy and family planning innovations, they will use this to make higher quality decisions. The policy maker must be presented with information that he believes to be reliable, in a form that will enable policy implications to be drawn.

The extent to which research and development (R & D) activities in Pakistan have influenced policy decisions concerning population and family planning is not well documented. The process whereby these findings are communicated to policy makers is essentially unstructured and the dissemination of R & D findings has often been limited. There are several examples, however, of program innovations that were clearly influenced by the results of field studies which had tested an

innovation on a smaller scale, e.g., the Sialkot experiment which tested a new field structure, later known as the Continuous Motivation Scheme; the Kahuta field study of the expanded role of the male motivator; and a field study of oral contraceptive acceptability.

The Secretary of Population Planning, as well as other influential persons within the Population Planning Division, have repeatedly stated their support of innovative research which will have programmatic implications. There is strong interest in testing various ways of delivering family planning services within the institutionalized sector, such as the Armed Forces and the Pakistan Railways. As the program continues to emphasize the need to innovate, it is anticipated that the findings of this research will become increasingly important.

Factors contributing to the apparent low level of research utilization have been the uneven quality of research and the lack of program relevance. In general, previous research efforts were often undertaken on an ad hoc basis, without the application of criteria which considered the past performance of the researcher, appropriateness of the staff to conduct the research, and the program relevance of the research topic.

In attempting to improve the quality and program relevance of research supported by this project, procedures and criteria will be established to review project proposals. Each project will have a project manager who will monitor the progress of the project and determine when funds should be released. An effort will be made to enlist the participation of those organizations of proven ability by carefully reviewing, where relevant, their past performance.

Some researchers have expressed concern about the lack of utilization of their findings and feel that their efforts are not given adequate attention. On the other hand, some researchers readily admit that they have not placed a high priority on communicating effectively with program administrators, and have often pursued topics of research which primarily reflect their own research interests. Research findings are often not reported in a form easily understood by the administrator, contain little analysis, and seldom permit policy implications to be drawn.

Thus far, most population-related research findings have been disseminated through meetings, seminars, journal articles, and special reports, both published and unpublished. The issue is whether these modes of communication are in effective means of informing policy makers and influencing change. These modes of communication are effective in keeping the research community informed, but they need to

be supplemented for the administrator/policymaker, with a clear statement of the program-relevant findings of the research that can be incorporated into the policy making process.

These issues have been addressed in Section II.B above, focusing particularly on the development of procedures designed to insure that research will be "policy relevant" and that the findings will be presented in a way which facilitates their use by policy makers.

It is our contention that the major factors influencing the utilization of research findings, as identified above, have been addressed in this PP.

2. Potential Topics for Research

Will sufficient numbers of innovative ideas be generated to support the creation of a population research and development project?

Several discussions with both Population Planning Division and Planning Division personnel have identified numerous potential research topics. In addition, it is expected that a variety of local private organizations interested in population and family planning will contribute to the developing body of research possibilities. The population and family planning literature is certain to suggest areas of possible research, as will the considerable number of Pakistanis who have studied population and family planning abroad.

A.I.D. is prepared to provide assistance, if required, both through the Mission staff and short-term consultants, to design new approaches that could be field-tested. In an effort to provide information which could be used to describe the project more concretely, several innovative sub-projects have already been designed by members of the Population Planning Division's DPIRC. Preliminary drafts of several possible sub-projects have also been prepared by USAID and consultant staff.

The population impact analysis of the draft Fifth Plan helped to identify several key research needs regarding the determinants of fertility. An important accomplishment of the recent Planning Division-SEADAG Conference on Population Policy was the identification of and assigning of priorities to needed population research. In addition, new data and a growing interest in research related to fertility behavior in several key Pakistani research institutions suggest that new hypotheses will continue to be formulated and tested.

3. Suitability of the Technology

Is there sufficient technical expertise, within PPD, the Planning Division, and the country, which can be made available to implement this project?

(a) Demographic Policy and Implementation Research Center (DPIRC)

DPIRC will be the implementing agency for the Population Planning Division. Its major responsibilities will be to solicit and review project proposals, monitor approved projects, review project results, and disseminate the findings. DPIRC staff will seek out potential grantees and provide technical assistance in designing sub-projects as required. A relatively small portion of the research will be done by DPIRC itself, although other PPD staff may be involved in project design and implementation.

An assessment of the capacity of the PPD to effectively staff a grants-giving unit is difficult to make at this time. A number of important organizational changes have recently been made and several key persons have been moved. Recently, however, the Secretary of the Population Planning Division appointed a new Director of DPIRC. The new Director is highly trained in this field, and has extensive survey research experience in population and family planning.

The proposed staff includes four Research Associates, each of whom will be assisted by a Research Assistant. It is expected that others with expertise within PPD will assist with project design and review of proposals. In addition, several persons who are currently studying abroad will be returning soon and could be expected to contribute. A position for a communication specialist, who will synthesize project findings, draw policy implications, and disseminate these to policy makers has not yet been created but is provided for in this project and may be made part of the Project Agreement. The Secretary of the PPD has stated his intention to create such a position.

(b) Population and Social Planning Section (PSPS)

The PSPS, like DPIRC, will operate essentially as a grant-giving unit. Persons skilled in social science research, population, communication and administration will be needed to staff the unit. Representatives of the Planning Division do not anticipate any serious difficulty in filling these positions. A Division Chief and one Assistant Chief have been appointed and several additional staff will join before the project begins.

The Planning Division has had considerable experience with contract research, primarily in the area of economics. They have established procedures for reviewing and monitoring projects, disbursement of funds, and the termination of contracts. With a few modifications, these procedures are acceptable to USAID and they will be followed in implementing this project. The Economic Research Section of the Planning Division has awarded over 30 contracts to both public and private organizations with only one case of a researcher failing to meet the terms of the contract.

4. General Availability of Technical Expertise

A wide range of skills and resources will be required to implement this project. Research regarding the determinants of fertility behavior will require persons highly skilled in social science research methods, survey methods, and techniques of data analysis. Similar skills will be required in designing experimental or quasi-experimental research projects to field test various innovations such as the use of incentives or new modes of delivering services. Many of the anticipated sub-projects, however, will not require the skills of highly trained researchers. Much of the activity which will be funded through DPIRC will require project design, administration, basic evaluation and inter-personal skills. Such persons are available from within PPD or can be recruited from outside Government.

In addition to these research and evaluation skills, the organizational skills and resources required to implement these action research projects must be mobilized. These include those of the Population Planning Division as well as numerous other Government and non-Government agencies whose participation is essential if the project is to succeed.

5. Public Sector Research and Development Capability

A number of public institutions possess the social science skills needed to implement this project. Several have considerable experience, as described in the Detailed Description, in the area of population and family planning. The major research institutions (e.g., Pakistan Institute of Development Economics, Punjab University, the Statistical Division, and University of Karachi) capable of doing survey research generally have access to interviewers, as required, and some have several permanent field staff. The issue is whether the number of interested and capable researchers can absorb the additional demands that this project would make upon their time. Although the manpower required to do the research anticipated under this project cannot be

quantified in the absence of the specific sub-project proposals, we contend that the number of projects expected to be funded during each program year does not constitute an unreasonable demand upon the existing resources.

The major public agency capable of implementing a sub-project to field test within and "beyond" family planning innovations is the Population Planning Division. It has a field organization which could provide the manpower required to field test innovative sub-projects on a pilot or experimental basis. In addition, PPD staff could be made available to assist with the design, evaluation, and supervision of sub-projects carried out by other organizations.

In addition to the regular PPD field personnel, the staff of the National Research Institute of Fertility Control, the Training Center in Lahore, and the newly created Directorates of Survey and Inspection and Statistics and Data Processing could assist in implementing specific sub-projects. Some highly trained persons can be found in each of these offices.

Other important potential participants in implementing some of the anticipated research projects are the organizations identified in the so-called "institutionalized sector." These include such organizations as the Pakistan Railways, the Armed Forces, Pakistan International Airlines, labor organizations, and large industrial enterprises. The Family Planning Association of Pakistan (FPAP) has already cooperated with the Pakistan Railways, Pakistan Mint, and a number of other private and public organizations to provide family planning services to their employees. There is considerable potential for expanded traditional family planning, as well as testing possible "beyond family planning" approaches, in this "sector."

6. Private Sector Research & Development Capability

Although social research for non-commercial purposes is relatively new in Pakistan, interest is growing. There are several firms in Lahore and Karachi that have entered the field. They should be considered an important potential source of research talent in this project. Several high quality studies done by some of these private firms have established their ability to compete effectively in this field.

As in the public sector, it is expected that there will be private organizations that participate as implementors of innovative projects, often in conjunction with other private (or public) sector organizations.

As an example, the Family Planning Association of Pakistan (FPAP) might participate as the sub-grantee in a project designed to expand family planning services within private industry. It is also anticipated, assuming that private firms can provide personnel to manage the projects, that grants to stimulate employee adoption of family planning will be made directly to such firms.

The key issue regarding availability of adequate resources in Pakistan to implement this project is the ability of DPIRC and PSPS to mobilize the resources which exist, in both the public and private sectors.

7. Foreign Technical Assistance

As discussed above, there is a considerable number of persons in Pakistan with extensive training and experience in survey research, statistics, and demographic analysis. There remains a need for persons well trained in design of action research projects and family planning program evaluation, both in operational and cost-effectiveness terms. There is a relatively small number of persons experienced in techniques of multivariate analysis that will be important in studying the determinants of fertility behavior.

It is expected that these and other specific technical needs could be satisfactorily handled with short-term consultants (perhaps 2-4 per year), drawing particularly from those persons who have experience with similar activities in other countries.

8. Alternative Strategies, Technologies, and Procedures

(a) Strategies

One option is not to undertake to generate new knowledge regarding the determinants of fertility behavior or innovative approaches to creating demand for family planning. This decision could be justified if (1) sufficient information were already available; (2) quality information could not be produced; or (3) there were no need for program innovation or an improved understanding of the policy-relevant determinants of fertility. None of these conditions is believed to exist.

Considerable family planning research has been devoted to establishing the need for family planning services, using "knowledge, attitude, and practice" (KAP) surveys. Some action or quasi-experimental research has also been carried out, but this was concerned primarily with modifications in the service delivery system, or "supply." This project will give primary attention to within and

"beyond" family planning innovations designed to influence "demand," and to involving the so-called "institutionalized" sector in family planning. Although program achievements in delivering contraceptives have been notable, surveys of the prevalence of contraceptive use show relatively little change in recent years and clearly indicate the need for innovations which will increase the level of acceptance.

Much of the population research to date in Pakistan has been concerned with improving the quality of demographic and baseline socio-economic data. Only recently has much attention been given to policy-relevant research related to the determinants of fertility. Clearly there is need for more research. Several important new sources of data are available which will permit the use of multivariate techniques of analysis. An unprecedented perceived need exists among policymakers in Pakistan for this kind of information. The potential influence that this type of research can have on the decision-making process is believed to be high.

(b) Technology

One alternative might be to rely upon the findings of similar research undertaken in other countries. Information regarding program innovations (e.g., "no birth bonus scheme" in India, "1,000 household" studies in several countries) could be used to make program decisions without actually field testing them in Pakistan.

It is felt that the experience of other countries will be helpful in planning such projects, and when organizational and socio-cultural conditions are sufficently alike, it may be possible to base a program decision on this information. In general, however, contextual differences are such that local field testing will be required.

Although the body of policy-relevant literature regarding the determinants of fertility behavior is growning, it is still relatively undeveloped, and has been limited to analysis of data in a relatively small number of countries. The data needed to test the relevant hypotheses are simply unavailable in most low income countries. In essence, the body of relevant literature that Pakistan could draw upon is limited. With the new sources of data available however, Pakistan is in a good position to pursue this area of research more vigorously.

(c) Procedures

This project will set aside funds for DPIRC and PSPS which they will use to make sub-grants to local researchers on a project-by-project basis. Each proposed project must be reviewed and approved by USAID. Alternatives to this proposed procedure are discussed below:

(1) Father than rely upon local institutions to carry out the proposed research, USAID could depend on expatriates, through a contract with a university or private research firm. Or alternatively, several long term foreign consultants could be employed to collaborate with a local institution, or institutions, to do the research. Our conclusion is that although short-term consultants may be required, the need to fully utilize local resources and sensitivities regarding long-term consultants would militate against this arrangement.

(2) Another approach is for USAID to contract directly with local researchers, without going through either the Population Planning Division or the Population and Social Planning Section of the Planning Division. In an effort to insure that research undertaken in this project is "policy-relevant" and to improve the level of communication between researcher and policy-maker, it is proposed that the project be managed by the primary users of the research.

(3) Could this project be given to a single institution, private or public, which would design and conduct all of the anticipated research? Our contention is that no single organization has all of the resources at its command needed to do the research envisaged in this project. Some organizations have a clear comparative advantage over others in producing certain types of research. Perhaps more significant, however, is the commitment which this project has to engaging a broad range of organizations in issues related to population and family planning. A pluralistic approach which mobilizes a broad spectrum of Pakistani society will be required if the project is to have a significant impact on the problem.

9. Environmental Implications

No direct impact on the environment is anticipated as a result of this project. To the extent that some future decline in fertility can be attributed to this project, its impact on the environment will be favorable.

10. Replicability

A key element of the anticipated research concerning within and "beyond" family planning innovation will be the potential for replication on a larger scale. This concern will be formalized to the extent that it will be one of the criteria used to determine whether a given sub-project should be funded.

In preparation for this project, discussions involving members of the Planning Division and influential social scientists in Pakistan will have considered the determinants of fertility behavior, identifying those which have important policy implications. This set of priorities will be used in reviewing research proposals.

11. Employment Effects

It is anticipated that some additional persons will be employed by both the grantees and sub-grantees as a result of this project. It is not expected, however, that the general level of employment will be significantly altered.

Some qualitative improvements in the local capacity to carry out this type of research are expected. This will be accomplished primarily by the transfer of skills from Pakistani social scientists to others who participate in the project, rather than through training abroad and long-term expatriate consultants.

B. Financial Analysis and Plan

1. Project Costs

The total cost of the project over 4 years is $1,199,983 of which the AID grant of $800,000 will cover roughly 67%. The largest item in the budget is research and development sub-projects, taking $702,000 or approximately 59% of the total expenditures over the life of the project.

As indicated in the attached tables, Summary of Project Costs, the principal contributor to this project is the United States covering 67% of total expenditures over the life of the project. The contribution of the Government will cover all the usual recurring costs such as salaries, office rent, supplies, etc. The grant funds are to be used primarily for sub-grant costs for specific research and development sub-projects. Other donor assistance and U.S. assistance from sources other than this grant will be used for technical assistance and participant training costs. As the project progresses there is a possibility that other donors may wish to contribute funds to cover the costs of specific sub-projects. If this should happen it would increase the total cost of the project line item for research and development projects but should not greatly affect the other line item costs.

2. Recurring Costs

Since the bulk of the expenditures in this project are for short term (1 to 3 year) research and development projects, the recurring costs are only for the maintenance of small management staffs. These costs are covered in the Population Planning Division's and the Planning Commission's present budgets and there is no reason to believe that funds thus allocated will be diverted for other uses, or reduced, during the life of the project. We understand that the six-year Population Planning budget projections now being developed will include funds to cover all recurring expenses connected with the two Research and Development units.

3. Financing after the Project Period

It is difficult at this time to estimate the magnitude of effort the Government will be able to put into population research and development after this project is over. The Government's present intentions are to maintain its contribution to cover all recurring costs and to increase its contribution toward additional research and development sub-projects.

Depending on the fiscal demands placed on the Government's resources to cover the rest of the population planning activities and resource limitations, there may be need for some donor assistance to keep up the pace of research and development project activities at the appropriate rate after this project is over.

Cost Estimate and Financial Plan
DEMOGRAPHIC POLICY AND IMPLEMENTATION RESEARCH CENTER
POPULATION PLANNING DIVISION

Inputs/Outputs	Year 1	Year 2	Year 3	Year 4	Total
01 Salaries	27,600	28,681	29,808	30,858	116,947
02 Rent	1,200	1,200	1,400	1,400	5,200
03 Furniture/Equipment	8,000	7,000	7,000	-	22,000
04 Transport/Travel	6,358	6,358	6,358	6,358	25,432
05 Misc. Services/Supplies	2,000	2,400	2,400	1,300	8,100
06 Participant Training	6,600	6,600	6,600	6,600	26,400
07 Conferences	6,000	9,000	9,000	12,000	36,000
08 Consultants	2,500	5,000	5,000	2,500	15,000
09 Data Processing	2,000	2,000	2,000	2,000	8,000
10 Printing	2,000	2,500	3,700	6,072	14,272
11 Research & Development Projects (US)	45,000	112,000	243,000	142,000	542,000
TOTAL=	109,258	182,739	316,266	211,088	819,351

NOTE: 01 Salaries adjusted for incremental increases over the life of project.

Cost Estimate and Financial Plan

POPULATION AND SOCIAL PLANNING SECTION
PLANNING COMMISSION

Inputs/Outputs	Year 1	Year 2	Year 3	Year 4	Total
01 Salaries	11,767	12,473	13,221	14,015	51,476
02 Rent	5,236	5,760	6,341	6,974	24,311
03 Furniture/Equipment	1,279	1,119	959	799	4,156
04 Transport/Travel	2,540	2,740	2,962	3,204	11,446
05 Misc Services/Supplies	8,088	12,404	16,737	11,114	48,343
06 Participant Training	6,600	6,600	6,600	6,600	26,400
07 Conferences	3,000	6,000	6,000	9,000	24,000
08 Consultants	2,500	5,000	5,000	2,500	15,000
09 Data Processing	500	1,000	2,000	1,000	5,500
10 Printing	500	2,000	3,500	5,000	11,000
11 Research & Development Projects (US)	22,000	43,000	68,000	27,000	160,000
TOTAL COSTS	64,010	98,096	131,320	87,206	381,632

NOTES: 01 Salaries adjusted for incremental increases over life of project.

02 & 05 Inflation factor included.

01 - 03 Because 60% of the activity of this unit will be devoted to activities not associated with this project, these expense lines include only 40% of the total expenses for the unit.

SUMMARY OF PROJECT OUTPUT/INPUT COSTS AND FINANCIAL PLAN

Outputs/Inputs	Year 1	Year 2	Year 3	Year 4	Total	% of Total	Source of Financing	
01 Salaries	39,367	41,154	43,029	44,873	168,423	14.03	GOP	(Input)
02 Rent	6,436	6,960	7,741	8,374	29,511	2.46	GOP	(Input)
03 Furniture/Equipment	9,279	8,119	7,959	799	26,156	2.18	GOP	(Input)
04 Transport/Travel	8,898	9,098	9,320	9,562	36,878	3.07	GOP	(Input)
05 Misc Services Supplies	10,088	14,804	18,137	12,414	56,445	4.71	GOP	(Input)
06 Participant Training	13,200	13,200	13,200	13,200	52,800	4.40	Donors	(Input)
07 Conferences	9,000	15,000	15,000	21,000	60,000	5.00	Project Grant	(Output)
08 Consultants	5,000	10,000	10,000	5,000	30,000	2.50	Donors & central funds	(Output)
09 Data Processing	2,500	3,000	4,000	3,000	12,500	1.04	Project Grant	(Input)
10 Printing	2,500	4,500	7,200	11,072	25,272	2.11	Project Grant	(Output)
11 Research & Development Grants (US)	67,000	155,000	311,000	169,000	702,000	58.50	Project Grant	(Output)
Total Costs =	173,268	280,835	447,586	298,294	1,199,983	100		

C. Social Soundness Analysis: Sociocultural Feasibility

1. Introduction

In view of the diversity both of the anticipated activities and the implementing institutions for this project, this social soundness analysis focuses on some representative types of activities, addressing (1) the socio-cultural factors which would be involved in their success or failure, and (2) the kinds of people most likely to be affected. Underlying this approach are two assumptions: the first is that any project, whether research, demonstration or communication, will be affected by some configuration of these socio-cultural factors. The second assumption, which is implicit in most analyses of population research dealing with Pakistan, is that the main target group for population planning activities consists of people who are both poor and rural in lifestyle (though sometimes urban in location). The point of departure for this discussion is thus the Pakistani village and its subsidiary social units -- as a sociological rather than a geographic entity. The objective is to identify potential obstacles to program implementation.

