

~~PD 42~~ *Kunal Dev* *Development*

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AGENCY FOR INTERNATIONAL DEVELOPMENT

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**PROJECT PAPER FACESHEET**

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[Area Development]

8 ESTIMATED FY OF PROJECT COMPLETION

FY [81]

9. ESTIMATED DATE OF OBLIGATION

A INITIAL FY [78] B. QUARTER [1]  
C. FINAL FY [80] (Enter 1, 2, 3 or 4)

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

A FUNDING SOURCE	FIRST FY 78			LIFE OF PROJECT		
	B FX	C L C	D TOTAL	E FX	F L C	G TOTAL
AID APPROPRIATED TOTAL						
GRANT: FN	899		899	1,918		1,918
LOAN						
OTHER U.S. 1						
OTHER U.S. 2						
HOST COUNTRY						
OTHER DONORS						
TOTALS	899		899	1,918		1,918

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE	E. 1ST FY 78		H. 2ND FY 79		K. 3RD FY 80					
			C GRANT	D LOAN	F GRANT	G LOAN	I GRANT	J LOAN	L. GRANT	M. LOAN		
(1) FN	J 200		210		899							
(2)												
(3)												
(4)												
TOTALS					899							1,019

A APPROPRIATION	N. 4TH FY 81		O. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED
	C GRANT	P LOAN	R GRANT	S LOAN	T GRANT	U LOAN	
(1)					1,918		
(2)							
(3)							
(4)							
TOTALS					1,918		

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

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AREA DEVELOPMENT  
Project Paper

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Project Design Logical Framework

## Area Development Project Paper

### PART I. Summary and Recommendations

#### A. Recommendations

Authorization of a grant in the amount of \$1,917,807 over a four year period. This represents an obligation of \$898,545 in FY 1978, and a second tranche in the amount of \$1,019,262 in FY 1980.

#### B. Description of the Project

This project is designed to assist AID missions in their efforts to build LDC institutional capacity to plan and manage public investment and to stimulate private investment within a regional context. The project is organized to support a "regional planning" approach to rural development and includes within its scope the most important income generating projects usually included under the rubric of "area development." This includes (a) infrastructure planning and development, (b) natural resource management, and (c) market development. The project will help to establish long-term relationships between specific missions and a contracting university(s) which will provide the missions with access to a core multi-disciplinary team specializing in the problems of rural regional planning and with assistance in locating qualified consultants to supplement the work of this core when specific project requirements require additional staff or expertise.

It is the assumption of this project that if rural development efforts are to be successful in stimulating income growth for the rural poor, development projects must encourage effective integration of public and private investment, the coordination of natural resource development with marketing and transport systems, the evolution of adequate institutional structures for protecting and developing the natural resource base, and a capacity for coordinating public services to the rural sector. To accomplish these ends the project will assist mission "area development" projects and support the institution building components of such projects, emphasizing the regional planning, implementation, and linkage structures which service the rural areas.

The project will provide four specific types of services which will be required by missions if they are to play a catalytic and supporting role in directing development efforts toward regionally integrated rural development.

1. Improved and expanded consulting services to provide professional support for the design, implementation and evaluation of area development projects.

2. Improved project related research to provide better information on the spatial interdependence of development efforts, and the effectiveness of various institutional patterns for planning and managing public investment regionally.

3. Improved dissemination of relevant information among practitioners. This includes training, exposure to new developments and techniques in the field, and improvement in information systems related to specific types of projects.

4. Development of middle-range theory or synthesis of relevant experiences to assist in the conceptualization and understanding of the problems, opportunities, and processes of area development. This will be in the form of special studies and/or state-of-the-art papers.

The \$1,917,807 budgeted for this project over a four year period will enable us to free faculty time and to permit the contracting university(s) to recruit research associates and research assistants which combined will form a core research/consulting group of an inter-disciplinary character and available for assistance to missions. Substantively, the core group will include the following areas of expertise relevant to "area development" projects.

1. Regional planning as a means for integrating three key areas of local public investment:

- (a) Market investment and marketing systems within a regional context
- (b) Resource Management -- especially water and land
- (c) Infrastructure development -- especially road and water systems

2. Local governance problems associated with the design, implementation, and evaluation of projects in the areas indicated in (1) above. This will include the development of planning capacity, data gathering, regulatory capacity, integration of government services, local taxation and public finance questions, and the problems of the design and structure of effective local institutional systems.

3. Particular attention will be given to developing understanding of how the local social structures, custom, and institutions influence the effectiveness of government efforts in areas listed in (1) and how area development projects can be better designed to stimulate and be based upon more participatory government-clientele relationships.

