

NONCAPITAL PROJECT PAPER (PROP)

Country: World-wide Project No. _____

Submission date: _____ Original _____ Revision No. _____

Project Title: Evaluation of Pilot Programs (Cost-Benefit Analysis of Family Planning)

U.S. Obligation Span: FY68 and FY69

Physical Implementation Span: FY68 and FY69

Gross life-of-project financial requirements:

U.S. dollars - - - - - \$95,750

G#4
P806

I. SUMMARY DESCRIPTION

This study aims at providing, on the basis of solid, factual evidence, guidelines for evaluating performance in on-going and unfolding family planning programs. If these programs are to become major parts of over-all developmental efforts, cost-benefit analysis of proposed family planning schemes becomes essential. The project is expected to yield a rigorous yet simple cost-benefit model which could be employed by family planning programs in any economy at any level of development. It should provide information on the kind of data required to perform analyses of programs generally and some indication of the costs of family planning programs per unit of performance achieved with different magnitudes of needs and resources. As of now, the simple question "How much does it cost to prevent a birth?" cannot even be answered. This is the principal objective of the proposed study.

Since this project will draw upon data from a number of countries in several regions of the less-developed world and will have applicability for family planning programs in general, it is congruent with the over-all A.I.D. goal of assisting in developmental efforts to reduce the rate of population growth. The results of this project are expected to have implications for the broader application and implementation of population policies.

To accomplish the objectives, the staff required will be a project director (economist/demographer), a project associate (econometrician/statistician), both half-time for 18 months, two full-time research assistants for one year, and one full-time clerk-typist for 18 months. Office space, computer facilities, and general overhead will be readily available through the Pennsylvania State University. Three one-man trips to countries having family planning programs would be required.

Budget

<u>(a) Salaries and Wages</u>	Jan. 1, 1968-- Dec. 31, 1968	Jan. 1, 1969-- June 30, 1969
Project Director	\$ 9,000	\$ 4,500
Research Associate	6,000	3,000
Research Assistants (2)	8,000	3,000
Clerk-Typist	<u>6,000</u>	<u>3,000</u>
subtotal	<u>\$ 29,000</u>	<u>\$ 18,500</u>

<u>(b) Indirect Costs*</u> (provisional)	<u>\$ 17,632</u>	<u>\$ 11,248</u>	
<u>(c) Travel</u>			
--Foreign	9,500	4,500	
--Domestic	500	500	
	<u>\$ 10,000</u>	<u>\$ 5,000</u>	
<u>(d) Other Direct Costs</u>			
--Office Supplies	\$ 1,200	\$ 800	
--Telephone Tolls, Telegraph and postage	250	120	
--equipment & computation services	1,000	500	
--miscellaneous	250	250	
	<u>\$ 2,700</u>	<u>\$ 1,670</u>	
<u>Grand Total</u>	<u>\$ 59,332</u>	<u>\$ 36,418</u>	<u>\$ 95,750</u>

* Computed as 60.8 per cent of Salaries and Wages. This indirect cost rate is the most recently D.O.D.-approved rate.

II. SETTING OR ENVIRONMENT

In recent years it has become increasingly obvious that excessive rates of population growth in the developing nations of Asia, Africa and Latin America have become a major impediment to the economic development of these regions. Increases in aggregate output are consumed by ever-growing increments to total population and critically scarce investment funds are drained off into welfare programs and other non-developmental uses. This has been an area of great concern as the need for effective family planning programs to counteract these excessive rates of population growths has become obvious. The matter of costs in organizing and operating family planning programs is a major factor in their present stage of development.

III. STRATEGY

Not applicable.

IV. PLANNED TARGETS, RESULTS AND OUTPUTS

The data from reports and records of programs around the world, when tabulated and compiled in a consistent, simplified format, would result in the construction of a summary set of cost-to-performance ratios.

The project as a whole, with this summary set of ratios, should result in the following definite contributions to future family planning programs around the world:

a) a rigorous, yet simple cost-benefit model which allows for the probabilistic nature of the benefits function for family planning programs; such a model would be, in effect, a "do it yourself" kit which could be employed by programs in any economy.

b) some quite precise suggestions and/or instructions about the information required to perform such analysis would also be generated. This would include, for example, a set of model records which family planning programs could adopt to insure their own ability to do meaningful cost-benefit studies. This would have obvious and very valuable implications for performance evaluation work in connection with these programs.

c) some quite precise, empirical generalizations about the costs of family planning per unit of performance achieved. The results would be able to differentiate among different methods of family planning employed, the type of campaign or organizational effort followed, and also the general socio-economic setting. With data of this sort, once the objectives of any family planning program were stated, one would be able to make precise calculations of the probable cost of achieving the stated objectives. The value of such guidelines for evaluating proposed family planning schemes is obvious, as well as their usefulness for evaluating actual program performance.

d) some positive suggestions about the direction of future research and analysis of cost-benefits in family planning, and also the limitations and shortcomings of such analysis.

V. COURSE OF ACTION

The project specifies two inter-related phases: Phase I involves a sorting out of the methodological problems connected with applications of cost-benefit analysis to family planning. It would entail a review by the contractor and his staff of the existing literature on cost-benefit analysis as applied to social and economic problems and the development of a workable cost-benefit model for future use in evaluating the impact of family planning programs. The target date for completion of this phase is six months after the inception of the project, at which time a progress report will be submitted. Phase II involves a detailed study of the actual payoffs and costs of on-going programs through the collection, cataloguing and analysis of the cost and performance data generated to date from such programs as those of Taiwan, South Korea, India, Pakistan, Tunisia and other countries. This phase will comprise the remainder of the life of the project. A second progress report will be submitted at the end of the first year.

The proposed project will draw on existing material and data. No field surveys or other expensive and time-consuming original data collection work is required. Phase I will involve nothing more extensive than some library and statistical work. Phase II will bring the project staff into contact with responsible officials and advisors of the various population programs underway throughout the developing world. These persons will be asked to furnish copies of all relevant reports, budgetary records, and performance results. In some cases the required information can be obtained by mail. It does seem clear, however, that in other cases it will be necessary to schedule visits by the project staff to the countries involved. Such field trips will be kept to a minimum.

This investigation will result in an empirical model of the relationship between costs and benefits in family planning programs. Such programs have formerly been the province of the medical and public health personnel. So far as action programs are concerned, this is still generally the case. Yet the important budgetary decisions concerning these programs are essentially economic. If family planning is to be able to make its case in convincing terms, it must be stated in the terms of the planners. First, the concrete results of these analyses would have immediate influence on policy planning and evaluation. In addition, this project would provide to the planner a manual containing a suggested set of standards, forms and procedures for cost-benefit analyses of family planning programs. This manual could be employed, at the discretion of the Agency, by all individuals concerned with the efficient planning and execution of programs.