2. The Existing Social Landscape

Pakistan contains a wide variety of ethnic groups, incorporating not only the indigenous populations of the Indus watershed, but also refugees coming from India after Partition. Each of the four major regions of the country is dominated by an ethnic group distinguished by a separate language: Punjabis in the Punjab, Pathans in the Frontier, Sindhis in Sind and Baluchis in Baluchistan. In addition there are groups who do not form a majority anywhere, such as Jatts and Lassis in Sind, and Brahuis in Sind and Baluchistan. The people of the mountainous northern areas (which have been historically isolated both from the plains and from each other) belong to a number of diverse ethnic groups, often with distinct customs of their own. Approximately 97% of the population of the country as a whole are Muslim, a factor which tends to counteract ethnic differentiation.

Tribe, caste and language are important factors in social classification. The Pathans and Baluchis are organized on a basis of tribe and lineage. In the Punjab and Sind, however, caste is more important as a distinguishing feature. The main classification in the Punjab is between agricultural castes and occupational, or service castes. Sind is more diverse than the other provinces; the Sindhis themselves are divided into a great number of geographical, tribal, caste and occupational groups; there are large groups of Baluchis and Brahuis; and approximately one sixth of the people are refugees from India.

Urdu, which has been designated as the national language of Pakistan, is the mother tongue of only 8% of the people. Approximately 60% speak Punjabi as a mother tongue, 13% speak Sindhi, and a little over 8% speak Pushtu. A variety of languages - Baluchi, Brahui, Pushtu and Sindhi -- is spoken in Baluchistan; and an even greater variety of Dardic languages is spoken in the northern areas. All of these languages are divided into regional dialects. Except for Sindhi, the indigenous tongues are seldom used as written languages. Urdu (originally a dialect of north central India), which is the medium of instruction in the schools, is used instead; and is also widely spoken and understood as a second language. Literacy rates are low, however -- around 20% -- and in rural areas women are far less likely than men to speak a second language.

Three fourths of the population lives in rural villages. Agriculture, including animal husbandry, is the major source of livelihood; the income per household of $90 reflects the fact that these people are poor and only partially integrated into a cash economy.

Police and revenue functions are carried out on a circle, rather than village level, and intra-village affairs are managed on an informal basis and along considerations of kinship, caste and social class. The significant organizational units involved in village level activities are (1) the family, (2) the biraderi, or lineage; and (3) the zat (qoum), or caste. The system as a whole is hierarchical, with authority vested in older people generally, and especially in men and wealthy farmers. Women are expected to defer to the authority of their male relatives; and among families which can afford it, they observe purdah, or seclusion within the home. Even among poorer groups, women associate mainly with other women and are supposed to avoid social contact with men who are not relatives.

Decision-making and economic cooperation are primarily functions of the lineage. Within a village different lineages perform separate economic functions; village politics may be viewed as a process of alliance and faction formation among lineages. A village council, known as the panchayat or jirgah, exists, and consists of heads of lineages; but its power is weak and is mainly limited to dispute settlement. Temporary work associations, whose membership overlaps with those of lineages, are formed from time to time to deal with such tasks as upkeep of watercourses, where group cooperation is required.

Zats are named, ranked social groups composed of lineages; they function in the organization of marriage and marking of social status; membership is determined by birth. Some zats, mainly those of artisans,

are occupational groups, though most are not. As zats are distributed on a regional basis, they constitute a source of intervillage social, economic and political linkages.

Zat classifications overlap with, and are sometimes parallel to, distinctions in socio-economic class, such as those between landlord/tenant, small farmer/merchant, or landholder/artisan. For members of the lower classes, access to resources is in varying degrees mediated through upperclass, educated, politically and economically powerful landlords.

3. Socio-Cultural Factors Involved in Project Implementation

Regardless of the types of organizations and institutions which may participate in the activities of this project, there are certain features characteristic of social organization, cultural tradition and power structures in Pakistan, to take into account. These themes are interrelated and overlap in many ways; the following list attempts to identify the majority of them as they affect development planning.

(a) Hierarchically stratified relationships between superior and subordinate: (landlord-tenant, employer-employee, parent-child, man-women), where prestige and power are monopolized by the former and the latter are expected to follow and serve. These attitudes are somewhat modified by the expectation that a powerful person will behave paternalistically towards his subordinates - helping them financially in times of difficulty, participating in major celebrations and rituals affecting the subordinate, and resorting to extreme sanctions (i.e., dismissal, expulsion from the land one is tilling) only after severest provocation. In fact, the powerful and powerless are often tied together by bonds of mutual obligation affording only limited freedom to each. Within this context, roles are diffuse rather than specific (an employer may be seen as a patron, a lender and a mediator as well as a work supervisor), and are expected to be of long duration, rather than being related strictly to the task at hand.

(b) Personalism as a feature of relationships: People tend to relate to others on personal terms rather than on the basis of role expectations. This is true of relationships which in western cultures may be defined as institutionalized transactions (obtaining credit, for example) as well as those considered less institutionalized (consulting a doctor).

(c) An extended kin network that provides the individual with his most important social, economic and ritual frames of reference. A person's lineage, or biraderi, cooperates with him in farming and other

economic activities, supports him in community disputes, and participates with him in life-cycle rites. In many cases a lineage is a source of linkages that cut across geographical distinctions, as for example when some members of a rural family are employed in an urban, or even foreign setting, where they provide contacts for other family members, remittances, and some exposure to the world outside the village.

(d) Sex-role segregation, which provides for separation between men and women in most everyday activities. This separation is elaborated by such customs as separate living space for women in the home, ladies' sections in public vehicles and buildings, and the wearing of the burqa, or veil, by women when they leave the home or village, in order to avoid social contact between them and men outside their family circle. A traditional division of labor, based on a perception of women as dependent, nurturant, and subservient to men by nature, tends to exclude them from the work force, or least to make their participation in it contingent upon obtaining family approval and often upon maintaining social distance from male workers (through use of the burqa, separate work space, etc.). Within the home, this tradition tends to restrict women to the roles of wife and mother and to encourage them to have numerous children, especially sons, as their main source of personal satisfaction.

(e) Discontinuities between urban populations and rural ones: Because of stronger western influence in urban areas -- the development of educational, administrative and commercial systems modelled after European ones, plus the concentration of the western-oriented work force in the cities -- a considerable percentage of urban residents speak some English and are receptive to western ways of construing experience and structuring their actions. The values of rural people are more likely to be derived from indigenous South Asian and Islamic sources. Even when rural people migrate to cities and live there permanently, they tend to maintain traditional attitudes and behavior, and to depend strongly on village-based kinship networks. Thus the urban elites are separated both from agrarian villagers and from urban lower classes, by important world view differences, by differences in their personal arenas of action, and to some extent by language.

(f) Inter-regional rivalries: Ethnic and linguistic differences, reinforced by restrictions on marriage outside close kinship lines, create social distance between people of different regions. These differences are less pronounced among the national elites, but important in the lower echelons of central and provincial bureaucracies, and highly important among villagers, who view strangers with suspicion.

Considerable time and effort must be expended in order to establish rapport with villagers. Even in national organizations, such as the civil service, a person posted outside of his home region finds it difficult to work effectively (compare, for example, the case of a New Yorker appointed by a federal body to serve in a rural area of the southern United States).

(g) Conflict between traditionalist and modernist religious schools of thought: Differing customs and conditions in different regions of the country have contributed to disagreement between orthodox and modernist interpretations of Islamic tradition. This disagreement has been marked where issues involving social values -- particularly the status of women and the family -- are concerned. The Muslim Family Laws Ordinance of 1961, which restricted a husband's freedom in taking more than one wife and in divorcing his wife, was criticized strongly by conservative religious spokesmen. Opposition on the part of traditionalists toward family planning programs, or to changes in the customary role and status of women, has also been strong.

4. Social and Economic Factors Influencing Fertility

Research on the determinants of fertility in Pakistan is of neither sufficient quality nor quantity to permit definitive statements on the relationship between the factors identified in this section and fertility. What follows, then, is our best current assessment of the indirect determinants of fertility based upon available research materials.

(a) Parents' perceptions of the economic costs and benefits of children: The evidence available is largely inferential or fairly subjective. To begin with, it is clear that Pakistani parents act as if they believe the benefits of large families far outweigh their costs. Families are large; completed average family size is around eight. The marginal cost to the family of additional children is low; fewer than 30 percent are currently enrolled in school, and the number drops with each successive class level. Land pressure has not yet become sufficiently severe in most parts of the country so that, despite the lack of primogeniture, fathers fear that the parcels they pass on to their sons will be economically unviable. Furthermore, despite a strong desire for sons (confirmed in all recent demographic survey research projects), land does tend to get passed along to only one son, the others turning to different pursuits (including urban and overseas employment) to supplement family income.

One study which is available attempts to document the economic role of children, male and female, in a rural area of Punjab Province. That

study, which was based both on participant observation and survey methodologies, concludes that children begin to make substantial economic contributions to household income at remarkably early ages. They assist with light farm chores (feeding and caring for small animals) and selling milk from the age of five or six. They begin to work in the fields at nine or ten and by the time they reach their teens they are able to represent their families in Government offices where loans for tractors, seeds, fertilizer and farm implements are granted. Moreover, the study stresses that parents are well aware of the economic importance of children to family well-being and believe that they are acting in accordance with this perception. These findings, incidentally, correspond rather closely with those of Mamdani in his well-known study of East Punjab (India).

While the evidence is slim and admittedly somewhat subjective, it does support the contention that many Pakistani families are acting in their perceived and probably in their objective self-interest in continuing to bear large numbers of children.

(b) Effect of declining infant mortality on completed family size: The relationship between infant mortality and fertility has never been well understood anywhere, and Pakistan is no exception. There simply do not exist data in Pakistan to either confirm or disconfirm the infant mortality hypothesis. The one Ph.D. thesis which has been done on the subject does suggest that parents who experience child loss tend to over-compensate for that loss by producing more children than parents who have experienced no child losses. Furthermore, the more child losses a couple experiences, on average, the more "overcompensation" in terms of additional births they engage in. However, this relationship may well be spurious or, indeed, causality may run from fertility to mortality rather than from mortality to fertility. In other words, the observed relationship could be a function of the fact that some other variable, or set of variables, is causing both high fertility and high mortality (e.g., poverty, low levels of education); or, the relationship could be explained as a result of the fact that high levels of mortality are the result of high fertility levels. Whatever the causal relationship may be, we are unaware of any country experiencing significant fertility decline which did not experience a concommitant decline in infant and child mortality.

(c) General position of women in the society: As in most Islamic societies, the general status of women in Pakistan is low. It is especially low in Pakistan which is a particularly orthodox Islamic country. While 30 percent of the males in the country are literate, only

nine percent of the females are. Male school enrollment far exceeds female school enrollment. Only a very small percentage of women ever progresses beyond the second or third class in school.

In rural areas, there are essentially two roles for women. Among the very poor, women serve as adjunct labor in the fields and as cooks, mothers, and caretakers in the home. Among the more affluent families, women tend to observe purdah, in which role they are essentially proscribed from participation in the labor force and are required to serve solely as wives, mothers, and status symbols -- visible reminders of the fact that the head of household can afford to forego the assistance of his wife.

Under these circumstances, obviously women have little say in their reproductive behavior. Those in purdah, especially, have no effective alternative roles to motherhood and homemaking. Furthermore, to the extent that the generalizations cited above are true regarding the economic value of children in subsistence or near-subsistence agriculture, women not in purdah who assist in farm labor are equally responsible for producing adequate numbers of off-spring to contribute to family well-being. In a word, a vast majority of Pakistani women rarely have the opportunity of expressing themselves outside the conventional roles of mother and homemaker. The alternatives to child-bearing are all but nonexistent.

(d) Female educational and employment opportunities: The foregoing description of the general role and status of women provides a reasonably accurate framework for a discussion of the educational and employment opportunities for women in Pakistani society. Only a miniscule proportion of Pakistani women ever enroll in school, much less complete primary education. Fewer still become active members of the labor market -- at least insofar as that implies employment away from the home or off the farm.

The Pakistan Fertility Survey suggests that women who have received more than six years of education have significantly fewer children than women who have either received less education or who have never been to school. Indeed, as Dudley Kirk has shown in other Islamic societies, six years of education seems to represent a significant threshhold of reduced fertility. Clearly female education is a major factor in fertility behavior. A study carried out by the Pakistan Institute of Development Economics shows that, in a multivariate analysis, the best single predictor of fertility behavior, among a broad range of variables, is the educational level of wives.

Less work has been done on the relationship between female employment and fertility in Pakistan. Part of the reason for the paucity of information on this subject is the relative rarity of out-of-home employment among Pakistani women. Hence, the number of observations in those surveys which permit analysis of this relationship is so small as to make their statistical significance questionable. Nonetheless, among the few studies which have been done on this subject, it appears clear that women who are employed in occupations which require them to be away from the home for substantial periods of time each day have somewhat fewer children than women who are either unemployed or employed in the home.

As in the case of the infant mortality hypothesis, the question of spuriousness arises in the case of female education and employment. It is certainly possible that fertility is lower among educated women because they are more likely to be employed. Similarly, both education and employment are undoubtedly a function of social class -- and the wealthier may have fewer children as a general rule. However, the available evidence suggests that income is a comparatively poor predictor of fertility in Pakistan, as is social class. As in much of the rest of the world, female education per se seems to be an important determinant of fertility behavior. There are several reasons why this might be the case, not the least of which is the hypothesis that education provides a window to the outside world, and thus the expectation of an alternative future which is not available to the less educated or the uneducated. In many cases, an alternative future may well imply a life in which children represent more of an encumbrance than they do for the typical Pakistani woman today.

(e) Rate of economic growth and distribution of the benefits of development: As far as fertility is concerned, the rate of economic growth means practically nothing. The distribution of the benefits of growth (i.e., development) means a great deal. Several countries have experienced rapid rates of economic growth in recent years without experiencing correspondingly rapid rates of fertility decline. However, we are unaware of any countries which have experienced rapid rates of economic development (i.e., growth-cum-redistribution) which have not simultaneously experienced rapid fertility declines as well. It appears that equitable distribution not only of income, but also of the perception of access to social opportunity, is central to explaining fertility decline.

It is not possible to generalize about the effect of economic growth or income redistribution on fertility in Pakistan. There have been no studies to date which have attempted to analyse this relationship.

By the same token, income data, at the micro level, are so undeveloped in Pakistan that no correlational analysis is really possible at present. All we can reasonably say at this point is that income redistribution has apparently not occurred in sufficient magnitude to cause people to have a significantly different view of their relative roles and statuses than they have had in the past. There is no real evidence to suggest that access to social or economic goods has improved sufficiently for the general population that people have altered their perceptions of the relative costs and benefits of children. Put another way, we see no reason to believe that the economic environment has changed to the point that people have significantly different perceptions of the opportunities available to their children than they had for themselves. As a result, they are not likely to engage in very different fertility behavior than their parents did.

(f) Religious traditionalism: Religion per se does not seem to emerge from most studies as an important determinant of fertility; however the real issue here is what is being measured. Most studies have compared two different religious groups with regard to fertility. If, however, something like perceived degree of own adherence to traditional religious norms could be measured, the real impact of traditional religious attitudes could perhaps be determined. There are data which point in this direction: Zaidi found in a study in Comilla (Bangladesh, then East Pakistan) that 76% of his sample reported that contraception was not permissible in Islam. Jahangir Khan found that there is some relationship between the fate orientation of women and fertility. A study in Ahmedabad, India (Desai) showed that families in which husband-wife roles were highly segregated (a characteristic feature of conservative Muslim family relationships) tend to have larger family size expectations and higher fertility.

SUMMARY

To summarize, the social conditions reflected in these studies -- low incomes, low levels of educational attainment, high infant mortality rates, and scarcity of educational opportunities and attractive jobs for women -- would all seem to be conducive to high fertility rates. The effect of religious traditionalism is harder to assess, though clues provided by some studies, plus the subjective experience of family planning workers at the local level, indicates that the influence at least of folk interpretations of Islamic doctrines is probably quite substantial.

The Population Research and Development project is intended to respond to these circumstances with two types of activity: (A) observational research leading to a more definitive understanding of the social

and economic correlates of fertility in Pakistan; and (B) experiments and demonstration projects utilizing the data which presently exist, to test methods of improving present programs as well as experimenting with innovative ones. Support for this combination of activities derives from the realization that development projects and policies do have a demographic impact, and is based on the assumption that a clearer knowledge of fertility determinants in Pakistan would make possible more comprehensive programs for reducing fertility.

D. Economic Analysis

This project presents the same difficulties to an economic quantification of costs and benefits as those encountered by research programs in general. That is, it is two stages removed from yielding an economic return.

First, of the studies or experimental schemes to be carried out, only a certain percentage will identify or prove to be economically viable activities where the cost of averting a birth will be worth the benefits gained. A principal activity of the project researchers will be to establish a data base from which the economic feasibility of potential innovations investigated under project financing can be assessed. Until that data base is collected there is little that can be done to quantify potential economic return resulting from project research.

Second, the time lag between completed research findings and actual program implementation is one of the main determinants of the economic viability of a research program. A judgment on the time lags incurred in implementation is important in selecting any given research project. If research is implemented too early (i.e. before a government is ready to act upon it), the discounted present value will be small relative to cost, indicating that the project should be delayed in favor of other activities.

The proposed project can be considered to have high priority in terms of its potential to generate economic return for the following reasons:

1. Analysis to date indicates that high benefits to births averted will allow favorable cost-benefit ratios and positive social rates of return to any program costing less than $300 per birth averted. The literature is too voluminous to review here. The well known research by Stephen Enke, Ronald Ridker et al, indicates the present value of a birth averted in underdeveloped areas such as South Asia is at least twice per capita income (i.e. $330 or twice the PCI of $165 for Pakistan in 1976). Also, Sirageldin and Hopkins analyzing an incentive payments

program to women for delayed births estimate a social rate of return in South Asia at 112%. (Ismail Sirageldin and Samuel Hopkins, "Family Planning Programs: An Economic Approach," Studies in Family Planning. The Population Council, February 1972).

2. Research carried out under this project is in response to priority needs as perceived by the Government. The history of past innovations of the Government of Pakistan in the area of family planning such as the Continuous Motivation System and expansion of the distribution system indicate that the Government is very willing to introduce socially and economically feasible population planning initiatives. Once research demonstrates the effectiveness of programs to encourage smaller families, the lag time to implementation should be minimal.

3. This project will improve the cost-effectiveness of the present research of this type in Pakistan. In assisting development of the management and organizational aspects of the project, Richard Mason investigated the research utilization aspects of this and related research programs. His report of June 1976 states that although there were reasonably good projects in economics, demography and fertility completed or underway in Pakistan much of that work was not directly related to policy problems or alternatives. In general there was scope for improving the flow of communication between researchers and policy makers to ensure first, a higher degree of utilization of research presently carried out and second, a shift in research toward the policy decision needs of the Government. Research utilization will be improved by coordinating decisions on funding research and the resultant findings through organizations established by the Government as set forth in the project description. The resulting coordination efforts will effect savings beyond the scope of the project.

IV. IMPLEMENTATION PLANNING

A. Analysis of the Recipient's and AID's Administrative Arrangements

1. Recipients

The project will be administered by the Demographic Policy and Implementation Research Centre (DPIRC) of the Population Planning Division (PPD) and the Population and Social Planning Section (PSPS) of the Planning Division. The administrative capabilities of each are described and analyzed separately below.