C. Summary Findings

1. Technical

The project has as its primary purpose the marshalling of resources which missions can draw upon to assist in the design, implementation, and evaluation of a broadly participatory area development strategy. The technical details will, however, be specific to the particular projects and countries in which the prime contractor will be involved. Thus, the input of the university will be different if the project is to improve the functioning of local government in general (for example, in cooperation with

efforts now under way in Egypt or Indonesia), or is concentrated on problems of range management where a broader regional and institutional perspective is required for an effective response to this particular problem (e.g., in the Sahel). Likewise, the contribution of the university will be greatly affected by the nature of host-government commitment to local initiative by the character of the rural social structure, by local cultural patterns, etc. In fact, it is precisely to help project managers come to grips with the impact of this complex set of variables on successful area development that this project is designed.

## 2. Financial

It is not the purpose of this project to meet all the needs of AID missions for professional inputs into area development projects directly. Rather, it is intended that the core group of top professional talent will be involved with a select group of missions to establish a direct link between the academic community and the practical problems of project design. In all consulting/research by this core group it is assumed that some form of cost sharing for the services provided under this project will be worked out between the contractor and the mission on a case by case basis.

The provision of approximately \$480,000 a year for four years for this project represents the cost of main-

taining the core group at the university and covers the cost of their involvement with a select group of institutions in an intense applied research/consulting role. It further covers the cost of information dissemination activities. As the information dissemination system and the consulting network will multiply the results of the direct conceptual/applied research/consulting work of the prime contractor, these outputs are perceived as essential to accomplishing the project goal. They are, in fact, the means by which this TA/RD investment will have an impact on the large number of projects targeted on the rural poor which the Agency undertakes each year.

### 3. Economic Analysis

Projects which contribute to broadly participatory development are especially difficult to select and implement. The problems and characteristics of the target group are difficult to establish, the criteria of success are often vague and hard to measure, and the policy instruments available are often untried or poorly developed. Although there has been a growing sense of dissatisfaction with the management of local public investment in LDCs (roads, projects, for example), it is not always clear how to improve either AID planning or LDC performance. The most important contribution of this project in the area of economic analysis, therefore, will be to supplement and

expand the consulting services and information available to practitioners and to experiment with new approaches to regional planning and local institutional development. Area development projects are particularly well suited for demonstration or experimental projects because they permit both time series and comparative evaluation designs and provide a laboratory for new approaches.

#### 4. Social Analysis

The immediate direct beneficiaries of this project will be the AID mission staff with responsibility for encouraging participatory rural development. The project will provide them with increased capacity to identify the problems of the poor, to evaluate policy instruments for influencing the welfare of the poor, and with professional assistance in improving implementation of projects aimed at assisting the poor. Host country professionals will be involved in project management and in research activities. The focus of the project on regional planning is also expected to help make public investment more sensitive to local conditions and local needs and, by encouraging the development of local governance capacity, to encourage the expansion of local participation, local responsibilities, and local resources.

## PART II. Project Description and Background

### A. Background

It has been characteristic of market oriented development strategies that they produce extreme regional inequality when they ignore local institutional, and social structures because well-endowed regions exploit their resource base, proximity to markets, and accumulated infrastructure development in the pursuit of new opportunities opened up in the growth process. A market strategy (encouraging as it does individual exploitation of resources) together with population pressure have frequently turned a growth strategy into a model for increased poverty as small farmers are forced onto marginal lands, soil fertility is destroyed by increasing commercial farming, and traditional relationships of man to his environment are destroyed. It is now recognized that the ensuing problems of rural overpopulation and unemployment in turn engender the social/economic/political problems of the third world's cities. The lack of an adequate structure of smaller market and regional towns to function as service centers for the rural areas and to absorb excess labor merely exacerbates the problem and inhibits easy solutions.

It is hardly surprising, therefore, that LDC governments have attempted to counteract the impact of market forces by a variety of public investment, regulatory, and service

activities. The results have not always been happy. Efforts to undertake "regional development" have frequently been excessively expensive both in per capita terms and in terms of actual benefits derived by the rural population per unit of investment. The balance and functional division of authority between central governments and regional authorities has seldom been conducive to flexible regional responses to problems. The consequence has been that arrangements have frequently been ad hoc and administrative and fiscal innovations have seldom been institutionalized. The pattern of local services has commonly been set by administrative patterns and convenience rather than by any functional analysis of marketing/transportation systems, the relationship of function to scale, or appropriate mechanisms for rational allocation of public investment in response to local needs or demands. The tendency has been, in consequence, to dissipate resources in an administrative search for equality of outputs, reinforced by local patronage politics, rather than any coherent effort to equalize long term opportunities.

These regulatory responses often tend to disrupt factor prices in the rural sector and thereby distort economic choices of the farmer. Furthermore, the heavy use of administrative or regulatory solutions to rural problems tends to divert attention away from the unfavorable macro-

policies which all too often prevail in LDCs. In fact, many of the economic problems of rural areas could be improved by greater attention to the development of efficient local markets, by encouraging urban-rural linkages, by the encouragement of entrepreneurial activity in the small towns and market centers, and by supportive macro-policies. Regional governments in LDCs have generally lacked the resources, administrative capacity, and authority, however, to manage the local economy -- flexibly integrating market stimulation and responsiveness to local needs with regulatory activity. The "successful" pilot projects in area development have too often been unique and unreproducible show pieces. Others have simply been unable to overcome the atrophy of local institutions.

In spite of this experience, area development projects continue to be attractive to both host governments and AID missions. The reasons for this are evident. First, the ability to integrate cross-sectorally the use of public authority and resources is an invaluable tool in the development process. The enormous regional differences which exist even in small nations make predominant concern for consistent national or sectoral plans a questionable strategy. Second, the context within which most entrepreneurs, farmers, and laborers make their economic choices are local/regional contexts. Although linked to the nationwide economic context, it is the pattern of local roads and

markets, local land/man ratios, the differential effect of prices and taxes, etc. regionally, and the quality of public services locally which shapes the response of the region as a whole and of specific classes to national policy. Regional planning can do a great deal to complement constructive national policy and to mitigate those adverse to participatory processes or to regional integration.

The management of natural resources has also emerged as a problem demanding local or regional solutions. The management of communal grazing lands, the prevention of erosion, the management of irrigation or the water table, the protection of forest tracts, and many problems of desertification are all problems which require a creative adjustment to individual, community, and national needs and interests. In many areas these resource management decisions dealing with the administration of the complex set of user rights associated with natural resources, together with national macro-policies, constitute the major parameters within which local economic activity takes place. The effective organization of public authority for resource management in order to assure conservation, effective utilization, and equality of access is to a considerable extent a regional problem and handled within the context of a regional development system.

In an era when our faith in our growth models is somewhat shaken and when the inadequacy of both traditional local institutions and of many modern substitutes have been equally evident, we are inclined to treat development projects as social "experiments". From this perspective, a regional focus is attractive because it becomes easier to demonstrate and explain the impact of programs, to understand causal relationships, and to monitor community-wide and unanticipated consequences of our development efforts. If we add to this a new mandate to encourage local participation in the development process and the difficulty which national governments have in accomplishing this adequately -- whether in the form of local input into the planning process or by mobilizing local resources -- some form of regionally focused development planning is clearly mandated. If we do not jump to the mistaken assumption that all development must be "bottom up" and community centered but recognize that the questions are those of the appropriate scale for specific functions, the proper mix between local and national decision making, the balance of long-term community interests with individual incentives, and a variety of problems related to the economic integration of the region -- problems which cannot be reconciled by any single a priori model -- we will have the beginnings of a positive response to the problems of regional development.

This Rural Area Development project will take a cross-sectoral and integrated view of rural development within a regional context. It is intended that the project will complement other TA/RD rural development projects. The project in Rural Development Participation will be focused on more micro-level considerations than the area development project, but will overlap with and complement this project in the area of government-clientele relationships. The projects in Off-farm Employment and in Rural Marketing Systems will deal in greater specificity with the social, economic, and institutional aspects of these related problems. The Area Development project will deal primarily with the spatial aspects and with questions of public investment and administrative capacity influence the areas of marketing and employment. Finally, TA/RD expects to be developing in FY 1978 a project in Integrated Rural Development which will concentrate on the role of social services in rural development. The Area Development project will deal exclusively with income generating activities and resource management. We would hope to encourage interchange among these several projects as they develop.

The work of TA/UD in urban-rural functions and regional planning will also complement this project by offering an

urban and industrial policy perspective to balance the rural orientation of the area development project. TA/UD will serve on the project committee to facilitate this interaction. We would also hope to work with TA/UD to stimulate new perspectives and models of regional planning which may assist in overcoming what has been an excessive urban bias in the regional planning literature to date and may offer alternatives to the predominant "growth center" models now current.

Finally, TA/DA projects in administrative decentralization and work on various training systems for rural administration will offer obvious support to the institution building efforts under this project.

## B. Project Description

### 1. Program Goal

The project goal is to enhance the ability of AID missions and LDC institutions to design and implement programs that will enable them to operate more effectively toward increasing productivity, income and the quality of life of the rural poor.