DPIRC

DPIRC was established in 1974 in response to a widespread recognition among Pakistani planners and population officials that insufficient attention was being given to the linkages between population and other development variables. Since many of these other development variables were and are the focus of the activities of other ministries and agencies of the Government of Pakistan, it was anticipated that a large part of DPIRC's responsibility would lie in identifying points of interaction between the population planning program and the work of other agencies and in encouraging the integration of population planning activities into the work of those agencies. Because the work of DPIRC was never given very high priority by previous population program leadership, because it was never adequately staffed, and because it previously had no separately identifiable budget, the Centre has remained relatively moribund up to the present time. This project represents a major effort to give life to DPIRC and to the activities it is supposed to promote. However, the Mission and the Government alike recognize that there does not exist a background of strong administrative performance by the DPIRC, and no background in the management of sponsored research.

On the other hand, the Population Planning Division has been supporting and managing individual research projects on a contract basis for some time. Most of this activity was carried out through the former Training, Research and Evaluation Centre (TREC). A considerable number of the people formerly associated with TREC have since been reassigned to the DPIRC so that the administrative experience gained by TREC is expected to be available in the revitalized DPIRC.

It is not yet certain whether or not DPIRC will have a full-time contracting officer assigned to it. If it does not, DPIRC will make use

of the existing mechanisms through which the Population Planning Division makes contracts with other organizations. In either case, the prototype sub-contract attached to this paper will serve as the instrument governing the relationship between the Government and organizations carrying out the studies/experiments. The Project Agreement will specify the administrative arrangement under which contracting will be carried out.

The procedure for approval of sub-projects is spelled out in Section B of this Part. Suffice it to say here that once A.I.D. and the Population Planning Division have agreed upon the technical scope of work for any given sub-project, the Population Planning Division will execute a contract with the implementing organization which will follow the model of the attached sub-contract prototype. Normal project monitorship will assure that these agreed-upon documentation requirements are adhered to.

The Mission recognizes that the DPIRC is not a proven organization in either a technical or an administrative sense. There are certain inherent risks in this project in identifying such an unproven entity as the implementing organization. However, DPIRC has never before been given a chance to function effectively because of the constraints mentioned above. We believe that, given a chance to work, DPIRC can be quickly built into a technically and administratively competent organization. This will require that the Population Planning Division give to DPIRC freedom to recruit qualified technical and administrative staff and procedural freedom in enabling that staff to operate in the field. Recent public statements by the Secretary of Population Planning and other senior Government officials suggest that the Government now recognizes the importance of the function DPIRC was established to perform and is prepared to give it the sort of political and administrative support it requires to function effectively. Nonetheless, a condition precedent to disbursement will be the establishment of a staff and a set of procedures which are substantially in conformity with the staffing and administrative plans specified in Parts II.B. and III.B. of this paper.

Population and Social Planning Section (PSPS)

The Population and Social Planning Section was established during FY-1976. The Section Chief assumed responsibility in January 1977 and the task of recruiting additional staff for the Section is currently underway. USAID has been working closely with the new Section Chief in working out the details of PSPS portion of the project work plan.

The Planning Division has a good track record in the solicitation and management of contract research. Through its Economic Research Section, the Planning Division has for several years engaged in contract

research covering a wide variety of fields, including population. Its contracting procedures are well established and have proven to be effective. Nearly all research which has been contracted for has been completed more or less on time and with satisfactory results.

In carrying out its responsibilities under this project, the Planning Division will employ essentially the same procedures it has been employing in the past. The Population and Social Planning Section will have responsibility for soliciting, reviewing, and approving research proposals. The Economic Research Section will then have the responsibility of executing the actual contracts. Once again, the prototype contract attached to this Project Paper, which is largely based upon the existing contractual instrument currently used by the Economic Research Section, will be utilized for all research supported with funds made available under this project.

2. A.I.D.

The proposed project is not complex and will require no unusual arrangements for A.I.D. It will be monitored by the incumbent of the Population Advisor (Research) position. The responsibilities of the A.I.D. project manager will be three-fold. He or she will assist the implementing organizations in the setting of sub-project priorities and in the identification of Pakistani organizations and institutions which are capable of implementing the sub-projects. Second, he/she will chair the USAID Project Implementation Committee. After the A.I.D. project manager consults with the A.I.D. Project Committee and Social Science Research Committee, a decision to approve sub-projects will be evidenced by a Project Implementation Letter (PIL). These PILs will be drafted by the project manager and cleared by the Project Implementation Committee. Third, the A.I.D. project manager will be responsible for organizing the periodic evaluations of the project, seeing to it that the evaluations are carried out, and recommending changes in project design revealed by these evaluations. It is important that the A.I.D. project manager has a background in the management of research activities and that he or she has the capacity to make critical technical judgments regarding proposals submitted to A.I.D. by the Government.

B. Implementation Plan

1. Implementation Schedule

The implementation schedule for this project is relatively simple. The period between the submission of this Project Paper for approval and the signing of the Project Agreement will be spent in the recruitment of the prescribed staff for the DPIRC and PSPS. It is assumed that by the time funds are available for disbursement, staffing of both implementing units will be completed. In any case, the completion of staffing will be a condition precedent to disbursement of funds.

As is noted in the Planned Performance Tracking Network Chart which follows, DPIRC and PSPS will issue invitations for proposals within the first six weeks following project approval. These invitations will be supplemented by field visits by members of the technical staffs of both organizations to generate interest in carrying out sub-projects among various agencies and organizations in Pakistan.

Within the first six months after initiation of the project, it is expected that a sufficient number of proposals will have been received so that it will be possible to identify those worthy of funding. During the second six months of the project those proposals selected by DPIRC and PSPS for support will be submitted to A.I.D. for approval Approximately 10 proposals will be approved by A.I.D. during this period and work on the first ten sub-projects will begin. This process will be repeated in the second year for approximately 15 more projects, and in the third year for a final five projects. The fourth year of the project will be devoted to the completion of projects initiated late in the second year and during the third year, and to intensified efforts to disseminate and implement the results of all projects carried out during the first three years. The PPTNC also identifies critical dates for evaluation.

2. Planned Performance Tracking Network

It is anticipated that considerable progress, in terms of satisfying the conditions precedent, will have been made prior to the signing of the project agreement. Allowing for possible last minute delays in meeting these, the project begins not later than September 15, 1977. Shortly thereafter, a Steering Committee which will assist in developing criteria to be used in soliciting and evaluating research proposals will become operational. One of their first tasks will be to establish relevant research priorities for both DPIRC and the Population and Social Planning Section. This information will be used to develop a package of materials to be distributed to potential researchers not later than November 1, 1977.

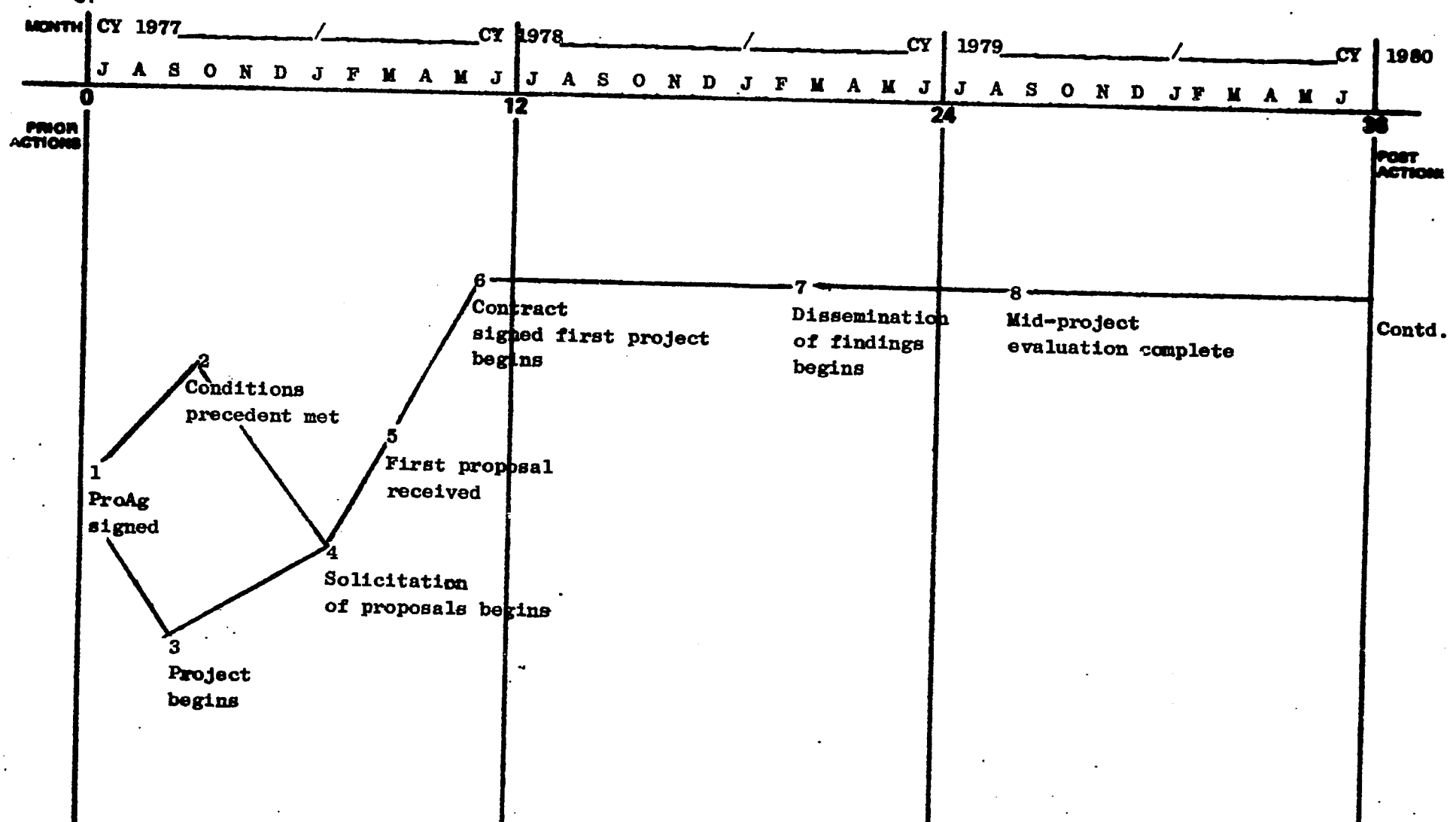
The first proposal will have been received by the end of the sixth month of the project. Although it is difficult to estimate the number, timing, and total cost of approved sub-projects, it is expected that several will be funded during the last six months of year one of the project. It is expected that the process of soliciting and reviewing sub-project proposals will be well established by the beginning of project year two. This will permit a level of project activity about double that in the first year. Because all project activity funded under this agreement must be completed by the end of year four, only 5-7 new sub-projects are anticipated in year three and virtually none in year four.

The financial schedule, as stated at the bottom of the CPI chart, indicates quarterly disbursements of $12,500 beginning in March 1978 and ending in September 1981. This assumes that both the pace and the corresponding level of funding required to support these sub-projects will be distributed evenly over time. This, however, is meant to be a rough guide and considerable variation could quite legitimately occur without jeopardizing attainment of the project purpose.

It is important to note that DPIRC has its own budget which will be available to support research and development activities prior to, during, and following completion of this project. Following the review and approval of a sub-project proposal by DPIRC or PSPS, the proposal will be sent to A.I.D. for approval. If approved, a Project Implementation Letter is issued by A.I.D.

The first sub-project contract will be signed not later than March 1, 1978. Approximately a year later, the first sub-project findings become available. Project evaluations are carried out by the end of the 24th and 48th month of the project.

COUNTRY	PROJECT NO.	PROJECT TITLE	DATE		APPROVED
Pakistan	391-4110	Population Research and Development		[X] ORIGINAL [ ] REVISION # ____	



AID 1020-36 (6-70)

CRITICAL PERFORMANCE INDICATOR (CPI) NETWORK

*Quarterly disbursements of $125,000 each.

COUNTRY	PROJECT NO.	PROJECT TITLE	DATE		APPROVED
Pakistan	391-4110	Population Research and Development		[X] ORIGINAL [ ] REVISION #____	

OR FY / CY

MONTH: CY 1980 — / — CY 1981

J A S O N D J F M A M J | J A S O N D J F M A M J

0 | 12 | 24 | 36

PRIOR ACTIONS | POST ACTIONS

9/15/79
Mid-project evaluation

9
Project ends
Final evaluation completed

ANALYSIS SCHEDULE: PROGRESS VS FINANCIAL			
EVALUATION SCHEDULE		X	

AID 1020-36 (8-76)

CRITICAL PERFORMANCE INDICATOR (CPI) NETWORK

COUNTRY	PROJECT NO.	PROJECT TITLE	DATE		APPROVED
Pakistan		Population Research and Development		☐ ORIGINAL ☐ REVISION # ____	

PROJECT PURPOSE (FROM PRP FACESHEET)

Selectively enlist the support of major employers, village organizations, public and private research organizations, and enlightened citizens in the development and implementation of well-planned innovative programs to encourage small families.

CPI DESCRIPTION

1. 7/15/77 Project agreement signed.
2. 9/15/77 Conditions precedent met.
3. 9/15/77 Project begins.
4. 11/1/77 Solicitation of proposals begins.
5. 1/15/78 First proposals received.
6. 3/1/78 Contract signed/sub-projects begin.
7. 3/15/79 Dissemination of findings begins.
8. 9/15/79 Mid-project evaluation complete.
9. 9/15/81 Project ends, reports submitted, final evaluation complete.

3. Procedure for Approval of Sub-Projects

Once the Project Agreement is signed, the procedure for the approval of sub-projects will be substantially as outlined herein. Both implementing organizations will make announcements about the project and will request any interested organizations and entities within Pakistan which might have ideas for fundable research projects to submit proposals. The implementing organization (in close consultation with the USAID project manager) will assist those organizations and entitles with the best ideas to refine and develop their proposals until they are acceptable for financing. To the extent that choices can be made, part of the selection process would be to consider the ability of the contractor to successfully carry out the proposal and to consider alternate, competitive sources. More frequently, however (as in the Pakistan Railways example in Annex G) there may not be any competitive sources. The implementing organization will, during this process, keep the USAID project manager advised of potential projects and will inform him/her when a sub-project is ready to be financed. The implementing organization will provide whatever information the USAID project manager thinks is necessary to approve the proposal. For each approved sub-project, the USAID project manager will prepare a Project Implementation Letter (PIL) for signature by the Assistant Director, Capital Development and Engineering notifying the implementing organization of USAID's approval of a particular sub-project. This letter will have clearance from the Mission Program Office, Controller, and RLA (see example in Annex G). The letter will approve the contractor, the substance of the sub-project, the duration of the sub-project, the total amount to be contracted, and the reasonableness of the fixed fee based on a contract budget estimate. Upon receipt of approval from USAID, the implementing organization will have authority to contract for the sub-project using a model contract upon which USAID and the implementing organization have agreed (see Annex F) and which will be attached to the Project Agreement. This contract will be standard for all sub-projects except with regard to the contractor, the description of the project, the contractor's specific duties, duration of the contract, and the contract amount. These are the only points which will have to be covered in the PIL approving the sub-project. USAID will, as and if necessary, have approval rights regarding major deviations from the standard contract text. Once the contract is signed, USAID will have no monitoring or managing responsibilities over the contract, but will receive a specific number of the contractor's reports and be kept informally appraised by the implementing organization. A.I.D. will, of course, have the right to audit all sub-projects. In the event of a contract or contracts exceeding $100,000, A.I.D. will have formal approval rights.

BEST AVAILABLE COPY

4. Procedures for Grant Disbursements

Once the Project Agreement is signed, the Ministry of Finance (MOF) will increase the budgets of PPD and the Planning Division by adding a line item for this Project in the amount allocated to each under the terms of the Project Agreement. MOF will also issue the necessary and appropriate authority to PPD and the Planning Division to expend funds allocated in the new line item for contract expenses. Then the Government of Pakistan will be reimbursed for all approved contract expenses under procedures substantially as follows:

> After meeting the Conditions Precedent to Disbursement, once each quarter PPD and Planning Division will submit vouchers to USAID requesting reimbursement for payments made in accordance with the approved executed contracts. Each voucher will refer to the applicable PILs approving proposals and refer to the executed contract, a copy of which will have been already submitted to USAID. Once the USAID project manager approves the voucher for payment, the USAID Controller will send a U.S. Dollar check to the MOF for these amounts.

This procedure allows, perhaps even encourages, the implementing organizations to start implementation almost as soon as the Project Agreement is signed by providing U.S. dollars to the Government as the project is implemented but after it has already used its own local resources.

C. Evaluation Plan

1. Nature and Background

Before proceeding with a detailed discussion of the means of assessing progress toward objectives at each level of the project, a few general comments about the nature of the intended impact of this project seem in order. It should be noted that, particularly at the purpose and goal level, impact assessment will have to be highly tentative and, to a large extent, subjective.

At the purpose level, it is necessary to know to what extent research and development findings influenced policy and program decision-making. A complex set of factors influence the decision-making process, only one of which is access to scientific information. Since we will not be able to quantify the extent to which findings from this project, versus other factors, influenced a given decision, our assessment must be somewhat subjective.

At the goal level, evaluation of project impact is even more difficult. The linkage between project purpose and the goal of reduced fertility is even more tentative because of (1) the host of other variables which could influence changes in fertility and (2) the time-lag between achievement of project purpose and measurable changes in fertility.

There has been little recent action research of the sort anticipated to take place within the DPIRC component of the project. The baseline measure at the input, output, and purpose level will therefore be considered to be zero. On the PSPS side, however, activity in the area of the determinants of fertility and population impact analysis has preceded this project and must be considered in attempting to establish the current baseline.

2. Input, Output, Purpose, and Goal Indicators

Inputs

At the input level, the effort by DPIRC and PSPS will be assessed in terms of staff employed, grants obligated, and commodities received. Full staffing of DPIRC and PSPS is a condition precedent to disbursement of grant funds.

The number of grants obligated will also be a measure of the extent to which the project is being effectively implemented. This measure is problematic, however, because a very small number of well-conceived, perhaps larger (in funding level), sub-project grants might be evidence of more effective project implementation than a larger number of less costly, but more poorly conceived, sub-projects. Another important indicator of performance will be the number of sub-project proposals generated and submitted to DPIRC and PSPS for consideration.

The number of sub-project proposals expected to be generated and approved during the life of the project is given below. USAID, as a participant in the proposal review process, will always be aware of the level of this activity.

Anticipated Sub-Project Activity Level
(Inputs and Outputs)

	DPIRC			PSPS		
End of Project Year	Proposals Generated	Proposals Approved	Completed Reports	Proposals Generated	Proposals Approved	Completed Reports
One	10-15	7-9	-	3-5	2-3	-
Two	20-30	12-18	6-8	4-8	3-5	1-2
Three	5-10	4-10	10-15	2-3	1-2	4-6
Four	None	None	9-13	None	None	1-2

Outputs

The completion of reports and the dissemination of project findings are the major observable outputs. USAID and the Government will jointly review and evaluate the findings of all sub-projects. If deemed necessary, outside technical assistance, either foreign or indigenous, may be requested to assist in the assessment of project findings. This assistance, if required, will be made not later than midway through the project life.

Evaluation of the extent to which findings are disseminated will be based on the number of meetings and seminars, and the nature and level of participation. In addition, an executive summary of the important findings of each completed sub-project will be prepared for distribution to those in policy-level positions. Publications based on sub-project findings will also be used to assess performance in disseminating results.

Purpose

At the purpose level, several indicators of the condition that should exist by the end of year four of the project are listed (see logical framework). It is probable, however, that even if policy relevant project findings emerge from this project, considerable additional lead time may be required to translate them into the actions articulated in the log frame. What we may be assessing, therefore, is the evidence that concrete steps are being taken to bring about these changes.

Improvements in Family Planning Service Delivery

Achievement of project purpose will be assessed as follows: programmatic changes which were stimulated by project findings will be assessed by examining baseline and subsequent performance data in the relevant program area; examples of measures that could be used, based on Client Record System and Contraceptive Prevalence Survey data, are the number of acceptors and prevalence of use by age, parity and method, and contraceptive continuation rates.

Efforts to expand the availability and use of contraceptive services in the private and public "institutionalized" sector will be assessed in terms of:

(a) the number of new initiatives taken by such institutions to make contraceptive services available and encourage smaller families.

(b) changes in the level of family planning acceptance and use-prevalence attributable to this project. Baseline and subsequent data on contraceptive use will be used to assess impact.

(c) an expanded base of knowledge which can be used to incorporate population variables into development planning. Verification that this condition exists will be reports concerning policy-relevant determinants of demographic change and evidence that such findings have been incorporated into national planning documents.

(d) the existence of publicly and/or privately administered benefits schemes as incentives to lower fertility behavior which have been developed, based on sub-project findings.

Goal

The the goal level, the project intends to contribute to a reduction in the rate of population growth. The means of assessing demographic change in Pakistan are the decennial census and sample surveys. The census is most useful in providing estimates of changes in population size and distribution, while the sample survey attempts to provide estimates of current fertility. Existing census and survey data can be used as baseline data for this project. It is expected that continued demographic surveys will provide the data needed to assess future demographic changes.

In attempting to evaluate this project at the goal level, however, it will be difficult to isolate the impact of this effort on the broad demographic changes that may be observed. It is also likely, to the extent that this project contributes to reduced population growth, that most of this change will occur after project completion.

A more sensitive indicator of project impact is information on the prevalence of contraceptive use. The Population Planning Division has recently decided to carry out repetitive sample surveys of contraceptive use. Changes in use prevalence, which could be related to this project, will be available on a continuing basis.

Although formal evaluations are planned in the 24th and 48th months of the project, evaluation will be on-going as sub-project proposals and findings become available. In addition, it is assumed that the action research projects will routinely incorporate collection of baseline and subsequent data into the project design.

3. Evaluators

As stated earlier, on-going project evaluation will result from the joint review of sub-project proposals and findings by PSPS and DPIRC technical staffs, and USAID. Responsibility for formal project evaluation at the end of the 24th and 48th months of the project will be vested in the Steering Committee. Although some of the evaluation will be done by Committee members, it is anticipated that they will arrange for independent evaluations to assist them in assessing project performance. Skilled persons needed to carry out the evaluation are available in Pakistan, but expatriate consultants could be obtained on an ad hoc basis to assist, if necessary. Preparation for the formal evaluations, including needed outside assistance, will be made by the Steering Committee by the 20th and 44th months of the project.

D. Conditions Precedent, Covenants and Waiver

In addition to the standard conditions precedent and covenants, it is anticipated that special conditions and covenants will cover the following points, although the exact language will be determined when the grant is actually negotiated.

Conditions Precedent to Initial Disbursement:

1. Evidence that the Steering Committee described in the section on special covenants held its first meeting to review the project.

2. Evidence that DPIRC and PSPS have sufficient positions established to implement this project and that the positions have been filled by qualified individuals (all professional positions should be filled by persons holding at least an M.A. degree).

3. Evidence that the Government has established first year budget line items for this project in agreed-upon amounts, has established separate Project accounts, and has authorized each agency to expend such funds for project contract expenses.

4. Evidence that a full-time business manager/contracting officer has been assigned to the DPIRC staff.

Special Covenants:

1. To provide guidance to the project implementing agencies, the Government agrees to establish a Steering Committee to provide general advice to the Project Directors and to carry out or arrange for project evaluations at the end of 24 and 48 months. The Steering Committee, which will meet at least once every six months, will have the following functions: a) to provide overall policy guidance and direction and to establish priorities for areas with which sub-projects will deal; b) to periodically evaluate progress and to arrange for formal project evaluations at the end of the 24th and 48th months of the project; c) to provide basic coordination between the two implementing agencies and to assure that sub-projects supported by each are mutually reinforcing and not overlapping; and d) to provide the project with a high level of legitimacy and to help provide the crucial linkage between project-supported activities and the policy levels of the Government. The Government agrees to include in the membership of the Steering Committee

high-ranking officials of the Population Planning Division, the Planning and Development Division, the Economic Affairs Division, and the responsible ministries dealing with agriculture, rural development, social welfare, health, education, local government, and manpower and labor.

2. The Government agrees to continue for each fiscal year of the Project the policy of providing budget line items for this Project in agreed upon amounts and authorizing each agency to expend such funds for project contract expenses.

3. The Parties agree to establish an evaluation program as an integral part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter, including not less than the 24th month of the Project:

(a) evaluation of progress towards attainment of the objectives of the Project;

(b) identification and evaluation of problem areas or constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems in this or other projects;

(d) evaluation, to the degree feasible, of the overall development impact of the Project; and

(e) in the 24th month of the Project, evaluation of the feasibility and desirability of continuation of A.I.D. assistance.

4. The Government agrees to provide to U.S. AID on a quarterly basis a report on disbursements against each approved sub-project made by each implementing agency.

Waiver of U.S. Source Restrictions for Goods and Services

This Project is based on the concept that the Government of Pakistan will be reimbursed in U.S. dollars for its local currency costs under contracts for research and development activities by Pakistani contractors. Therefore, under the terms of AIDPR 7-6.51, a waiver will be required and is hereby requested to allow the services which this project is funding to be performed by Pakistan-source as well as U.S. - source individuals and organizations.

The nature of the project is such that technical expertise as well as knowledge of local conditions and practices must be an integral part of the research and development activities. It is highly improbable that a U. S. firm would have or could obtain (within the cost and time constraints of this project) the knowledge of local conditions and practices necessary for the envisioned types of contracts (although qualifying U.S. entities are not ruled out).

In addition to this justification, the other financial criteria do not apply because the design and the success of the project depends on using the technical services mainly from local firms and dollars are to be used for this purpose because dollar aid for local costs is consistent with the goals of this project and with the goals of U.S. assistance to Pakistan. Therefore, a U.S. source waiver is necessary.

In like manner, some service contracts may involve the procurement of service-related commodities. A waiver of U.S. source restrictions is also requested for commodities so that commodities available in Pakistan may also be purchased by the services contractors.

AID/W approval of this Project Paper will represent concurrent approval of the waiver of U.S. source restrictions for goods and services.

Annex A

PRP APPROVAL MESSAGE

R 072343Z JAN 76
FM SECSTATE WASHDC
TO AMEMBASSY ISLAMABAD 6811
BT
UNCLAS SECTION 1 OF 2 STATE 003998/1

AIDAC

E.O. 11652: N/A

SUBJECT: Population Grants - PRP Review, Project 391-4110

1. Subject PRP reviewed December 9 by AID/W Review Committee consisting of representatives of PHA/POP, PHA/PRS, ASIA/SA, ASIA/DP, PPC and USAID. This message summarizes consensus of meeting with addition of some caveats developed in subsequent discussions and has been cleared by AA/PHA and AA/ASIA.

2. AID/W appreciates USAID efforts to meet submission target date and recognizes time insufficient between PID authorization and PRP submission to develop fully detailed feasibility discussion and work out required implementation plans for the proposed three types of action research and project demonstration/implementation activities. However, while recognizing foregoing difficulty, concern was expressed that PRP as presented suggests possible future problems growing out of allocation of resources for broad and inadequately defined set of research initiatives for use by organization without a strong project director and competent staff.

3. Looking at general problem of research, we have learned through experience that for useable results, research must be sharply focussed to obtain solutions to real problems hampering program progress, and be designed to provide answers as rapidly as possible. We suggest addressing the following questions under the new initiative:

(1) What are the major constraints limiting the practice of family planning, particularly in rural areas (including absence of services of particular sorts and presence of socio-economic factors that may discourage small families)?

(2) What are the most promising means for alleviating these constraints specifically considering (A) alternative combinations of health and FP

services including conventional contraceptive and sterilization which could be provided widely at low cost, (B) the Pakistan Western Railway initiative, (C) extension contraceptives to all Pakistan villages?

(3) Pilot demonstration and action research to extend health and family planning services (including surgical methods) through village and household distribution programs.

4. In accord with foregoing concerns, USAID authorized prepare Project Paper (PP) which addresses general problem of focus of research and clarifies other issues raised during review, as discussed above and in subsequent paragraphs of this message. As guide to USAID in designing project, review committee prepared to recommend funding in FY 77 CP at level of dollars 300,000 for first year and dollars 250,000 per year for FYs 78 and 79 for dollars 800,000 total over life of activity. In order assure most effective use these funds and improve program efficiency, propose that dollars 100,000 of FY 77 level be reserved for technical assistance and selected research "projects," to be jointly designed by GOP Population Planning Division, USAID, and AID/W. This will permit implementing Pakistani agency to develop needed skills in design and administration of research in first year of project and also help GOP identify problems which must be resolved for rapid progress and carry out specific operational research/projects to show PPD how applied research findings can be used immediately to improve on-going operational program. Remaining dollars 200,000 would be available for sub-grant programming.

5. Organizational policy and resource issues which should be addressed by USAID in connection with preparation of PP follow:

A) Overall population program management - ideally, management of all population planning projects appears to be better served if they are covered by one umbrella strategy document. Areas action research identified as A and C in draft PRP seem properly to fall under purview PPD's demographic policy and action research Center (DPARC). On the other hand, population impact analysis (B) already being undertaken by Pakistan Institute for Development Economics (PIDE). Suggest future funding Type B survey research and analysis directly through Planning Commission could strengthen its linkage with PIDE as now envisioned by Project No. 384. While meaningful "beyond family planning" research difficult accomplish until FP program actually implemented in proposed research areas, still believe precisely drawn action-oriented research of type proposed should be undertaken now since lead time is inevitably substantial, to gain benefit of results. This facilities initiating socio-economic activities funded from non-FP budgets.

B) Role of Population Planning Council in Project Administration - although PRP states GOP Population Planning Council (PPC) will administer project through DPIRC, review committee questions this role for PPC. We were not aware that Population Planning Council had operational responsibility of the kind suggested by proposed administrative role. Since DPIRC is part of Population Planning Division, this suggests that PPD should have overall responsibility for project administration. Request explanation if this is not true.

C) Steering Committee - According to PRP, 12 member Steering Committee will "guide" Project Director, establish priorities for program, review and give final approval for all sub-projects proposed for funding by DPIRC technical staff. Suggest that this arrangement easily could lead to administrative and policy collisions between Joint Secretary/Director General PPD, Project Director and Steering Committee. Should not committee duties be limited to advisory role? If not, how are potential conflicts of authority to be resolved? A related question is whether Project Director will actually have authority to function independent from control of Joint Secretary/Director General PPD? Our experience with Pakistan system suggests that Project Director will enjoy little freedom of choices or movements. Also request clarification as to whether DPIRC Director and Project Director will be same individual.

D) Utilization U.S. Owned Rupees - while USAID recommends Dollar grant funds be used to purchase local currency, request possible use of U.S. owned rupees be discussed during PP negotiations and resolution this issue be covered in PP.

E) Political and administrative will and capacity - assumption H-4 of PRP asserts GOP political and administrative will and capacity exist to implement large-scale programs to modify fertility behavior. On the other hand, several recent program surveys indicate PPD's existing contraceptive delivery systems operation is below optimal level in many respects. The PRP review committee suggests that the span of control of the Director General, PPD, already over-extended and his involvement in proposed action research should be limited to essentials. Emphasis should be placed on real felt need for research and determination to use research findings for program improvement.

F) Availability financial resources to implement proposed project - While moving to assist GOP to undertake urgently needed research with AID support, Mission should do all possible to ensure AID funds are co-programmed with funds from GOP or other Donors. In this regard, recent Ford Foundation to DPIRC of Dollars 25,000 for research seems

not to have been so co-programmed. Further, we continue to be troubled about level of commitment GOP to provide new large financial inputs implied by this project without siphoning off funds from family planning delivery delivery system. Request PP comment on GOP views on this matter. Also if GOP responds positively to idea that this activity be supported multilaterally, believe AID funding should shift to UNFPA or other donors over time.

C) Existence Pakistan Research/Management Expertise - PRP asserts in assumption H-3 sufficient research and management expertise exists in Pakistan to permit execution meaningful research and demonstration activities. Section V, para B examined thoroughly questions regarding technical issues and indicated that many answers could not be provided in PRP because "it is not clear what PPC's thinking is on subject of in-house versus external research and experimentation." From other sources, also appears social science community in Pakistan is near limit of its absorptive capacity for new funds in near future. Therefore, as requested State 189701 again urge explore with GOP role of foreign, indigenous and U.S. private organizations as research sub-grantees.

6. As investigations completed and answers developed on above issues and questions, will appreciate Mission providing AID/W advance information on specific items so that residual issues, if any, can be flagged and resolved before completion and submission PP. KISSINGER

PROJECT CHECKLIST

GENERAL CRITERIA FOR PROJECT

1. App. Unnumbered: FAA Sec. 653(b) (a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project; (b) Is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than $1 million over that figure plus 10%)?	(a) This project was included in the FY 1977 Congressional presentation. (b) Assistance is within operation year budget and is less than $1 million.
2. FAA Sec. 611(a)(I). Prior to obligation in excess of $100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?	Yes. See Part III and IV-B of the PP.
3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?	No further legislative action is required.
4. FAA Sec. 611(b): App. Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per Memorandum of the President dated September 5, 1973 (replaces Memorandum of May 15, 1962; see Fed. Register, Vol 38, No. 174, Part III, Sept. 10, 1973)?	Not applicable.

5.	FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed $ 1 million, has Mission Director certified the country's capability effectively to maintain and utilize the project?	Not Applicable.
6.	FAA Sec. 209, 619. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. If assistance is for newly independent country, is it furnished through multilateral organizations or plans to the maximum extent appropriate?	Not Applicable
7.	FAA Sec. 601(a): (and Sec. 201 (f) for development loans). Information and conclusions whether project will encourage efforts of the country to; (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.	The project will not effect items (a) and (c) through (f). It may, to the extent that private research firms compete for contracts, "foster private initiative and competition".
8.	FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).	This Project is not expected to directly foster U.S. private trade and investment abroad.
9.	FAA Sec. 612(b): Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.	Nearly all services will be locally procured. The host country will provide agreed amounts of local currency expenses of the project. A 612(b)

determination is requested in the PP to permit dollars to be expended to finance a portion of the local costs of the Project.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency and if so, what arrangements have been made for its release?

The U.S. owns excess Pakistani rupees that are programmed for use in a number of projects. It is not deemed suitable, however, to use excess rupees on this Project.

FUNDING CRITERIA FOR PROJECT

Development Assistance Project Criteria:

(i) FAA Sec. 102(c): Sec. III: Sec. 281(a). To the extent to which activity will effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production, spreading investment out from cities to small towns and rural areas and (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions?

The major activity of this project is research and development. Some of the anticipated action - research will result in increased access to family planning services. The ultimate aim of this project is to provide information about alternative means of affecting fertility behavior, which is imperative if the condition of the rural poor is to be improved. The Project will not deal with item (b).

(ii) FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available: (include only applicable paragraph - e.g. a, b, etc. - which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source).

(1) (103) for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; (103A) if for agricultural research, is full account taken of needs of small farmers;	Not Applicable.
(2) (104) for population planning or health; if so, extent to which activity extends low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and poor;	One probable area of R and D activity will be the exploration of various low-cost modes of delivering integrated services.
(3) (105) for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;	Not Applicable.
(4) (106) for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:	
(a) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development organizations;	Possible technical cooperation with the Ford Foundation, Population Council, APHA, and various universities or U.S. research institutions.
(b) to help alleviate energy problem; (N/A)	
(c) research into, and evaluation of, economic development processes and techniques;	Not Applicable.
(d) reconstruction after natural or manmade disaster;	Not Applicable.
(e) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;	Not Applicable.

(f) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.	Not Applicable.
(5) (107) by grants for coordinated private effort to develop and disseminate intermediate technologies appropriate for developing countries.	Not Applicable.
(iii) FAA Sec. 110(a);Sec. 208(e). Is the recipient country willing to contribute funds to the project, and in what manner has or will it provide assurances that it will provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?	The project agreement will specify a host country contribution of at least 25% of the cost of the entire activity.
(iv) FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing?	Not Applicable.
(v) FAA Sec. 207; Sec. 113. Extent to which assistance reflects appropriate emphasis on; (1) encouraging development of democratic, economic, political, and social institutions; (2) self-help in meeting the country's food needs; (3) improving availability of trained worker-power in the country; (4) programs designed to meet the country's health needs; (5) other important areas of economic, political, and social development, including industry; free labor unions, cooperatives, and Voluntary Agencies; transportation and communications, planning and public administration; urban development, and modernization of existing laws; or (6) integrating women into the recipient country's national economy.	This project will assist the GOP in items (1) through (3), by (a) providing information on potential fertility influencing policies and programs which will contribute to reduced population growth and the ability to develop such "institutions" and meet food needs, and (b) by helping to improve the indigenous capacity to carry out such R&D efforts in the future. Items (4) through (6) are not expected to be significantly affected by this Project.

(vi) FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training skills required for effective participation in governmental and political processes essential to self-government.	This project will contribute to the important need perceived in Pakistan to limit population growth. This project will directly influence the development of intellectual resources by engaging a wide range of institutions and individuals in population-related research.
(vii) FAA Sec. 201(b)(2)-(4) and -(8); Sec. 201(e): Sec. 211 (a)(1)-(3) and -(8). Does the activity give reasonable promise of contributing to the development: of economic resources, or to the increase of productive capacities and self-sustaining economic growth; or of educational or other institutions directed toward social progress? Is it related to and consistent with other development activities, and will it contribute to realizable long-range objectives? And does project paper provide information and conclusion on an activity's economic and technical soundness?	This project will produce policy-relevant research which will contribute to efforts to reduce the rate of population growth - perhaps the most important factor influencing Pakistan's ability to achieve stated development goals. Through contracts with individual researchers and institutions, the project will increase the contribution that these make toward social progress.
(viii) FAA Sec. 201(b)(6); Sec. 211(a)(5), (6). Information and conclusion on possible effects of the assistance on U.S. economy, with special reference to areas of substantial labor surplus, and extent to which U.S. commodities and assistance are furnished in a manner consistent with improving or safeguarding the U.S. balance of payments position.	There will be no effect on the U.S. economy.
Development Assistance Project Criteria (Loans only)	
a. FAA Sec. 201(b)(1). Information and conclusion on availability of financing from other free-world sources, including private sources within U.S.	Not Applicable. Necessary plans to carry out the assistance will be developed prior to signing the project agreement. A reasonably firm cost estimate of the project has been made.

b. FAA Sec. 201(b)(2);201(d). Information and conclusion on (1) capacity of the country to repay the loan, including reasonableness of repayment prospects, and (2) reasonableness and legality (under laws of country and U.S.) of lending and relending terms of the loan.

Not Applicable.

c. FAA Sec. 201(e). If loan is not made pursuant to a multilateral plan, and the amount of the loan exceeds $100,000, has country submitted to AID an application for such funds together with assurances to indicate that funds will be used in an economically and technically sound manner?

Not Applicable.

d. FAA Sec. 201(f). Does project paper describe how project will promote the country's economic development taking into account the country's human and material resources requirements and relationship between ultimate objectives of the project and overall economic development?

Yes.

e. FAA Sec. 202(a). Total amount of money under loan which is going directly to private enterprise, is going to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources?

Not Applicable.

f. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 of the enterprise's annual production during the life of the loan?

Not Applicable.

3. Project Criteria Solely for Security Supporting Assistance

FAA Sec. 531. How will this assistance support promote economic or political stability? — Not Applicable.

4. Additional Criteria for Alliance for Progress

Note: Alliance for Progress projects should add the following two items to a project checklist:

(a) FAA Sec. 251(b)(1), -(8). Does assistance take into account principles of the Act of Boqota and the Charter of Punta del Este; and to what extent will the activity contribute to the economic or political integration of Latin America? — Not Applicable.

(b) FAA Sec. 251(b)(8); 251(h). For loans, has there been taken into account the effort made by recipient nation to repatriate capital invested in other countries by their own citizens? Is loan consistent with the findings and recommendations of the Inter-American Committee for the Alliance for Progress (now "CEPCIES," the Permanent Executive Committee of the OAS) in its annual review of national development activities? — Not Applicable.