The project activities financed by TA/RD are a necessary but not a sufficient means to accomplish this broader goal. Also required, but outside the scope of this project (except as assumptions), are host government policies which will

establish an environment conducive to progress for the rural poor and encourage appropriate action programs and host government and donor financing of programs in support of these policies. Of particular importance are national policies which establish economic conditions that encourage public and private investment in the rural areas and stimulate agricultural productivity in general and small farmer participation in particular. Effective area development also requires government policies which are moving toward an integrated spatial response to the problems of marketing, infrastructure development, off-farm employment and small industry development, and other urban-rural linkages. Finally, area development requires, to be successful, innovative approaches to the balance between national and local/regional authority and to the organization of public authority at the local level. The existence of such supporting policies will be an important criteria in the selection of countries in which to implement this project.

#### Evaluation of Goal Attainment

The evaluation of the impact of the project on project goals can be most instructive in those countries in which the contractor is directly involved. We do, of course, anticipate a broader and more diffuse impact than in these few countries, but we cannot reasonably expect to evaluate that effect. Within the selected countries the evaluation

can be broken into two components:

a) The immediate impact of the project can be measured in terms of the increased income and participation of the poor in the experimental project area.

b) At a broader level, however, the impact of the project can be evaluated in terms of changing host government perspectives and policy on rural development including:

1) greater focus on spatial integration of development efforts

2) increased concern for the development, management, and preservation of regional resources

3) positive action on the part of host government to increase institutional capacity for planning and management of public resources and guidance of private investment regionally.

4) efforts to improve the efficiency of rural marketing systems and especially to improve the access of the poor to both labor commodity markets.

It should be noted that the assumption is that AID projects should be evaluated on two criteria. The first is the direct improvement of the welfare of the poor as a result of the project activities -- investment and the planning of investment in the area. The second criterion is the indirect effect of the project, through demonstration and replication, on host government policies. Both of

these achievements should be evident within the life of the project. A pilot project which has failed to make an impact within three to five years has probably lost any capacity for making an impact. This is not to say that some types of projects may take additional time to build the infrastructure on which the experiment is based. It is also recognized that more purely research projects may take additional time to establish validity and causal relationships etc. Rather, it is argued that the bulk of the efforts undertaken under this project should be demonstration efforts with reasonably quick payoff and reasonably direct policy implications. If that focus is maintained, the impact of the project should be fairly easy to establish.

The instruments for evaluating the area development pilot projects will be the normal field survey techniques associated with project evaluation. Evaluation will be concerned with establishing the cost effectiveness of public investment in terms of unit improvement of benefits or behavior. The project evaluation should also be concerned with the trends in the distribution of costs and benefits in the development process and patterns of participation which the project encourages. Above all, the evaluation should be concerned with establishing causal links between the project activities and the changes in the environment through appropriate quasi-experimental design.

Changes in public policy will be more difficult to establish as the results of the project. Nevertheless, it will be possible to examine the extent to which missions and the host governments begin to make better use of empirical analysis at various stages in the decision process. It should also be possible to find evidence of better integration of technical, social, and institutional factors within the context of regional planning. Finally, if the demonstration is a success one would expect to find evidence of changes in the functions, resources, staffing patterns, organization, and relationship to higher authority of regional and local governments. Even more important one would expect to find changes in the relationships of local authority with its rural clientele. This will require the utilization of policy analysis techniques that have been emerging in the U.S. over the past few years.

## 2. Project Purpose

### a) Primary Purpose

The project purpose is to marshal and to bring to bear practical experience and intellectual resources in the field of area development -- spatial planning, market development, resource management, public works and infrastructure development, and local/regional governance -- which missions and bureaus can draw upon for assistance in the design, implementation, and evaluation of projects and programs.

It is assumed that project development and implementation will benefit from the following inputs emanating from a multi-disciplinary perspective (technical interaction with the social science disciplines of economics, economic anthropology, regional science, geography, public administration and political science, and sociology) on rural development within the context of integrated regional planning. By drawing on university resources we hope to:

1) improve the quality of social analysis in connection with specific mission projects.

2) improve our conceptual understanding of the spatial and ecological aspects of the rural development process -- particularly the institutional, economic, and social aspects of integrated regional development.

3) improve the range and availability of professional talent for involvement in program development, project design, and applied research.

4) encourage the diffusion of successful techniques of planning, operationalizing, and institutionalizing systems for stimulating market development, planning public investment regionally, and developing and conserving natural resources (especially land and water).

b) Secondary Purpose

A second purpose of the project will be to expand LDC host country capacity for analysis, project design, institution building, evaluation and impact research, in

support of integrated spatial approaches to rural development. Particular efforts will be made to encourage and assist projects oriented toward building local LDC capacity and institutions, especially at the sub-national level. In the three functional areas which comprise the project -- market development, resource management, and infrastructure investment -- it has frequently been the case that donor emphasis has been on investment and the physical supply of a service or a resource. Increasingly, it has become evident that this approach creates long term problems. Infrastructure deteriorates because of lack of adequate maintenance capacity and lack of resources available for the purpose. Land and water projects suffer for the lack of adequate authority and administrative structures to deal in the long run with the complex problems of conservation, access rights, and the integrated use of natural ecological systems. Crash production campaigns fail for lack of systematic attention to the development of marketing facilities, transportation systems, and processing and service industries in the smaller towns. All of these problems point to the importance of focusing on the building of local institutional capacity in this project. It is this set of institutional problems that we have termed the "governance" problem in this project.

The two project purposes are viewed as mutually reinforcing and directed toward the same goals. The primary

focus on mission capacity is merely one of sequencing. The AID program in the host country is perceived here as a catalyst though not necessarily as the initiator or prime mover in the evolution of an integrated regional development capacity. As such the mission's capacity to conceptualize appropriate projects, identify favorable indigenous development efforts and to channel resources and information to them, and to act as a stimulus for the application of relevant professional talent to the problem is conceptually prior to efforts to develop local capacities. We would, however, expect an early integration of the two purposes.

#### Evaluation of Purpose Attainment

At the end of the project, the conditions that will indicate that these purposes have been achieved will be:

a) Completed project related research and state-of-the-art studies which serve missions in evaluating and testing various strategies for area planning, for developing vertical and horizontal regional links, and for managing community resources in the development process.

The purpose here is to develop cost effective regional planning techniques commensurate with the realities of local government and administrative systems in LDCs. The intent is to develop and institutionalize planning techniques which stress the functional relationships among development

efforts within an economic and social space and which encourage the evaluation of projects in terms of their social-economic impact rather than according to the attainment of physical targets. The development of a series of models of successful techniques will provide the Agency with a set of models which could greatly facilitate the attainment of the project goals through their impact on donor and LDC government project design.

b) Increased, faster, and better organized dissemination of relevant information related to area development efforts. Such an information system should have three components.

1) Reference, background, and analytical materials for planners and practitioners. What is required here is an efficient system for providing practitioners with the most up-to-date and relevant analysis of their problems and with information on the variety of global experiences in attempting to deal with the problems. The emphasis here is on the words "efficient" and "relevant". The problem is not merely to secure the information but to organize and disseminate it effectively.

2) A more active effort to bring researchers, professionals in the consulting business, administrators, and perhaps even political leaders together to explore

problems, identify key areas for research, and highlight the lessons learned, should be an important component of the information dissemination system. It will be necessary to explore what sort of links between the universities, AID/W, field missions, and LDC professionals might best facilitate this exchange.

3) A third component should be to bring to the attention of the American academic community the needs of the Agency in this area and to encourage a more general interest in the problems of applied research at the intermediate, regional level.

c) To assist the development of a consultant network/roster in the area of area development.

d) Although considerable attention is given to the principle of integrated area development in AID, these efforts frequently fall short of expectations because of lack of an adequate conceptualization of the process. This is partly due to the lack of effective multi-disciplinary teams capable of working in LDCs and familiar with their local conditions. In addition to experimenting with techniques of rural development, therefore, this project will experiment in helping to develop inter-disciplinary core research/consulting capacity at the contracting university(s) and in setting up long-term (four year)

relationships between this core group and a select set of AID missions (about four). This will permit the university(s) to develop familiarity with the mission programs and provide continuing professional analysis and input in support of those programs. The purpose will be achieved if we manage to work out a viable and satisfactory contracting and organizational arrangement for structuring this relationship.

Evaluation of the attainment of project purposes will be accomplished as follows:

- a) In-house and external professional review will be employed to establish both the technical quality of the research and its utility in mission programming;
- b) In countries and projects in which the contracting university is directly involved the evaluation of the specific mission projects can be linked to the evaluation of the models and techniques contributed by the university consultants.
- c) Utilization of the consulting network can be evaluated by mission evaluation of its performance and the quality of consulting supplied.
- d) TA/RD will review the operative effectiveness of the information system and secure mission evaluation of the content and operation of the system and of specific components (e.g., workshops).