ANNEX I (of Project Agreement)

DRAFT DESCRIPTION FOR PROJECT AGREEMENT

The Project:

The project is designed to help the Government of Pakistan achieve its goal of slowing the rate of population growth in Pakistan from 3.0 percent per year in 1976 to less than 2.7 percent by 1983. More specifically, the purpose of this project is to selectively enlist the support of major employers, village organizations, public and private research organizations and enlightened citizens in the development and implementation of well-planned, innovative programs to encourage small families. The proposed grant will fund a research and development project to design and test a broad range of innovations, and to support demographic research which will assist the Government of Pakistan in its efforts to find ways to accelerate the rate of fertility decline.

A grant will be made to the Government of Pakistan (the Grantee). The executing agencies for the Government will be the Population Planning Division within the Ministry of Health and Population Planning and the Planning and Development Division of the Ministry of Planning, Finance, and Economic Affairs.

The project will be divided into two parts. Within the Population Planning Division, the Demographic Policy and Implementation Research Center (DPIRC) will be responsible for the action research portion of the project. Under the auspices of DPIRC, a series of sub-projects of an experimental or quasi-experimental nature will attempt to investigate innovative ways of delivering, and creating a demand for, contraceptive services. The findings of these sub-projects will be used by policy makers to make decisions about, and to promote, more widespread adoption of innovations that have been successfully tested. Examples of the types of sub-projects might include the incorporation of family planning services into the health benefits of large organizations, the use of the commercial sector to market and distribute contraceptives, or the use of selective benefits as incentives to individuals and/or communities to control their fertility.

Research related to the determinants of fertility behavior and population impact analysis will be the responsibility of the Population and Social Planning Section of the Planning and Development Division.

This will include the study, in non-experimental ways, of the determinants of fertility and the development of methods of estimating the impact of alternative public expenditure strategies on fertility. One important aspect will be the assessment of the impact of relevant and proposed Government plans on demographic variables.

Project Inputs:

Over the four-year life of the project, it is anticipated that, subject to the availability of funds and the agreement of the Parties, AID will contribute a total of $800,000 for the Population Research and Development Project. These funds will consist of the $300,000 obligated by this Project Agreement and $500,000 anticipated for FY 1978 with project activities to terminate in FY 1980. The AID contributions are planned to be, in turn, subdivided into sub- grants of estimated amounts of $575,000 for DPIRC and $225,000 for PSPS. The major share of the dollar funds will be used to support research and development sub-projects and related activities; a small proportion will be used as necessary to cover foreign exchange costs of the project for commodities such as printing, reproduction, and computational equipment, research paraphernalia, etc. Government of Pakistan inputs include budget rupees ($400,000 equivalent) for sub-projects, all project staff salaries and internal travel, rental of office space, printing and some data processing, and all other incidental expenses associated with the project. Details of the financial plan are found in Attachment 1 to this Annex.

Implementing Arrangements:

As soon as the Project Agreement is signed, the DPIRC and PSPS staffs will establish conditions of acceptability and begin an active process of proposal solicitation. Once received, proposals will be carefully reviewed and if necessary reworked and redrafted. Sub-project proposals which meet the conditions of acceptibility established by the project staffs will be forwarded to USAID for approval and for disbursement of funds. After the proposal has been reviewed and approved, USAID will issue a Project Implementation Letter outlining a mutually agreed upon scope of work, set of reporting requirements, and budget.

Overall project guidance and oversight will be the function of a Steering Committee which will be established by the Government of Pakistan after signing of the Project Agreement. The Committee's functions will be: to provide overall policy guidance and direction, including establishing priorities for research and expdrimentation; to periodically evaluate project progress; to provide basic coordination between the two implementation agencies; and to provide the project with

a high level of legitimacy, as well as providing linkages between project-supported activities and policy-making within the Government. It is anticipated that top Government officials representing nation-building departments will be members of the Steering Committee.

Project Outputs:

The principal outputs of the project will be a series of approximately thirty research and development sub-projects and communications activities designed to translate sub-project results into population policy and program improvements. It is estimated that roughly eight sub-projects will be initiated in year 1, fifteen in year 2, and seven in year 3. Approximately three-quarters of these will be action research and development projects (DPIRC - administered) and one-quarter will relate to population impact analysis (under the auspices of PSPS). The communications activities will be designed to disseminate the results of innovations. These activities will range from the publication of sub-project reports, to the publication and broad distribution of executive summaries of these reports, to a series of briefings and seminars which bring the sub-project investigators together with Government and private sector policy-makers and decision-makers who are in a position to implement successful results in broad policy and program frameworks. Outputs will be measured in terms of the existence of completed research and development projects, the publication of results, and the holding of seminars and briefings to disseminate the results. Outputs will be verified by the USAID as well as by more formal evaluations which will be held during the 24th and 48th months of the Project.

Attachment A to Annex I

FINANCIAL PLAN

The total cost of this four year project is estimated at $1,199,983 of which an AID grant contribution of $800,000 is planned to cover approximately 67% of the project costs. $300,000 is obligated by this agreement. The costs of specific project inputs and sources of financing are shown in Attachment A-1. The remaining $500,000 AID grant contribution is scheduled for the second year of the project subject to availability of funds to AID for this purpose and to the mutual agreement of the parties, at the time, to proceed.

Once the Project Agreement is signed, the Ministry of Finance (MOF) will increase the budgets of PPD and the Planning Division by adding a line item for this Project in the agreed upon amount provided under the terms of the Project Agreement. MOF will also issue the necessary and appropriate authority to PPD and the Planning Division to expend funds allocated in the new line item for contract expenses. Then the Government of Pakistan will be reimbursed for all approved contract expenses under procedures substantially as follows.

After meeting the Conditions Precedent to Disbursement, once each quarter PPD and Planning Division will submit vouchers to USAID requesting reimbursement for payments made in accordance with the approved executed contracts. Each voucher will refer to the applicable PILs approving proposals and refer to the executed contract, a copy of which will have been already submitted to USAID. Once the USAID project manager approves the voucher for payment, the USAID Controller will send a U.S. Dollar check to the MOF for these amounts.

As indicated in Attachment A-1, the principal contributor to this project is the United States which anticipates providing upto 67% of total expenditures over the life of the project, subject to the availability of funds. The contribution of the Government of Pakistan will cover all the usual recurring costs such as salaries, office rent, supplies, etc. The grant funds are to be used primarily for sub-grant costs for specific research and development sub-projects. Other donor assistance and U.S. assistance from sources other than this grant may be used for technical assistance and participant training costs. As the project progresses there is a possibility that other donors may wish to contribute funds to cover the costs of specific sub-projects. If this should happen it would increase the total cost of the project line item for research and development projects but should not greatly affect the other line item costs.

Since the bulk of the expenditures in this project are for short term (1 to 3 year) research and development projects, the recurring costs are only for the maintenance of small management staffs. These costs are covered in the Population Planning Division's and the Planning Division's present budgets and there is no reason to believe that funds thus allocated will be diverted for other uses, or reduced during the life of the project. We understand that the six-year Population Planning budget projections now being developed will include funds to cover all recurring expenses connected with the two Research and Development units.

PROJECT FINANCIAL PLAN: US $

Date of Project Agreement _____ Project No. _____ Attachment: A-I

Outputs/Inputs	Year 1	Year 2	Year 3	Year 4	Total	% of Total	Source of Financing
01 Salaries	39,367	41,154	43,029	44,873	168,423	14.03	GOP (Input)
02 Rent	6,436	6,960	7,741	8,374	29,511	2.46	GOP (Input)
03 Furniture/Equipment	9,279	8,119	7,959	799	26,155	2.18	GOP (Input)
04 Transport/Travel	8,898	9,098	9,320	9,562	36,878	3.07	GOP (Input)
05 Misc Services/Supplies	10,088	14,804	18,137	12,414	56,445	4.71	GOP (Input)
06 Participant Training	13,200	13,200	13,200	13,200	52,000	4.40	Donors (Input)
07 Conferences	9,000	15,000	15,000	21,000	60,000	5.00	Project Grant (Output)
08 Consultants	5,000	10,000	10,000	5,000	30,000	2.50	Donors & central funds (Input)
09 Data Processing	2,500	3,000	4,000	3,000	12,500	1.04	ProGrant (Input)
10 Printing	2,500	4,500	7,200	11,072	25,272	2.11	ProGrant (Output)
11 Research & Development Grants - US	67,000	155,000	311,000	169,000	702,000	58.50	ProGrant (Output)
Total Costs =	173,268	280,835	447,586	298,294	1,199,983	100.00	

This agreement obligates only $300,000.00 in AID grant funds. An additional $500,000.00 in AID grant funds may be available for this project subject to availability of funds to AID for this purpose and to the mutual agreement of AID and the Government.

ANNEX E

App 9A, Ch 9, HB 3

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS PART I

1. TRANSACTION CODE: A (A ADD, C CHANGE, D DELETE)

FAF

2. DOCUMENT CODE: 5

3. COUNTRY ENTITY: PAKISTAN

4. DOCUMENT REVISION NUMBER: Original

5. PROJECT NUMBER (7 digits): 391-4110

6. BUREAU/OFFICE: A. SYMBOL: ASIA; B. CODE: 2

7. PROJECT TITLE (Maximum 40 characters): Population Research & Development

8. PROJECT APPROVAL DECISION — ACTION TAKEN: A APPROVED, D DISAPPROVED, DE DEAUTHORIZED

9. EST. PERIOD OF IMPLEMENTATION: YRS 04 QTRS 16

10. APPROVED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. 1ST FY 77 F. GRANT	E. 1ST FY 77 G. LOAN	H. 2ND FY 78 I. GRANT	H. 2ND FY 78 J. LOAN	K. 3RD FY L. GRANT	K. 3RD FY M. LOAN
(1) PH	301	420		300		500			
(2)									
(3)									
(4)									
TOTALS				300		500			

A. APPROPRIATION	N. 4TH FY O. GRANT	N. 4TH FY P. LOAN	Q. 5TH FY R. GRANT	Q. 5TH FY S. LOAN	LIFE OF PROJECT T. GRANT	LIFE OF PROJECT U. LOAN
(1) PH					800	
(2)						
(3)						
(4)						
TOTALS					800	

11. PROJECT FUNDING AUTHORIZED (ENTER APPROPRIATE CODE (S)): 1 LIFE OF PROJECT, 2 INCREMENTAL LIFE OF PROJECT

	A. GRANT	B. LOAN
	2	

C. PROJECT FUNDING AUTHORIZED THRU: FY 80

12. INITIAL PROJECT FUNDING ALLOTMENT REQUESTED ($000)

B. ALLOTMENT REQUEST NO. _____

A. APPROPRIATION	C. GRANT	D. LOAN
(1) PH	300	
(2)		
(3)		
(4)		
TOTALS	300	

13. FUNDS RESERVED FOR ALLOTMENT

TYPED NAME (Chief, SER/FM/FSD)

SIGNATURE

DATE

14. SOURCE/ORIGIN OF GOODS AND SERVICES: [ ] 000 [ ] 941 [X] LOCAL [ ] OTHER _____

15. FOR AMENDMENTS, NATURE OF CHANGE PROPOSED

FOR PPC/PIAS USE ONLY	16. AUTHORIZING OFFICE SYMBOL	17. ACTION DATE (MM DD YY)	18. ACTION REFERENCE (Optional)	ACTION REFERENCE DATE (MM DD YY)

AID 1330-6 (7-76)

Annex E

DRAFT PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

Name of Country/Entity: PAKISTAN

Name of Project : Population Research and Development

Number of Project : _____

Pursuant to Part I, Chapter I, Section 104 of the Foreign Assistance Act of 1961, as amended, I hereby authorize a Grant to the Government of Pakistan (the "Cooperating Country") of not to exceed Three Hundred Thousand United States Dollars ($300,000) (the "Authorized Amount") to help in financing certain foreign exchange and local currency costs of goods and services required for the project as described in the following paragraph. The project consists of research and development to design and test a broad range of population planning innovations, and to support demographic research, which will assist the Government of Pakistan in its efforts to find ways of accelerating the rate of fertility decline (hereinafter referred to as the "Project").

I approve the total level of A.I.D. appropriated funding planned for this project of not to exceed Eight Hundred Thousand United States Dollars ($800,000) all of which will be grant funded including the funding authorized above, during the period FY 1977 - FY 1978. Of the total level of A.I.D. funding approved herein, the increment of up to Five Hundred Thousand Dollars ($500,000) not hereby authorized shall be grant funded subject to availability of funds, and shall be processed in accordance with A.I.D. allotment procedures.

I hereby authorize the initiation of negotiation and execution of the Project Agreement by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and Delegation of Authority subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

(a) Source and Origin of Goods and Services:

Except for ocean shipping, goods and services financed by A.I.D. under the project shall have their source and origin in the Cooperating Country or in the United States except as A.I.D. may otherwise agree in writing. Ocean shipping financed under the Grant shall be procured in any eligible source country except the Cooperating Country.

(b) Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, the Cooperating Country shall furnish, in form and substance satisfactory to A.I.D., evidence that the Steering Committee has met to review the Project, evidence that the implementing agencies have filled positions with qualified individuals to implement the project, and evidence that the Cooperating Country has established budget line items for this project and has authorized implementing agencies to expend such funds.

(c) The Cooperating Country shall covenant to establish a Steering Committee for the Project, to establish an evaluation system, and to continue to budget sufficient funds for the Project for the life of the Project.

(d) The following waivers to A.I.D. regulations are hereby approved: Procurement of goods and services from the Cooperating Country in addition to the United States.

Annex F

DRAFT CONTRACT

This agreement made on this _____ day of _____ of the year one thousand nine hundred and seventy _____ between the President of Pakistan through the Secretary, Population Planning Division/Planning Division, hereinafter referred to as the "Division" (which expression shall, where the context so admits, mean his successors in the office and assignees) as Party of the first part, and the M/s (name of the consultants) hereinafter referred to as Consultants (which expression shall, where the context so admits, include their administrators and legal representatives) as Party of the second part for undertaking by the Consultants the Research Project (hereinafter referred to as Project).

Whereas the Consultants have consented to act as Research Consultants, it is hereby agreed by and between the parties herein as follows:

1. DESCRIPTION OF THE PROJECT

(Title and detailed scope of the study)

2. DUTIES TO BE PERFORMED BY THE CONSULTANTS

(Special directives if any to the Consultants)

3. RESEARCH PERSONNEL

The Consultants shall employ all necessary technical and other personnel required to perform the study.

4. PERIOD OF COMPLETION

The project shall be completed in (period) after the date of execution of this Agreement.

5. REMUNERATION

The Consultants shall be paid remuneration for the services and incidental expenses in the fixed amount of (total amount). The fixed fee shall be the total amount of compensation for the entire work

to be performed hereunder and the Consultants hereby agree to accept the amount as total entitlement. The fixed fee shall include, but not be limited to, payment for the following:

a) Availability of research facilities
b) Acceptance of the responsibility of work
c) Remuneration of staff
d) Submission of 25 printed copies of the study

The budget estimate attached to this contract is not a part of the contract nor is it binding on either party. It is furnished by the Consultants solely for the Division's use in establishing the amount of the fixed fee.

6. MODE OF PAYMENT

The fixed fee shall be payable by the Division to the Consultants in the following manner:

i) 25% at the end of the _____ month on submission and approval of progress report.

ii) 25% at the end of the _____ month on submission and approval of progress report.

iii) 25% at the end of the _____ month on submission and approval of progress report.

iv) 25% on satisfactory completion and submission of 25 printed copies of the report by the Consultants.

7. TERMINATION OF THE AGREEMENT

i) The Division may terminate this agreement at any time by giving notice of intent to terminate thirty (30) days in advance of date of termination and paying in full all costs and fees due to the Consultants as of the termination date based on the progress of the performance as of the date of notice. The Consultants hereby agree to a partial payment of the fixed fee if the Contract is terminated under this Section.

ii) Should the Consultant abandon his obligations under this agreement without any just cause (regarding "Just Cause" the decision of Division shall be final and binding), the Division shall be refunded (i) any portion of the fees already paid to him as does not represent remuneration for services performed prior to such abandonment and (ii) the unused portions of any funds placed at the Consultant's disposal by the Division. And should the Consultant abandon his said obligations without any just cause, he shall also pay to the Division the extra expenditure, which in the Division's opinion would be involved in the employment of other Consultants to perform and carry on their duties, under this agreement. Provided that nothing in this paragraph shall affect the liability of the Consultant properly to account for any money paid or entrusted to him under this agreement. Termination of this agreement under the provisions of para 7(i) shall not constitute abandonment.

8. LOGISTICAL SUPPORT BY THE DIVISION

(Any special office, equipment or other facilities to be provided by the Division to the Consultant. If none, use the following sentence). The Division shall have no responsibility whatsoever to furnish the consultant with material or facilities of any kind other than the Fixed Fee stated hereinabove.

9. ARBITRATION

In the event of any question or dispute arising under or in connection with this Agreement (except as to any matters the decision of which is specifically provided for hereunder) the same shall be referred to the award of a sole arbitrator to be agreed upon within thirty (30) days by both parties hereto from the date the notice for arbitration is given by one party and is received by the other, or failing that, to the award of two arbitrators, one to be nominated by the Division and the other by the Consultants. In the event of disagreement between the two arbitrators, the dispute shall be referred to the award of an umpire; such umpire to be appointed by the said two arbitrators in writing before proceeding on the reference. The decision of the sole arbitrator,

the said two arbitrators or the umpire so appointed by them, as the case may be shall be final and binding on the parties and the provisions of the Arbitration Act 1940 and of rules thereunder and any statutory modification thereto shall be deemed to apply to and be incorporated in this Agreement. Upon every and any such reference, the assessment of costs incidental to the reference and the award respectively, shall be in the discretion of the sole arbitrator, the two arbitrators or the umpire, as the case may be. Work under the Agreement shall, if reasonably possible, continue during the arbitration proceedings and no payment due to the Consultants by the Division shall be withheld on account of such proceedings. Reference to arbitration shall be a condition precedent to any other action of law. The venue of arbitration shall be at Islamabad - Pakistan.

10. FORCE MAJEURE

Neither party shall be considered in default in performance of any of its obligations hereunder to the extent that performance of such obligations is delayed by Force Majeure. Force Majeure includes, but is not be limited to, war (whether declared or not), hostilities, revolution, civil commotion, strike, epidemic, quarantine, restrictions, accident, fire, flood, explosion, or embargo, or compliance with or effect of any law, proclamation, regulation, or ordinance of any governmental authority made after execution of Agreement, act of God, or any other cause, whether of the same or of a different nature, existing or future, which is not due to the fault or negligence and is beyond the control of the parties hereto.

The occurrence of any Force Majeure which prevents the Consultant from performance of work required under this Agreement, if the Consultants have given the Division written notice of the occurrence of such Force Majeure within ten (10) days thereof, the contract duration shall be extended by the length of the delay resulting from the Force Majeure; provided however, that the Consultants shall not be paid any amount over the originally agreed upon fixed fee stated herein and shall remain responsible for the completion of the contract work. If the Consultant is wholly prevented from performance of this Agreement, for a period in excess of thirty (30) consecutive days because of Force Majeure, either party may terminate this Agreement after thirty (30) days' written notice delivered to the other party. In the event this Agreement is so terminated, the Consultants shall be compensated as if the Agreement has been terminated by the Division as provided under Section 7(i).

11. Assignment: The Consultants shall not assign this Agreement or any part hereof, without the prior written consent of the Division and AID.

12. Books and Records: The Consultants shall maintain adequate books and records concerning transactions in connection with this Agreement sufficient to show whether all the requirements of this Agreement have been complied with and shall make them available for inspection and audit by an independent auditor and/or auditors of A.I.D. or the Division for a period of three (3) years after final payment under this Agreement.

13. Prompt Notification of Delays: The Consultant shall promptly report to the Division any occurrence, event or condition which may have the effect of delaying the project, or prevent completion of the project in accordance with established work schedules. The Consultant shall indicate steps being taken to meet the situation and if necessary request the assistance of the Division.

14. Procurement - Source and Origin: Goods and services procured by the Consultant for purposes of this contract must be of source and origin in Pakistan.