It is assumed that (a) AID and LDC rural development practitioners recognize the need for more knowledge and information and that they are willing to use it in project design and implementation when it is available; (b) the U.S. and LDC professionals (researchers and practitioners) will be able collaboratively to design and carry out studies, prepare strategies and implement recommended approaches; and that the consultants, USAID mission personnel and researchers see the need for and are willing to work together to integrate more fully their now largely separate activities. The integration of consulting and research activities under this project depends heavily upon the willingness of these three groups, given their different perspectives, to work together so that their combined efforts result in better accomplishment of the common goal of reaching the rural poor.

It is worth reiterating, however, that these relationships can only be expected to prevail in those countries where host country macro-policies are conducive to greater functional devolution of responsibility to local authorities and where governments are prepared to encourage institution building in this area. Furthermore, although good local planning may help to compensate for inadequate macro-policy toward the rural regions it cannot hope to overcome the effects of these policies completely in the long run. In

consequence, favorable policies in these two respects will be an important criteria for selecting countries for experimentation with intensive, long-term university involvement in area development research and consulting. Situations where missions are forced into positions where they spend large amounts of project funds on infrastructure development, for example, without any relationship to overall economic policy and without any impact on the local institutional structures for managing and planning these activities are not likely to be conducive to the kinds of experimentation envisioned in this project. In such situations, short-term consulting to try to improve existing techniques incrementally is probably the more productive relationship under this project.

### 3. Project outputs

There are four outputs listed here and elaborated on below:

(a) Research/consulting relationship established between the contracting university(s) and AID missions selected for participation in the project.

(b) Identification of consultant resources outside the contracting university(s) to assist in listing individuals or centers which are interested in and available for AID assignments. It now appears that the contractor will identify names of individuals for the consulting roster but the actual operational responsibility for developing and maintaining the roster will rest with USDA.

(c) At least four state-of-the-art papers on key problems of area development in LDC contexts.

(d) Information dissemination activities directed toward LDC, AID and other donor practitioners and members of the consultant network. This will consist of workshops, seminars, dissemination of research findings and research notes, and such other means as may be found suitable.

These four outputs can be described more fully as follows.

#### Consulting services:

Consulting services can be broken down into three

types.

(i) Direct services by the core staff of the contracting institution(s) in support of those missions in which the contractor will have a continuing role in developing and implementing area development projects.

(ii) A limited amount of direct consulting by the contractor to additional missions or to AID/W on an ad hoc basis for the purpose of program review and development, project evaluation, or project design. These will normally be short term assignments undertaken as TA/RD and the contractor agree up to the total number of man/months specified in the contract.

(iii) Assistance provided by the contractor in developing a consulting roster (to be managed by USDA) from which missions can have access to qualified professionals on mission or regional bureau funding to support project activities in the area of regional development. It is expected that this roster will be interdisciplinary and will include specialists from both developed countries and LDCs. This activity will be specified as a separate budget item and will be continued throughout the life of the project.

The selection of countries for consulting work in category (ii) above will be done through consultations among the contracting university(s), TA/RD, the inter-bureau project committee, concerned missions, and host government officials. The attempt will be to have some activity in each

of the four major regions (Asia, Near East, Africa, and Latin America), although that will depend on the interests of each regional bureau and its willingness to assist on developing an integrated set of applied research projects, project consulting, and information dissemination activities, so that the contracting university(s) will be able to plan staffing and work to accommodate these needs. The selection of countries and projects for university involvement will be on the basis of expression of mission's interest, the overall significance of the projects in question as rural development experiments, the scope for advances in integrated regional planning offered by the project, and the priorities set by the Rural Development Steering Committee.

Consulting will be concentrated substantively in the institutional, economic, and social aspects of market development, public works development, resource management -- all within a regional planning context.

Applied Research:

Applied research has generally been linked with consulting in this discussion because it is intended that the research activities of the contracting university(s) have direct relevance for the broader development programs being undertaken in the country, for the purposes both of learning from and contributing to the broader programs. These services will be focused on three different levels of problems: (a) policy and planning issues, (b) implementation

and management issues, and (c) problems of government linkages to the rural community.

(a) Policy and Planning Issues:

(i) National policy decisions and national administrative patterns establish the context within which regional planning takes place. If AID's projects are to be treated as experimental and/or pilot projects, it may be necessary to deal with these national level issues if replication is to succeed and if an environment favorable to local initiative and decentralized investment planning and resource management is to be created.

Macro-policy questions such as the vertical and horizontal distribution of national authority, questions of public finance and local taxation, land policy, the absorptive capacity of the rural areas, public regulation of marketing activity, national administrative patterns, etc., are all important areas of research and consulting services relevant to the success of regional planning of public investment.

(ii) There will also be questions relevant to the actual process of regional planning. First, would be the problem of delineating regions for planning and administrative purposes. Concomitant with this is the need to decide which policies, resources, and services are best organized on a regional scale. Second, would be the need to build an institutional capacity to plan integrally within

a region. This would include the development of information/data systems; training in technical planning skills, examination of the legal and fiscal base for public investment, management of natural resources, and stimulation and regulation of private economic activity. It is recognized that in the short run most governments are locked into existing administrative structures. On the other hand, the evolution of new forms and patterns of public authority, for specialized or integrating functions, is common in the long term and requires careful analysis.

(b) Problems of Implementation and Management of Public Investment

In addition to providing research and consulting services to assist LDC governments to develop general regional planning capacity, the contracting university(s) will provide specific assistance in three key areas of public economic activity relevant to the rural areas within a region.

(i) Market development: One of the most important activities of local authorities in the development process is the stimulation of local economic activity through the development and regulation of markets (which might include support for market associations, grading, storage facilities, etc.) and the encouragement of other urban-rural linkages. Equally important, within a regional perspective is the planning of transportation systems, the planning and en-

couragement of manufacturing and processing industries to stimulate demand for local agricultural products or for local surplus labor. These activities should, in turn, be integrated with plans for rural electrification, the expansion of rural credit, and the organization of technical and social services. Thus, the spatial dimension of marketing activities and its relationship to employment and other public functions will be an important area of concern in this project.

(ii) Infrastructure development: Infrastructure (especially roads and water systems) are a common activity of aid donors in rural areas. All too often, however, they are poorly planned, designed, maintained, moreover, questions of location and standards at various stages of development need close attention. Problems of access of various groups to their benefits and the distribution of their costs are frequently glossed over. Nor is the difficult problem of assessing the real demand of villagers for these investments handled effectively. In this project we shall be concerned with the institutional and social problems of infrastructure development -- the spatial integration of investment, mechanisms for allocation of investment and the evaluation of the social impact, the organization of maintenance, how to allocate and collect costs, etc.

(iii) Natural Resource Management: The management of the resource base of the community presents difficult

problems of technical design of programs, legal and administrative arrangements, and great sensitivity to the equity questions involved in the allocation of access to key productive assets. The use of natural resources frequently involves the adjudication and reconciliation of conflicting sets of rights to resources within the same area -- e.g., water, grazing, cultivation, gleaning, etc. Yet the process of commercialization of the rural areas frequently weakens the institutions which protected these sets of rights and serious social tensions and inequities are engendered. New, externally imposed, mechanisms for handling these problems are often no more efficacious than the decaying traditional systems. Thus, the whole question of the proper scale of such regulatory institutions, the nature and source of their authority, and the relationship between local concepts of equity and the planner's concepts of efficiency are important areas of concern.

In addition to the question of individual rights in the use of natural resources, there are issues surrounding the collective interest of the community in the natural resource base. Erosion, desertification, salinization, etc. typically create conditions where either public regulation of private activity or redistribution of particular property rights, as well as extensive public investment are required to protect the natural resource base. The institutional problem then becomes one of how to reconcile individual

Initiative and responsiveness to local demands with the need for long term planning and sound conservation practices. Can this best be done by systems of collective ownership through pricing systems, through selective redistribution of rights, by administrative regulation through education of the farmer/herdsman, etc. ? What forms of management system are within the capacity of local traditions and current administrative capacities? Can resource development and conservation be managed in such a way so as to protect the small farmer and encourage his participation? If this is a goal, then how will this goal impact on the design of management and regulatory systems? Once again, it is the interaction of the institutional and social-economic aspects of the problem with the technical ones which will be the focus of this project. Moreover, the appropriate resource management strategies and implementing mechanisms will be very much intertwined with spatial and administrative infrastructure and market development aspects of regional plans.

(c) Government-Clientele Relations:

In many LDCs the inadequate penetration of administrative structures into the countryside continues to make the provision of public services to the rural community difficult. This weakness is further exaggerated by the decline of local traditional institutional structures commonly associated with development. Combined, these institutional

weaknesses produce a gap between government and clientele which makes it difficult for government to transmit services and information to the village on the one hand and for the village to transmit needs and demands to the government on the other. This condition makes it extremely difficult to adjust public programs to local conditions or to be sure that benefits are reaching the designated target groups.

It is also the case that traditional or colonial institutional structures are not well suited for modern development purposes. They are often organized at an inappropriate scale for modern production, marketing, or technical service activities. Thus, larger farmers may realize real economies of scale in securing technical information, medium-term credit, or input application that are available to smaller farmers only in some cooperative organization. Alternatively, the functional mix of activities at various locations may be unsuitable for current needs. It is not necessarily the case, for example, that colonial police and revenue centers are best located to serve as centers for the small farmer.