15. Legal Effects of Certain AID Approvals and Decisions: The parties hereto understand that A.I.D. has certain approval rights including, but not limited to the right to approve the terms of this Agreement, the project personnel and any or all plans and reports related to this Agreement. The parties hereto further understand and agree that A.I.D., in reserving any or all of the foregoing approval rights, has acted solely as a donor to assure the proper use of United States Government funds, and that any decision by A.I.D. to exercise or refrain from exercising these approval rights shall be made as a donor in the course of financing this project and shall not be construed as making A.I.D. a party to the Agreement. The parties hereto understand and agree that A.I.D. may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the project of which this Agreement is part, with the parties jointly or separately, without thereby incurring any responsibility or liability to the parties jointly or to any of them. Any approval or failure to disapprove by A.I.D. of any plan, report specification, contract or

other documents shall not bar the Division or A.I.D. from asserting any rights, or relieve the Consultant of any liability which the Consultant might otherwise have to the Division or A.I.D. because of such plan, report, specification, contract, or ther documents, or any performance or failure of performance thereunder, or any A.I.D. contractor's supplier's certificate.

16. Language and Standards: All reports and other communication pertaining to this Agreement shall be in the English language and all measurements shall be in the English system or the metric system.

17. Laws and Regulations: The Consultant shall conform to the standards prescribed by Pakistan's laws and regulations in such matters as safety, labor, insurance, patents and copyright, compensation, etc.

18. Subcontracts: Except as authorized in advance in writing by the Division and approved by A.I.D. the Consultant shall not subcontract any part of the work under this Agreement. A.I.D. will not finance any subcontract not approved by A.I.D. In no event shall any such subcontract be on a cost-plus-percentage-of-cost basis. Subcontracting, if permitted, shall not relieve the Consultant of any liability or obligation under the terms of this Agreement.

19. Contingent Fees: The Consultant warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bonafide employees or bonafide established commercial or selling agencies maintained by the Consultant for the purpose of securing business. For breach or violation of this warranty, the Division shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

20. Ownership of Reports and Data: Final versions of the reports submitted to the Division and all relevant data such as diagrams, plans, statistics, and supporting records or materials compiled or prepared in the course of the Services shall be the property of the Division with all patent and copyright rights, and the Consultants shall be permitted to retain copies thereof, provided that neither

such material nor copies shall be used by the Consultant for purposes unrelated to this Agreement without the prior written approval of the Division. The Consultant agrees that all these materials except the copies above will be delivered to the Division upon completion of this Agreement.

21. Modifications: No modification of the Agreement shall be made except in writing signed by the Division and the Consultants. The parties recognize that A.I.D. reserves the right to refuse financing of any modification of, or amendment to, this Agreement if such amendment or modification is made without the written approval of A.I.D.

22. IN WITNESS WHEREOF, the aforementioned Division and the Consultants have herein to set their hands and seals the day and year first above written.

Witness:

i) _____
On behalf of the Consultants

_____

_____

ii) _____
On behalf of the President of Pakistan

Annex G

EXAMPLE OF PROJECT IMPLEMENTATION LETTER (PIL)

Letter No. 11/1234

May XX, 1977

Dear Mr. _____

This letter authorizes you to use the equivalent at this date of $24,444 to be made available from the Population Research and Development Project Agreement No. _____ for a developmental railway station family planning clinic and information center in ten sites throughout Pakistan.

USAID understands that the Population Planning Division (PPD), in an effort to further expand the accessibility of contraceptive services and family planning information, has initiated a model services and information center for use within ten railroad stations administered by Pakistan Railways. The project will be administered jointly between the PPD and Pakistan Railways. Family planning services will be supervised technically by the Deputy Director of Pakistan Railways' Medical Services Division. Railroad stations selected for this demonstration and developmental activity are located in Karachi (XXXXX Station), Hyderabad (XXXXX Station), Lahore (XXXXX Station), Rawalpindi (XXXXX Station), Peshawar (XXXXX Station), Quetta (XXXXX Station), _____, _____, _____, and _____. Specific services provided will include the provision of oral contraceptives, condoms, foam and referrals/information for vasectomy and tubectomy. All contraceptives will be sold at prevailing prices established by the PPD.

USAID understands that this activity will include training of personnel, provision of services and a modest project evaluation component. Following 11 months of services, the PPD and Pakistan Railways will prepare for and conduct a review of the outcome of this activity and assess the appropriateness of further extension of this concept under the long term financial support of the PPD. Measures of outcome in the evaluation will include but not be limited to:

- number of visits by potential _____ clients
- number of new acceptors by contraceptive type
- amounts of contraceptives distributed
- project costs per new acceptor
- time trends of project potential clients, new acceptors and referrals.

USAID understands that Pakistan Railways will provide space for the family planning services booth within each station. Personnel will be hired locally to staff each service booth no less than twelve hours per day for seven days per week.

Based on the budget provided as Attachment A, we agree that a fixed fee of Rs. 242,000 is a reasonable fee for this contract. Funds for the contract may be disbursed as provided for in our agreed upon standard contract.

We further understand that the project is expected to begin in July 1977, will require one month for preparation and staff training, will provide services in August 1977 and will be reviewed by June 1978 to insure timely transition to continued PPD financed services in the event that the results are satisfactory.

In that these funds are provided by USAID the expenditures and records are subject to audit by the U.S. Government. The PPD, by its signature below, agrees to utilize the separate account established for this project for receipt and disbursement of the funds and maintain financial records in accordance with accounting standards acceptable to USAID. A complete financial report and five copies of the evaluation report shall be submitted to USAID within 45 days of the completion of this project.

If you agree with the description of the activities outlined and the financial procedures presented above, please sign and return to USAID one copy of this letter. The co-signed letter plus a copy of the executed contract will represent sufficient authority for USAID to allocate an amount of $24,444 to be reimbursed to the Government of Pakistan as you expend funds under the terms of the contract.

USAID takes this opportunity to extend our best wishes for this important supplemental activity to the overall program of the Pakistan Population Planning Division.

Sincerely,

Assistant Director
Capital Development & Engineering

Clearances:
AD/PHN _____
PRO _____
AD/C _____
RLA _____

Drafted by: C/PP&RD

Example

Attachment A

Budget: PPD/Pakistan Railway System
Development Services Project

			Total
A.	Personnel Stipends		
	1. Project Director, Rs.600/month x 12	Rs. 7,200	
	2. Dy. Director cum Training Officer Rs.500/month x 12 months	6,000	
	3. Research & Evaluation Officer Rs.500/month x 12 months	6,000	
	4. Information Officer Rs.500/month x 12 months	6,000	
			Rs.25,200
	5. Station Clinics Directors, 10 persons Rs.400/month x 12 months	48,000	
	6. Station Clinic Asst.Directors, 20 persons Rs.300/month x 12 months	72,000	
	7. Clinic aides, 20 persons, Rs.200/month x 12 mo.	48,000	168,000
			(193,200)
B.	Contraceptive Supplies to be provided by PPD at no cost *		
C.	Clinic Booth construction 10 Booths @ Rs.1500 each		15,000
D.	Travel and Per Diem		
	1. Railroad travel provided by Pakistan Railways		
	2. Per diem: 15 person days per quarter/ clinic at Rs.40/day		24,000
E.	Training		
	Lectures fees (outside consultants), materials	5,000	
	Per diem requirements of Training Officer 7 days/site @ Rs.40/day	2,800	7,800
F.	Journals, registers, notebook and forms Rs.200 per clinic		2,000
			Rs.242,000
			($24,444.00)

* Proceeds from sales of contraceptives to be returned to PPD.

Example

FINANCIAL REVIEW

This project, the first in a series of sub-projects under the Population Research and Development Project, seeks to explore an additional channel to improve availability and accessibility of contraceptives to the populace. While some might argue that common sense dictates that this delivery system should be implemented nationwide without a trial basis, the Pakistan Population Planning Division believes strongly that the concept should be tested before major commitments of human energies and finances. Hence funds from the Population Research and Development Project are being used for their intended purposes: to underwrite those activities deemed of high risk, yet of high potential impact for the national population program.

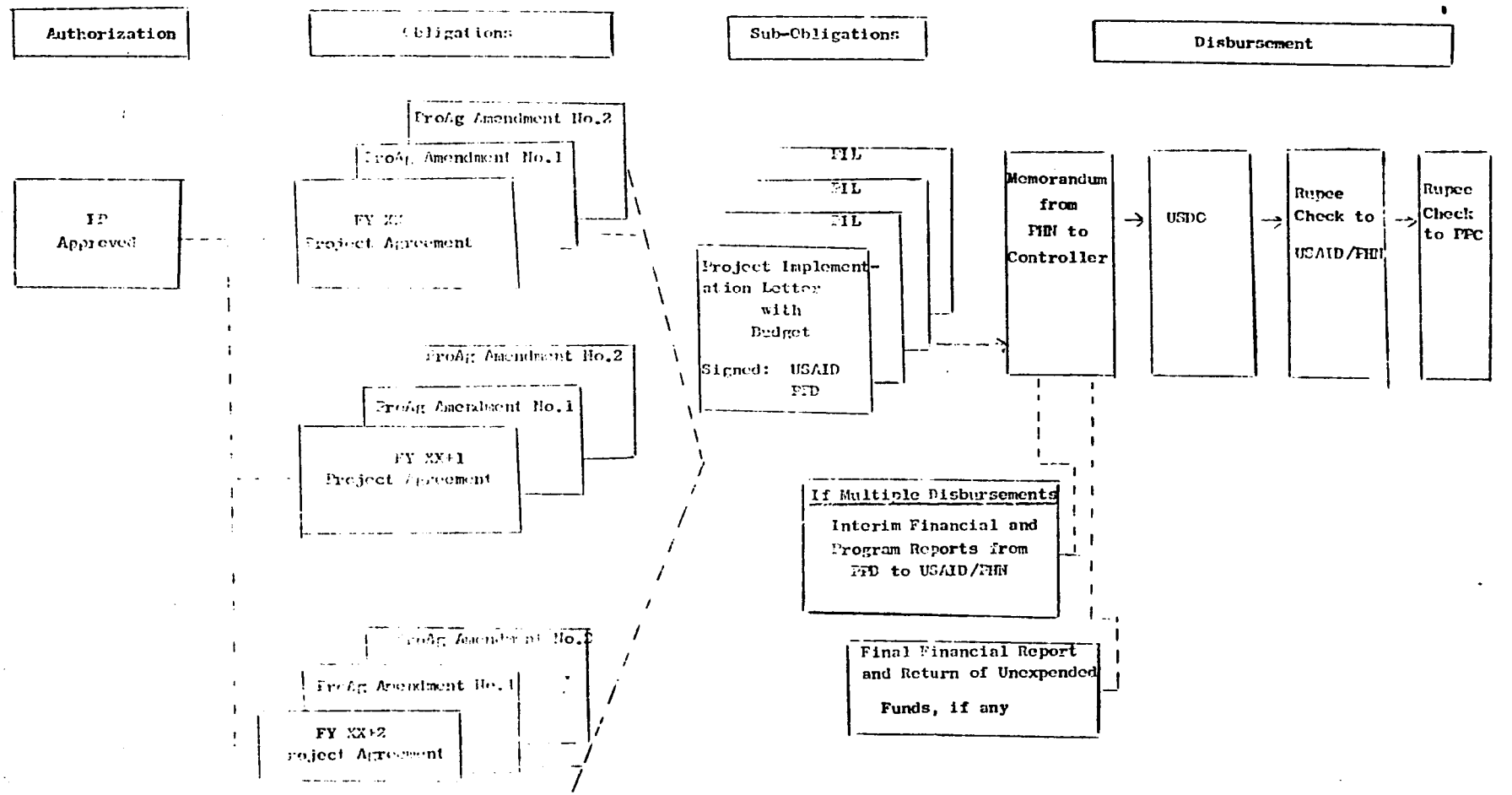
The stipends provided personnel are consistent with those provided by the Pakistan Population Planning Division for similar action programs. Stipends provided the railway station clinic personnel have been reviewed by USAID, the PPD and Pakistan Railways and are judged to be at a level competitive with wage scales for the skill categories.

As can be noted from the Letter of Agreement the contraceptives are provided at no charge from PPD and supervisory travel and other necessary travel of project personnel are being provided at no cost by Pakistan Railways. Per diem rates are compatible with those established in the Pakistan Government Personnel Regulations.

Other costs associated with this project are modest and in our judgment are consistent with market prices and reasonable requirements.

In summary we believe the financial requirements of this sub-project are reasonable at an annual cost of approximately $2,444 per station clinic excluding rail transport and the costs of contraceptives. Of considerable significance, this activity brings Pakistan Railways into the population program and establishes with the PPD a precedent to explore complementary service delivery systems for improving contraceptive accessibility.

FLOW DIAGRAM FOR ADMINISTRATIVE MANAGEMENT
OF POPULATION R&D PROJECT



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ANNEX H

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT REVIEW PAPER FACESHEET

1. TRANSACTION CODE: 4 (A ADD, C CHANGE, D DELETE)

2. DOCUMENT CODE: PRP 2

3. COUNTRY/ENTITY: PAKISTAN

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 digits): 391-4110

6. BUREAU/OFFICE: A. SYMBOL: ASIA; B. CODE: 2

7. PROJECT TITLE (Maximum 40 characters): POPULATION GRANTS

8. PROPOSED NEXT DOCUMENT: A. 3 PP; B. DATE MM 07 YY 76

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION: A. INITIAL FY 77; B. FINAL FY

10. ESTIMATED COSTS ($000 OR EQUIVALENT $1 -)

A. FUNDING SOURCE	FIRST FY B. FX	FIRST FY C. L/C	FIRST FY D. TOTAL	LIFE OF PROJECT E. FX	LIFE OF PROJECT F. L/C	LIFE OF PROJECT G. TOTAL
AID APPROPRIATED TOTAL	155	1,845	2,000	155	1,845	2,000
(GRANT)	(155)	(1,845)	(2,000)	(155)	(1,845)	(2,000)
(LOAN)	( )	( )	( )	( )	( )	( )
OTHER U.S. 1.						
OTHER U.S. 2.						
HOST COUNTRY		3,000	3,000		3,000	3,000
OTHER DONOR(S)	475	525	1,000	475	525	1,000
TOTALS	630	5,370	6,000	630	5,370	6,000

11. PROPOSED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. FIRST FY 77 F. GRANT	E. FIRST FY 77 G. LOAN	LIFE OF PROJECT H. GRANT	LIFE OF PROJECT I. LOAN
(1) PH	301	420		2,000		2,000	
(2)							
(3)							
(4)							
			TOTAL	2,000		2,000	

12. PROJECT PURPOSE (Maximum 480 characters) "X" IF DIFFERENT FROM PID

Selectively enlist the support of major employers, village organizations, public and private research organizations, and enlightened citizens in the development and implementation of well-planned, innovative programs to encourage small families.

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15? IF YES, ATTACH CHANGED PID FACE SHEET.

1 (1 - NO, 2 - YES)

14. PLANNING RESOURCE REQUIREMENTS (Staff/Funds)

3 man-months of TDY assistance - $13,800

15. ORIGINATING OFFICE CLEARANCE

SIGNATURE: Steven W. Sinding

TITLE: Chief, Population Policy and Research Division

DATE SIGNED: MM 11 DD 10 YY 75

16. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-3 (3-76)

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APPENDIX A

POTENTIAL POPULATION R & D SUB-PROJECTS

The material in this Appendix is generally intended to be illustrative. However, several of the sub-projects listed below are considered likely to be implemented during the first year of the project (e.g. "Maximised Household Distribution Project"). The projects and project ideas are presented here according to the three broad types of activity outlined in Section II.B.

TYPE A: Action Research and Experiments in Addition to Family Planning

1. An Individual Incentive Program for Fertility Control

Introduction and Specific Aims:

The purpose of this proposal is to permit implementation of a pilot project to explore the value of an incentive program for population limitation in Pakistan.

The present proposal, based on principles of behavioral modification, has three goals: (1) to decrease the number of children participants give birth to during the time of the project and to further decrease their fertility during their lifetime through education and contraceptive experience gained while participating in the project: (2) to condition a favorable attitude toward contraception and family planning: (3) to induce a larger number of women to participate in contraceptive practice by offering immediate reward.

The Program: A pilot incentive program will be initiated in a single rural area of Pakistan which has a population sufficient to yield the target population. The target population will consist of 1,000 married women under the age of 30 with a minimum of two living children, the youngest of which is at least one year old. Every woman in this category living in the chosen catchment area will be invited to participate in this program. To join the program eligible women must present themselves to the project team at the rural health center designated as project headquarters (PHQ). Each eligible woman will be informed of the nature and purpose of the program. Ten rupees per month will be offered to each woman who presents herself at the clinic monthly and who has a negative pregnancy test at the time of her visit. Contraceptives (pills, condoms, IUD's) will be available at the clinic through the project's Family Welfare Visitor.

An educational program will be offered to all women waiting to be seen in the clinic whether or not they join this project. The educational program will include daily presentation and discussions of the goals and benefits of family planning, female conception and physiology, infant and child care and feeding, healthful cooking, care of food, advantages of breast feeding, hygiene and sanitation. Records will be kept of pregnancy status of each participant on every visit. Yearly followups will ascertain pregnancy status of women who have dropped the program or who initially refused to participate. Results will be compared with current and projected reproductive rate for that district and for districts of similar composition in Pakistan.

Detailed Plan: Prior to initiating the incentive program in the chosen region, discussions will be held with local community leaders including elected officials, school teachers, religious leaders and women's groups. The economic impact of transferring a possible Rs.120,000 into the region will be discussed in terms of village needs and services. Collaboration will be established with existing rural health center director and maternal-child health (MCH) personnel. A rural Family Welfare Clinic (FWC) will be chosen which has space for this project team and for setting up a project diagnostic laboratory.

Previous inspection of many rural health centers and FWCs suggests that the single extra room and bench space in the routine diagnostic laboratory required for this project will be readily available in most clinics without need for construction of any new facilities. The records of the local Population Planning office will serve as the resource for identifying and contacting the target population. When agreement and collaboration of the leaders of the target area have been obtained, all women in the target population will be invited to join the program. They will be contacted by radio announcement, by posters in bazaars, by individual visits already being made by motivators of the current program, and during visits made by potential participants to the FWC for routine health care.

Participants will be told the following: The Government of Pakistan and other developing countries cannot proceed rapidly with economic development, improvement of health education, or increasing standard of living for its people as long as the population continues to grow so rapidly. Many programs have been tried to limit population growth. This is a new plan which will be tried in this village or group of villages, and which, if successful, may then be tried all over Pakistan and in other countries. No family will be forced to join this plan. Only married women under the age of 30 with two living children, the youngest of whom is at least one year of age, may join the program. Sterilized women or women whose husbands have been sterilized will not be accepted. District

boundaries will be defined and women from outside the district catchment area will not be accepted in the program. (This is to avoid inundation of the area with women already practicing contraception in other districts, and whose participation in this program would give a false indication of the positive effect of the program). Each woman eligible for the program who joins can collect Rs.10 each month if she reports to the project team at the FWC and has a negative pregnancy test. Contraceptives of her choice will be available at the health center and may be obtained free of charge at the time of her visit. No one can collect the payment for the female in question. If she is unable to come on the exact date every month, she may still collect her monthly payment on any regular clinic date thereafter up to three months after her last visit. If two or three months expire between visits and her pregnancy test continues negative, 20 or 30 rupees may be paid. In the case of a longer than one month interval between visits, however, payment must await testing on the date of visit. For all other women, i.e., those reporting at the end of one month, payment will be made on the basis of the pregnancy test made on the previous visit (this will obviate the necessity of long waits for testing for the majority of women reporting).

If 1,000 women are successfully recruited for the project and are seen on 20 working days a month, 50 women a day or 250 women per week will appear in the clinic. Educational activities will take place in the waiting area of the clinic where all women waiting to be seen can be addressed as a group by the project educator. Serious efforts to turn such sessions into group question,answer and reinforcement sessions will be made. Women (and men) not eligible for the program will also be welcome to participate in this educative phase of the project. In addition to family planning information, including the specifics of this project, general education regarding diet, water, sanitation, cooking, shopping, money management and schools will be discussed. Group participation will be actively sought in all such discussions.

Women will be called from the waiting area to be seen first by the receptionist who will be a specially trained family planning worker, recruited if possible from the district. This individual will explain the program again as necessary, take a brief initial history, record name, age, address, parity, marriage duration, number and age of living children, husband's work and income. This record card will be attached to the forms on which laboratory results and payments will be recorded. On her initial visit to the clinic each woman will be seen by the Family Welfare Visitor (FWV) for routine physical checkup (blood pressure, heart, chest) and historical evaluation of current children's health. The various means for contraception will be offered, explained, discussed and a two-months' supply provided. On subsequent visits each woman will be

seen only by the receptionist who will take a brief interval history to determine whether any problems have occurred with the contraceptive in use, will find the report of the last blood pregnancy test, pay eligible women Rs.10 and send them to the laboratory for testing. If no problems have been encountered with the contraceptive in use, the receptionist can supply contraceptive (pills, condoms) refills. The participant will then be free to leave the clinic, or if she prefers, remain for the education program. If any medical problems have arisen for herself or her children since her last visit, the receptionist will refer the patient to the closest physician. Each woman who joins the program will receive a numbered ID card with 12 punches, each labeled by name of month. A duplicate card will be kept on the file at the clinic, stapled to laboratory and demographic data and will be available to the receptionist at the time of each woman's monthly visit. On the first visit a pregnancy test will be taken and each woman will be paid 5 rupees for her participation. At each subsequent monthly visit each woman will be paid Rs.10 if the test on the previous visit was negative. The cards will be punched at appropriate months of each payment. If two or three months pass between visits, two or three punches will be made and the appropriate number of rupees paid to the participant. When the card is punched for the last (12th) time, an extra payment of Rs.10 will be given and a new card will be issued on which Rs.12 will be given per punch for the second year of the study. During the third year of the study Rs.15 per punch will be delivered to participants. A record of periodic health visits for mother and her children will be kept with the mother's incentive card. This will include immunization records, well baby and child checkups for her other children and for herself. This information will be periodically reviewed by the project educator to assure that living children are receiving appropriate protection. Health examinations for these children with the LHV or clinic physician will be scheduled twice a year until the child is five years old, then once yearly.

Estimated time schedule for passing through clinic: Time with receptionist (who finds the incentive card and maternal-child health record), pays Rs.10, give 1-2 month pill supply and sends client to the laboratory or lady health visitor (LHV, nurse or M.D.) when necessary: five minutes. Time for urine collection: two minutes. This will be done only at clinic. Time with health team: five minutes (average, i.e., approximately 50% of the time no visit will be made and on another 50% a ten-minute visit is projected for immunization, I.U.D., child examination or a checkup of mother's health needs). Total individual contract time per client equals 12 minutes. Waiting time with educational exposure, one hour.

2. Variations on the Individual Incentive Program for Fertility Control

While the project described in some (preliminary) detail above may be initiated essentially as it stands, it is possible to conceive of a number of additional projects representing variations on the theme. For example:

(a) A variation in which several areas are compared and in which the size of the incentive payment is varied, with a control area.

(b) A variation in which full MCH services are offered in two clinics, one of which offers incentives while the other does not.

(c) A variation in which the service points are rural health clinics rather than Family Welfare Clinics.

3. Community Benefits Experimentation

Under the auspices of the Ford Foundation, a community benefits experiment is likely to be launched this year to examine the effect of a reward offered as an incentive to a community as a whole (e.g. a village) based on levels of continuous contraceptive use. The Population Research and Development project could offer funds either to enlarge the scope of this experiment (Ford has proferred $25,000) or to replicate it while altering some of the variables (e.g. the size of benefits paid, demographic change rather than contraceptive use rates, urban rather than rural communities).

4. Community Benefits (Pre-paid Health Service Scheme)

This project rewards participating women and the community-at-large, for the efforts of these women to limit their fertility. The reward is in the form of money deposited in a community account and earmarked for provision of health services. Because the entire community will benefit, it is hypothesized that social pressure to limit fertility will come into play. This assumes, of course, that health services are a highly valued commodity. Recent evidence from rural India suggests that this is indeed the case.

Community incentives could be established for the purchase and maintenance of a piece of equipment, road construction, electrification, or other projects. The key would be that funding would be dependent upon contributions made for not becoming pregnant (age/parity differences in payments). The project would be one based on the contribution of the participating women, rather than that of a few wealthy landowners.

Brief Project Description

(a) A contribution is made each month to a community health fund for each eligible woman who remains non-pregnant. This money is used to staff and equip the center and to buy drugs.

(b) Although others in the community would be able to use the service, financial support would be based on the performance of the enrolled married women of reproductive age.

(c) Management of the project would be the responsibility of a local health committee which would manage the fund, hire and supervise the personnel, and arrange for and maintain the facility. Pregnancy verification would be done each month, following which a deposit would be made in the community health account for each participant who remained non-pregnant.

(d) Front-end funds sufficient to obtain a facility, acquire a 3-month supply of drugs, and 3 month's salary for staff would be provided to the participating community. Equipment would be provided on credit, to be re-paid without interest within 6 months or be repossessed.

(e) Services: These would be based on an assessment of the community's health needs, but would probably include the following:

preventive

-- weighing and measuring infants and children to identify malnutrition
-- provision of malaria suppressants
-- micro-nutrient supplements to pregnant/lactating mothers
-- family planning services
-- health/nutrition education
-- immunizations

curative

-- rehydration service
-- passive case detection and treatment of malaria with chloroquine
-- treatment for dysentery, typhoid, and hepatitis.

(f) Evaluation: An experimental design could be employed. In addition to the experimental community, a second community could be selected, controlling for such factors as size, socio-economic characteristics, and current levels of mortality, fertility, and contraceptive use. Baseline and subsequent data regarding key variables could be collected and the impact of the treatment isolated through multivariate analysis.

Cost is another important component of evaluation. In order to determine feasibility for replicating such an experiment on a broader scale, measures such as cost per couple-year of protection and births averted will be calculated. Cost information will consist only of the direct payments made to the community. Shadow costs are not expected to be significant as no additional subsidies are anticipated. Pregnancy data obtained monthly will provide the information needed to derive the denominator for the cost measures.

5. Segmentation of Target Population for Family Planning Services

The literature suggests that differential fertility is often associated with differences in social and economic conditions. Factors such as income, income distribution, female education and employment, and infant mortality are among the variables which seem to explain observed differences in fertility. These observations suggest that differences in the level of receptivity to the use of modern contraception may exist among various sub-groups within the population. This sub-project would attempt to explore the extent to which this differential in receptivity exists, through an action-research project.

The hypothesis to be tested is as follows:

H: A greater demographic impact can be obtained for a given level of expenditure if services are directed toward sub-groups that are characterized by higher levels of socio-economic development.

It should be noted that the supply of basic contraceptive services would continue to be available to all SES groups, regardless of the findings of this study. This project would test, however, the hypothesis that the intensive use of resources among low SES groups will not result in significant increases in contraceptive use because the conditions which operate to determine family size desires have not been altered.

Methodology

Four sub-groups will be observed. Baseline and follow-up surveys of the prevalence of contraceptive use will be used to assess the change in levels of acceptance.

Description of sub-groups

Sub-group A - population exhibits higher average levels of the proxies for development (modernization) than sub-groups C and D. An intensive family planning campaign is applied for a period of six months.

Sub-group B - exhibits the same level of development, as measured by the selected indicators, as sub-group A. Routine family planning program continues uninterrupted.

Sub-group C - population with significantly lower level of development subjected to six months intensive campaign, as with sub-group A.

Sub-group D - same population characteristics as group C. The routine family planning program continues uninterrupted.

experimental matrix

high SES intensive program A	high SES routine program B
low SES intensive program C	low SES routine program D

Methodology and Data Requirements

(a) Socio-economic status indicators disaggregated to the tehsil, block (circle), or district level.

(b) Most recent "prevalence of contraceptive use" data for the experimental and control areas.

(c) Program inputs made in all four areas during the year prior to the study.

(d) Program inputs made into all four areas will have to be carefully quantified during the period of observation.

for example: number/type of personnel
hours worked/type of activity
worker salary
contraceptive supply
A/V equipment available
transportation available

Program inputs will be matched for sub-groups A and C, and for sub-groups B and D. The treatment will consist of variation in the intensity of resources (such as those above) used in the project.

The following represents a list only of titles of other possible Type A sub-projects:

6. Individual incentives in differentiated groups (civil servants, organized labor, the military).

7. Individual disincentives in differentiated groups (civil servants, white collar employees in the private sector, employees of nationalized industries) covering maternity benefits, housing allowances, educational allowances, leave policy, etc.

8. Experimentation in the integration of rural health and family planning services delivery, utilizing existing health and family planning physical facilities.

9. Experimentation in the provision of infant weaning foods and maternal and child nutritional food supplements at Family Welfare Clinics to discover their effect on family planning acceptor rates.

TYPE B: Action Research and Experiments in Family Planning

1. Maximized Household Contraceptive Distribution

Project Purpose

The purpose of this project is to measure the long-term effect of providing free four month initial contraceptive supplies to eligible households, to measure the effect of charging a small price for the initial supply of contraceptives, to discover the maximum potential acceptor rate that could be achieved by specific variations on the Continuous Motivation System of house-to-house distribution, and to measure the project costs in each of the variations of the maximized house-to-house distribution project.

This proposed maximized distribution project assumes that there is a latent demand for contraceptives that is being constrained by lack of easy accessibility to contraceptive supplies. This is hypothesized particularly to be the case in rural Pakistan where the mobility of female adults is severely limited even for medical care services. It is not assumed that receivers of contraceptives will immediately use them. Rather it is hypothesized that the mere presence of contraceptives in the household will contribute to a near future decision to engage in birth planning.

Project Design

The study will consist of three treatment areas with similar socio-economic conditions in one province. Each area will consist of approximately 1000 households. Within the treatment areas, two modifications on the CMS system will be explored: the cost of the initial supply of contraceptives and the criteria for receipt of contraceptives. The quantity of contraceptives supplied will assure coverage until the next fieldworker visit.

In Treatment Area A, a free four-month supply of condoms and oral contraceptives will be left with each household containing a fertile couple willing to accept the contraceptives. The four-month supply is provided to ensure availability until the next field worker visit. The availability of the IUD and sterilization will also be discussed. If the wife is currently pregnant or within three months of the post-partum period, the couple will be instructed to wait until three months post-partum before using the oral contraceptives or condoms. A fertile couple will be defined as one having a menstruating wife. (This definition differs from the CMS program definition of an eligible couple, yet is a simpler guideline for field work). The receiving household will be instructed that continuing contraceptive supplies will be available at Government designated prices of Rs.0.25 per month's supply oral contraceptives and Rs.0.50 per dozen condoms through either the field worker who will visit every third month or through nearby shops. In this Treatment Area, the charges associated with the initial supply of contraceptives, the eligibility for provision of contraceptives, and the amount of contraceptives initially left within the household differ from CMS guidelines.

In Treatment Area B a four month supply of contraceptives free of charge will be provided to all eligible households with a menstruating woman which express willingness to initiate contraceptive use. The availability of the IUD and sterilization will be reviewed. Obviously, if the woman is pregnant the initiation of contraceptive use must wait until the post-partum period. The fieldworker will instruct the household that subsequent contraceptives will be provided at Government designated prices through the fieldworker visit each third month or at retail shops. In this Treatment Area, the availability of the larger initial supply of contraceptives at no cost to new acceptors is the distinguishing feature compared with the CMS program.

In Treatment Area C, up to three - four month supply of contraceptives and appropriate family planning information will be provided to accepting couples using CMS criteria for eligibility and contraceptive costs. The couple will be encouraged to buy sufficient contraceptives

for use until the next scheduled field worker visit. In theory this Treatment Area mirrors the CMS program under the most ideal circumstances of regular visits, appropriate fieldworker training and sound supervision. Like the CMS program, continuing supplies for this Treatment Area will be provided at Government designated prices through fieldworkers during their visit every third month and through retail shops.

In summary, Treatment Area C is the idealized CMS approach; Treatment Area B removes the cost of initial contraceptive supply to new acceptors and Treatment Area A broadens the provision of initial no-cost contraceptives to include both initial new contraceptive users and those willing to receive yet possibly reluctant to begin using contraceptives at that point in time. In all areas, a larger initial supply is provided than was provided in the CMS program. The Treatment Areas are diagrammed below:

		Cost of Initial Supply of Contraceptives	
		Free	Rs.0.25/month (orals) Rs.0.50/month(condoms) Requirement
Receivers of Initial Supply of Contra-ceptives	All Fertile Couples	Area A	
	Only Fertile Couples Willing to Become New Acceptors	Area B	Area C

Note: Treatment Area C could be dropped if the project staff believe that either current program data or the Sialkot experiment provides sufficient data for evaluating the maximum outcome of the ideal CMS program.

A modification of this proposal would be to add free vitamin supplements to all contraceptive supply receivers. In this case Treatment Area C should definitely be included in the experiment. That clients may confuse the vitamins with the oral contraceptives is a serious disadvantage of this alternative.

An alternative modification of the delivery system experiment would be to increase the price of condoms for continuing acceptors from Rs.0.50 per dozen (current price) to Rs.1.00 per dozen. This would be in

a separate treatment area where the initial supplies are supplied free or at current prices. The inclusion of a treatment area with increased condom prices for continuing acceptors would test the hypothesis that the demand for condoms is price inelastic. If so the higher prices would create a more economically self-sufficient program without decreasing accessibility to condom use. An increased demand for condoms with an increased price would suggest that price and quality or desire are more closely related than currently recognized.

This price differential might also improve the attractiveness of the lowered price oral contraceptives (still at Rs.0.25 per monthly cycle) and decrease possible misuse of condom supplies.

A difficult feature of this alternative is controlling the increased condom prices. Retail shops as well as fieldworkers must be fully advised. Allowing the fieldworkers and the retail shops to keep a significant portion of the profit margin might insure that the price of Rs.1.00 per dozen is maintained for continuing users in the field area. Immediate and significant criticism by continuing acceptors against the price increase may preclude the continuation of this portion of the experiment, but would provide some evidence that the demand for condoms is not price inelastic.

Using maps previously in use by the CMS program, the fieldworkers will visit each household containing a menstruating woman every three months. In the initial canvassing, the current client records will be updated. In addition the fieldworker will also obtain data regarding functional literacy of the wife, pregnancy status, menstruation status, lactation status, and child mortality experience. On subsequent visits, each fertile household record will be updated as to OB/GYN status and contraceptive use. On a random sample basis field investigators will be used to corroborate household visits and data collected by the fieldworker.

Note: The final decision regarding the required number of fieldworkers in each Treatment Area should consider CMS experience, the Sialkot experience, and pragmatic judgments of travel and transportation constraints within the study areas. Tentatively, it would appear that the CMS criterion of one fieldworker or FMT for each 1000 eligible household (i.e. one fieldworker visiting 15 eligible household/per day for 24 days per month (15 x 24 x 3 = 1080)) may be feasible for the general program. However, the extra burdens of data collection dictate that 2-3 fieldworkers per 1000 households are necessary.

Field Staff Selection

In addition to selecting treatment areas of similar socio-economic level, the selected areas will also consist of those from which the female fieldworker(s) originate or in which they live. While it is recognized that this feature may not be replicated nationwide, the intent of this study is to demonstrate maximum contraceptive use impact under optimal conditions.

Fieldworkers will not be provided additional monetary incentives beyond those currently provided by the Government program. However, all efforts will be made to enhance the level of job commitment through refresher course training and an appropriately sensitized supervisor, the Family Welfare Visitor.

Field Staff Training

Refresher training courses of 2-3 days duration will review the purpose of the project, contraceptive use, medical/psychological supportive management of complications, and record keeping. Particular emphasis on appropriate methods to provide clients psychological support in anticipation of possible oral contraceptive side-effects will be provided. The fieldworkers will be instructed to leave simple written materials regarding the management of possible oral contraceptive side-effects. Fieldworkers will be instructed to enhance appropriate contraceptive use by explaining the methods to as many adult members within a household as is possible. Sample contraceptives will be opened, condoms removed from packages and oral contraceptives punched from the foil pack to further clarify correct methods of use.

Data Management

Special forms for the household convassing rounds will be designed, pretested, and modified as necessary prior to field use. Forms will be designed for ready key-punching. Data processing will be done by computer.

For control and analysis of contraceptive stock at the field level, the current ISCM forms will be utilized.

Implementation Schedule

The project is designed to provide up to six rounds of convassing in each of the treatment areas. If preliminary results suggest impossible

constraints, the project will be terminated following the completion of a canvassing round. If results are promising at the end of the third round, the project managers may consider extension of the project for two full years of implementation (eight rounds). Four months are scheduled for project preparation, form design and pretesting, site selection, training and further refinement of procedures. Three months are provided for final analysis, report writing, publication of results and distribution of results. Following the preliminary analysis of each round of canvassing, USAID, PPD and the project staff will meet jointly to review progress and problems encountered.

Project Evaluation

The following table titles are illustrative of the comparisons and measures of project outcome:

-- Contraceptive use prevalence and percentage change before and after maximized distribution project by contraceptive type and field area.

-- Fertility status of all women, before and after each round: pregnant, less than three months post-partum, lactating and ammenorrheic, lactating/non-lactating and menstruating, by field area.

-- Contraceptive use prevalence by lactation status and field area.

-- Contraceptive use prevalence by median age, median number of living children, child mortality experience and field area.

-- Contraceptive receiver rate and contraceptive use prevalence by functional literacy level and field area.

-- Percentage households of all eligible households accepting supplies by field area, by pregnancy/lactation status and child mortality experience.

-- Median age, median number of living children, pregnancy/lactation status and child mortality experience of non-receivers of contraceptive distribution by field area.

-- Percentage discontinuation of all initial users by reason and field area.

-- Percentage of incorrect contraceptive use by functional literacy status and by field area.

-- Field area-specific project costs per all receiving households, per all acceptors, per current users, per current household distribution project supplied user, and marginal cost of additional current users.

-- Attitudes of female motivators and supervisors regarding project design, implementation procedures and outcome, by field area.

2. Pakistan Railways Family Planning Services Scheme

This scheme is described in some detail in the draft Project Implementation Letter and attachments, to be found in Annex G.

3. Additional Family Planning Services Delivery through the Institutionalized Sector

DPIRC and USAID have been discussing the desirability of enlisting the support of other public and private institutions in the delivery of family planning services to their employees and clients. Under the Population R & D project, such institutions will be approached with the offer of financial and technical assistance from the Population Planning Division in return for their willingness to participate in a wide variety of schemes to increase the use of contraception among sub-groups of the population. Approaches will be made to such institutions as the three branches of the military, major labor unions and trade union federations, the civilian armed forces, Pakistan International Airlines, textile companies and other major industrial employers, the Karachi Port Authority, private and nationalized insurance companies and banks, the Pakistan Public Service Commission and various departments of the Federal and Provincial Governments, etc.

A wide variety of different approaches will be tested and in each case evaluated through the employment of simple data collection and evaluation procedures which can be carried out by the participating organizations and verified by the staff of the DPIRC. Successful trials can then be followed up with more permanent resource transfers from the Population Planning Division to the participating organizations for the more permanent provision of such services.

4. Experimentation in the Employment of Influential Village Women as Motivators and Depot Holders

The Population Planning Division intends to use influential village women who are satisfied current users of contraception as motivators and custodians of resupply depots throughout the country. The Population

Research and Development Project is an ideal vehicle for testing alternative methods of carrying out such a scheme. Different levels and types of payment to such workers could be tried out (e.g. sales commissions vs. retainer salaries, or a combination of both). Different price levels for contraceptives (including free distribution) could be examined. It would be possible to experiment with record keeping systems to measure the stock positions and flows of contraceptives and to follow the contraceptive behavior of all clients.

5. Integrated Health/Family Planning Initial Supply Scheme

Modeled on West Java's experimental STMK system, this pilot project would attempt to examine the feasibility and effectiveness of using combined family planning/health worker teams in the initial supply of contraceptives to potential clients. The system would work through two-person teams composed of a well-trained female motivator and an equally well-trained rural health worker. The teams would convene meetings of women in various villages of Pakistan and would give basic informational programs on health and family planning. These information activities would be immediately followed up by simple physical examinations of volunteer clients and the prescription of a two month supply of contraceptives (normally orals unless the physical examination reveals a contraindication for orals). The teams would revisit the test villages after intervals of one month, two months, four months, and six months in order to monitor continuation rates, deal with side-effects, prescribe alternative methods (including referrals to clinics for IUD insertions), and reinforce the continuing practice of contraception.

6. Experimentation in the Commercial Distribution and Marketing of Contraceptives

The Population Planning Division intends to embark this year on a nationwide commercial marketing and distribution scheme for orals and condoms. Under the Population Research and Development Project, two types of research can be contemplated. First, the project could underwrite the costs of continuous evaluation of the Government's scheme by employing a public or private research organization to monitor the flows of contraceptives and the sales levels at the retail level through a sample of retail outlets. Second, the Project could be used to support experiments which would study ways of improving the national program. For example, studies of contraceptive pricing could be undertaken in selected areas. Experimentation with alternative packaging could be tried. And alternative publicity campaigns and point-of-sale materials could be pilot tested in selected locations.

Other areas of possible family planning research and development

activity might be:

7. Formal and informal population education experiments.

8. Experimentation with the reintroduction of midwives (dais) into the program.

9. The use of incentives to shopkeeper/agents in the promotion and sale of non-prescription contraceptives.

10. Experimentation in the employment of traditional medical practitioners (hakeems) and homeopaths as motivators and contraceptive sales agents.

11. Experimentation with mail order schemes for condoms.

12. Experimentation with new "stimulative" condoms to measure acceptability/demand.

13. Pilot-testing of a fixed cost reimbursement formula for hospitals on the basis of numbers of sterilizations performed.

14. Utilization of existing informal associations such a female lottery clubs (baesis) for the introduction of family planning motivation and supply.

15. Research on the incidence of orals side-effects.

16. Attitudinal surveys of vasectomy and tubectomy acceptors.

17. Research on the cost-effectiveness of sterilization.

18. Attitudinal survey of young, low parity couples.

19. Conferences and seminars for opinion leadership groups: traditional religious leaders, geographically proximate groups of large land-owners, village headmen, elected local officials (after the reintroduction of Local Government), Deputy (District) Commissioners, etc.

20. Anthropological studies of such issues as attitudes toward sterilization, informal communications networks and their role in promoting/inhibiting the use of various types of contraceptive, sources of religious opposition of family planning, interspousal communication and its role in promoting/inhibiting the use of contraception, the role of the extended kinship system (beraderi) in family size decisions, the social, economic, and cultural value of children in urban and rural areas, etc.

TYPE C: Population Impact Analysis

This is a generic category which involves basic research on the determinants of fertility and the impact of socio-economic changes on fertility behavior. It is intended that the Population and Social Planning Section of the Planning Commission will sponsor such research at institutions like the Pakistan Institute of Development Economics to discover ways of altering public sector expenditures and other forms of resource utilization in order to increase the impact of development planning, programming and budgeting on fertility decline.

Specific studies will be mounted to search for specific interventions in the following sectors:

-- education
-- health
-- agriculture and rural development
-- housing
-- public works (e.g. electrification and potable water)
-- nutrition
-- labor and manpower

In order to carry out such research, existing data sources will be reanalyzed and new data now being generated will be examined. In addition, it may be necessary to carry out special purpose data gathering efforts through surveys and other techniques. Existing sources or those soon to be available include:

-- the Housing, Economic, and Demographic Survey (1973)
-- the Pakistan Fertility Survey (1975)
-- the Rawalpindi Multi-Purpose Household Survey (1977)
-- the (Proposed) National Multi-Purpose Household Survey
-- the Family Structure and Fertility Outcome Survey (1976-77)
-- the Client Record System (continuous)
-- the Contraceptive Prevalence Survey (semi-annual)
-- the Population Growth Survey (1968-71; 1976 and onward)
-- the Population Growth Estimation (proposed for 1977 or 1978)

Other, non-demographic data collected by the Ministries of Education, Agriculture, Health, Labor and Manpower, etc., as well as data collected by the Planning Commission itself will also be utilized.

Major variables to be studied include female education, female employment, infant and child mortality, incomes and perception of income adequacy, access or perceived access to family planning services/ contraception, maternal and child nutrition, the contribution of children to family income, male education and employment, age at marriage, etc.

Sophisticated methods of multivariate analysis and causal inference will be employed which may, in many cases, require the assistance of technical advisors to be provided either under this project or through other funding mechanisms or other donors. Specific hypotheses to be tested will be developed by the Population and Social Planning Section in close collaboration with members of the Project's Steering Committee and professional scholars at PIDE, other research and teaching institutions, and in other departments of the Government.

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, DSB

112p

FROM: PHA/POP: R.T. Ravenholt

SUBJECT: Approval of the Project Paper for the Pakistan Population Research and Development Project, 391-0411

Although a substantial effort has been made by the Government of Pakistan to reduce fertility, in demographic terms their program has not been successful. There has been relatively little change in the total fertility rate. The prevalence rate of contraceptive use is around six percent and appears to have risen very little since the late 1960's.

The point has been reached in Pakistan where policy makers have an understanding of the relationship between population variables and development objectives. The challenge now is to develop a better understanding of the determinants of fertility, thereby enabling policy makers to act upon their concern. This project will respond to that need by supporting efforts to (1) define and quantify the relationship between demographic variables and development programs more precisely, (2) develop methodologies for integrating population considerations into development planning and (3) identify new program approaches to bring about a direct reduction in fertility.

The purpose of this project is to selectively enlist the support of major employers, village organizations, public and private research organizations, and enlightened citizens in the development and implementation of well-planned, innovative programs to encourage small families.

The proposed grant will fund research and development projects designed to test a broad range of population planning innovations, and to support demographic research, which will assist the GOP in its efforts to find ways of accelerating the rate of fertility decline.

The project is for four years, 1978-1981, with total funding of $800,000. Funding will be in two tranches, $500,000 in FY 1978 and $300,000 in FY 1979. At the review on August 3, 1977 it was noted that the FY 1979 ABS showed an increase in funding; however, it was decided at the meeting that the project should be approved as originally submitted in the attached PP and funding could be increased by an amendment if needed at a later date.

The only issue is AID-financed individual incentives. Per your conversation with USAID/Pakistan Mission Director Richard Cashin when he was in Washington, the attached PP is being approved with the condition that AID financed individual incentives will not be included. However, incentives will be the subject of further discussions within the agency and a policy decision will be made on the incentives question.

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In the PP the Mission has requested a determination under provisions of Section 612(B) to permit certification of dollar payments in lieu of local currency. The issue of using U.S.-owned rupees was discussed by the Mission with the GOP and the Mission concluded that it would not be advisable to consider the use of rupees for this project. (See Islamabad 2748 attached for the Mission's analysis and justification for using dollars in lieu of U.S.-owned rupees.) Approval of the PP will represent a determination under provision of Section 612(B) to permit certification of dollar payment in lieu of local currency.

The nature of the project is such that technical expertise as well as knowledge of local conditions and practices must be an integral part of research and development activities. It is highly improbable that a U.S. firm would have or could obtain (within the cost and time constraints of this project) the knowledge of local conditions and practices necessary for the envisioned types of contracts (although qualifying U.S. entities are not ruled out). In addition, some service contracts may involve the procurement of service-related commodities. Therefore, a waiver of U.S. source restrictions is requested for services and commodities so that goods and services can be procured in Pakistan in addition to the U.S. Approval of the PP will represent concurrent approval of the source waiver.

Recommendation:

It is recommended that you approve the attached project paper by signing this action memorandum.

Approved: [signature]

Disapproved: _____

Date: 2-17-78

Clearances:

PHA/POP/ASIA: RELayton draft 11-3-77
PHA/POP/ASIA/NE: CJohnson draft 11-2-77
PHA/POP: RBacklund draft 11-2-77
ASIA/PN: RThompson [signature] 12-14-77
GC/TFHA: RCotten [signature]
PHA/PROG: BRoche [signature] 12-1-77
PPC/DPRE: JWelty [signature] 12-15-77
A-AA/ASIA: MHAdler [signature] 12-31-78

Drafted by: PHA/POP/ASIA: CCromer 11-2-77
Redrafted: PHA/PROG: BRoche

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Initial Environmental Examination

Project Location: Pakistan

Project Title: Population Research and Development Project

Funding: (Fiscal Year and Amount): FY 78 - FY 79 $800,000

Life of Project: FY 78 - FY 81

IEE Preposed by: Charlotte Cromer

Date: September 6, 1977

Environmental Action Recommended:
It is recommended that this project receive a negative determination and that no additional environmental examinations be carried out on this project.

Concurrence:

Mission
See page 32 of PP submitted by Mission on June 6, 1977.

Assistant Administrator's

Decision: Date:

Contents of Initial Environmental Examination

I. Examination of Nature, Scope, and Magnitude of Environmental Imports.

Description of Project
The proposed grant project will fund a research and development project to design and test a broad range of population planning innovations, and to support demographic research, which will assist the Government of Pakistan in its efforts to find ways of accelerating the rate of fertility decline.

Identification and Evaluation of Environmental Imports
See attached Impact Identification and Evaluation Form.

II. Recommendation for Environmental Action

This project should receive a "Negative Recommendation" because it is a research project which will be confined to a small area.

The only impact on human environment is that related to social and cultural change brought about by the acceptance of family planning practices.

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IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-areas 1/	Impact Identi and Evalua
A. LAND USE	
1. Changing the character of the land through:	
a. Increasing the population	N
b. Extracting natural resources	N
c. Land clearing	N
d. Changing soil character	N
2. Altering natural defenses	N
3. Foreclosing important uses	N
4. Jeopardizing people or their works	N
5. Other factors	
_____	
_____	
B. WATER QUALITY	
1. Physical state of water	N
2. Chemical and biological states	N
3. Ecological balance	N
4. Other factors	
_____	
_____	

1/ See Explanatory Notes for this form.

2/ Use the following symbols:
N - No environmental impact
L - Little environmental impact
M - Moderate environmental impact
H - High environmental impact
U - Unknown environmental impact

August 1976

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IMPACT IDENTIFICATION AND EVALUATION FORM

C. ATMOSPHERIC

1. Air additives ---------- N
2. Air pollution ---------- N
3. Noise pollution ---------- N
4. Other factors

_____ ____

_____ ____

D. NATURAL RESOURCES

1. Diversion, altered use of water ---------- N
2. Irreversible, inefficient commitments ---------- N
3. Other factors

_____ ____

_____ ____

E. CULTURAL

1. Altering physical symbols ---------- N
2. Dilution of cultural traditions ---------- N
3. Other factors

_____ ____

_____ ____

F. SOCIOECONOMIC

1. Changes in economic/employment patterns ---------- N
2. Changes in population ---------- L
3. Changes in cultural patterns ---------- L
4. Other factors

_____ ____

_____ ____

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IMPACT IDENTIFICATION AND EVALUATION FORM

G. HEALTH

1. Changing a natural environment ---------- N

2. Eliminating an ecosystem element ---------- N

3. Other factors

_____ _____

_____ _____

H. GENERAL

1. International impacts ---------- N

2. Controversial impacts ---------- N

3. Larger program impacts ---------- N

4. Other factors

_____ _____

_____ _____

I. OTHER POSSIBLE IMPACTS (not listed above)

_____ _____

_____ _____

_____ _____

See attached Discussion of Impacts.

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Comments on Impact Identification

F. Socioeconomic

2. Change in Population
Since this project's target group is reproductive age women,we expect that family planning would be adopted which would lead to a reduction in the rate of population growth.

3. Changes in Cultural Patterns
Possibily there could be changes in cultural patterns which would develop over a period of time as a result of adoption of family planning methods.

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ACTION AID-59

INFO OCT-01 NEA-10 EB-08 IGA-02 L-03 SSO-00 ABF-01
/084 W

(Mike - Source with Nicholson should be familiar)

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O 220957Z MAR 77
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC IMMEDIATE 467

SECTION 1 OF 2 ISLAMABAD 2748

AIDAC

E.O. 11652: N/A
SUBJ: FAA SECTION 612 (B) CERTIFICATION REQUIREMENTS

REF: STATE 014566

SUMMARY: THE MISSION SUBMITS THE RATIONALE AND JUSTIFICATION FOR A SECTION 612 (B) DETERMINATION APPLICABLE TO ALL PROJECTS IN WHICH DOLLARS WILL BE USED FOR LOCAL COST FINANCING IN LIEU OF U.S. OWNED LOCAL CURRENCY. ACTION REQUESTED: AID/W CONCURRENCE IN MISSION ANALYSIS. END SUMMARY.

1. THE MISSION IS FIRMLY COMMITTED TO THE MAXIMUM UTILIZATION OF U.S. - OWNED EXCESS RUPEES. AS INDICATED IN PARA 5 BELOW, WE PLAN TO PROGRAM ALL AVAILABLE BALANCES (GENERATED BY PL 480 LOAN REPAYMENTS) BY THE END OF FY 78. FROM FY 79 ON, WE INTEND TO PROGRAM ANNUALLY ALL OF THE REPAYMENTS ACCRUING IN THAT YEAR.

2. CONCURRENT WITH OUR PROGRAMMING OF ALL AVAILABLE RUPEE BALANCES, WE BELIEVE THERE IS STRONG JUSTIFICATION IN PAKISTAN FOR THE USE OF DOLLARS AS WELL AS U.S. - OWNED EXCESS RUPEES TO FUND LOCAL COSTS. THE MAJOR THRUST OF AID ASSISTANCE IN PAKISTAN IN THE FORESEEABLE FUTURE WILL CONTINUE TO BE IN THE SOCIAL SECTORS FOR PROGRAMS AIMED DIRECTLY AT THE

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POOR MAJORITY. PROGRAMS ARE NOW BEING IMPLEMENTED OR ARE IN ADVANCED STAGES OF PLANNING IN BASIC HEALTH SERVICES, ON-FARM WATER MANAGEMENT, EXPANDED POPULATION PLANNING, RURAL ELECTRIFICATION, RURAL CLEAN WATER, RURAL ROADS AND PRIMARY EDUCATION. IN ALL OF THESE PROJECTS THE DIRECT FOREIGN EXCHANGE COMPONENT IS MINIMAL, BUT THE LIMITED REAL RESOURCES AVAILABLE TO PAKISTAN ARE A MAJOR FACTOR INHIBITING MORE AND FASTER ACTION. THE TRANSFER OF REAL RESOURCES IN THE FORM OF DOLLARS ON CONCESSIONAL TERMS TO MEET LOCAL COSTS IS AN ESSENTIAL ELEMENT IN THE GOVERNMENT'S ABILITY AND WILLINGNESS TO ALLOCATE AN INCREASING SHARE OF PAKISTAN'S RESOURCES FOR THESE PARTICULAR PROGRAMS.

3. PAKISTAN GOVERNMENT POLICY MAKERS ARE VERY MUCH AWARE THAT THE GRANTING OF U.S. -OWNED EXCESS CURRENCY FOR THESE OR OTHER PROJECTS DOES NOT REPRESENT A TRANSFER OF REAL RESOURCES. THAT TRANSFER OCCURRED WHEN THE CAPITAL OR COMMODITIES OF THE ORIGINAL AID ASSISTANCE WERE BROUGHT INTO THE COUNTRY. THE ADDITION TO PAKISTAN'S REAL RESOURCES AT THAT TIME WAS USED FOR INCREASING CONSUMPTION OR INVESTMENT. BY GRANTING BACK TO THE GOVERNMENT THE LOCAL CURRENCY GENERATED BY THE INITIAL IMPORT OF RESOURCES, WE DO NOT ADD TO THE GOODS OR CAPITAL NOW AVAILABLE FOR DEVELOPMENT. WE MERELY SURRENDER OUR CLAIMS ON THE SAME AMOUNT OF AVAILABLE RESOURCES.

4. AS STATED IN THE LEGISLATIVE REFERENCE SERVICE LIBRARY OF CONGRESS PAPER " THE AVAILABILITY OF USE OF LOCAL CURRENCIES IN U.S. FOREIGN AID PROGRAMS" (JANUARY 1974): "IT MAKES LITTLE SENSE TO PROVIDE AID TO LESS DEVELOPED COUNTRIES ON THE ONE HAND, AND, AT THE SAME TIME NULLIFY THAT AID BY PRESENTING LARGE CLAIMS ON THE REAL RESOURCES GENERATED BY THE LESS DEVELOPED ECONOMY."

5. WE ARE PROVIDING A TABLE, " PL 480 LOAN REPAYMENTS AND USES" ON THE PROGRAMMING OF U.S. - OWNED EXCESS RUPEES FOR ECONOMIC DEVELOPMENT PURPOSES IN THE PERIOD FY 77 THROUGH FY 79. THE TABLE SHOWS OUR ESTIMATE OF ONLY THOSE RUPEES WHICH CAN BE

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USED FOR MONDALE ALLOCATIONS OR SECTION 204 APPROPRIATIONS. IT EXCLUDES U.S. - OWNED EXCESS RUPEES ATTRIBUTABLE TO ORIGINAL GENERATION PL480 LOAN BALANCES, WHICH THE USG RESERVES FOR U.S. GOVERNMENT USED BY ALL AGENCIES, SUCH AS INTERNATIONAL TRAVEL. IT ALSO EXCLUDES, OF COURSE, NON PL 480 GENERATED U.S -OWNED EXCESS CURRENCY, THE USE OF WHICH FOR ECONOMIC DEVELOPMENT USES REQUIRES CONGRESSIONAL APPROPRIATION. PLEASE NOTE THAT, AS STATED ABOVE, ACCORDING TO THIS PROJECTION, ALL U.S.- OWNED EXCESS CURRENCY AVAILABLE FOR MONDALE ALLOCATIONS WILL HAVE BEEN COMMITTED BY THE END OF FY 78. IN FY 79 AND SUCCEEDING YEARS WE PLAN TO FULLY PROGRAM THE REPAYMENTS GENERATED DURING THE YEAR.

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ACTION AID-59

INFO OCT-01 NEA-10 EB-08 IGA-02 ARF-01 SSO-00 L-03
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FM AMEMBASSY ISLAMABAD
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CONFIDENTIAL SECTION 2 OF 2 ISLAMABAD 2748

AIDAC

PL 480 LOAN REPAYMENTS AND USES (MILLIONS OF DOLS. EQUIVALENT)

	FY 1977	FY 1978	FY 1979
AVAILABILITY			
PL 480 LOAN REPAYMENT BALANCE AT BEGINNING OF FISCAL YEAR (UNALLOCATED)	25.8	18.7	-
ESTIMATED REPAYMENTS DURING FY, LESS 2 PERCENT CONVERSION FOR U.S. USES	12.2	13.5	14.0
TOTAL ESTIMATED AVAILABILITY DURING FISCAL YEAR	38.0	32.2	14.0
USES			
SECTION 204 APPROPRIATIONS	1.0	1.0	1.0
MONDALE GRANTS			
POPULATION PLANNING	-	2.5	2.5
MALARIA CONTROL	6.3	5.6	3.2
WATER MANAGEMENT RESEARCH	4.0		
ECONOMIC PLANNING AND POLICY			

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ANALYSIS			
AGRICULTURE RESEARCH	-	10.0	-
INTEGRATED RURAL DEVELOPMENT	-	4.5	3.2
PROJECT DEVELOPMENT SUPPORT	-	1.0	-
INTERNATIONAL SCHOOLS	-	1.0	-
IBRD/ADB PROJECTS	4.6		
	-	7.1	4.3
TOTAL USES	19.3	32.2	14.0
BAL NOT AVAILABLE FOR PROGRAMMING END OF FISCAL YEAR.	18.7	-	-

6. IN VIEW OF THE ABOVE, WE REQUEST AID/W CONCURRENCE IN THE MISSION'S RATIONALE FOR A 612 (B) DETERMINATION IN SPECIFIC AID PROJECTS IN PAKISTAN.
BYROADE

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