"Bottom up" approaches to development are often attempts to compensate for administrative gaps by encouraging village level efforts at self-help. These efforts are highly desirable, but it is important to keep in mind the importance and utility of both functionally specialized

and community-centered organizational structures. Questions of scale also continue to be important if functions are not to be disaggregated to the point where they are no longer economically viable, where management skills are lacking (disaggregation may but does not universally reduce the level of skills required), or where the resource base is inadequate. Clearly, the whole question of local organization, the linkage between government and clientele, is a vital concern for regional development for this is the base on which decisions concerning scale of organization and functional division of labor, and the integration of urban and rural functions must rest. Research on local and intermediate institutional structures will, in consequence be an important output of this project.

In those countries (about four) in which the contracting university(s) is directly involved the performance of the contractor can be evaluated in conjunction with normal evaluation of the projects in which the contractor is involved. Thus the value of the strategies proposed by the contractor and the quality of their research will be reflected in the impact which the mission projects have on the rural poor. In addition, the utility of this method of contracting for applied research and consulting, the relevance of the contractor's approach to mission needs, and other aspects of the contractor's relationship

with mission and LDC staff can be evaluated by TA/RD in consultation with the respective field missions and their host governments.

Information Dissemination

The contracting university(s) will be responsible for the development of a set of information dissemination and exchange activities which will involve AID staff, U.S. professionals, host country officials, and LDC professionals. The purpose of such activities will be three-fold.

(i) To keep mission staff and LDC professionals current with ongoing research and with related experience with area development strategies elsewhere. This may be done through newsletters, circulation of published materials, etc. But it is expected that seminars, workshops, or even short training courses will be organized on a country or regional basis to facilitate exposure and interaction.

(ii) Comparable activities will also be undertaken in the U.S. to encourage interest in and awareness of the research problems of IDCs within the American community and to help direct existing research into applied and policy related fields.

(iii) Of particular importance will be the use of these information dissemination activities, particularly the more active elements such as seminars, in creating an effective consulting network that is in reality an interaction network of professionals involved in related activities and

not simply a roster of potential consultants.

The variety of different outputs under the information dissemination activity and the "public goods" character of the output which virtually precludes keeping track of users and the uses to which the information is put means that the verification of performance will have to be largely qualitative in nature. Any such evaluation will have to be largely informal, ad hoc, and somewhat self-selective as mission or individuals choose to communicate their evaluation of specific activities.

#### State-of-the-Art Work

There is a close interaction between state-of-the-art analysis and applied research. State-of-the-art work represents the generalizable pay-off from past and current applied research and evaluation studies. It represents the synthesis, for all practitioners, of work done in specific locations in connection with specific projects. This includes information about workable area development strategies, the conceptualization and identification of types of problems, the movement toward some low and middle-range theory of casual relationships among key variables and will pinpoint areas which require further exploration. The focus here will be on the organization and articulation of these findings in a manner useful to practitioners and policy planners. These efforts will also assist missions

and LDCs to conduct their own R&D efforts in participatory development strategies through the preparation of problem-specific applied research designs and protocols. State-of-the-art work is, therefore, problem specific not mission specific as is consulting.

The applied research will in most, though not all, cases be country and project specific. The applied research will in most cases be a direct service to field missions in analyzing and evaluating their projects. Nevertheless, as the resources available with the contractor will not be sufficient to meet all mission demands the specification of projects for applied research assistance under TA/RD funding will depend on such questions as the ability of the project to provide generalizable contributions to the state of knowledge. This may be either because the project is representative and interesting for its replicability, because it represents a significant set of difficult problems, or because it permits the exploration of some gap in our knowledge. Thus most applied research will combine direct project services with the development of the state-of-the-art.

The priorities in state-of-the-art work will be on the following aspects of encouraging and structuring regional integration of the development process. These are all problems for which localized research and localized solutions are essential, but also where vertical and horizontal linkages suggest the need for systematic models of regional development processes to guide institution building, the distribution of functions, and the use of public resources are essential.

They are areas, therefore, which are highly suitable for state-

of-the-art work.

(a) How to delineate regional boundaries for the area development scheme -- Whether to determine boundaries on the basis of river basin, political organization, functional area, or other considerations will depend in large part on the purposes to be served by the scheme. The relationship of purposes to boundary criteria therefore deserves attention, as do means for accommodating conflicting criteria in boundary delineation.

(b) How to carry out resettlement schemes -- Resettlement scheme policy issues warranting attention include (i) how to encourage or facilitate a desired migration process, (ii) how to distribute land and property rights to in-migrant individuals or groups, (iii) what type of supporting infrastructure must be in place at the time in-migrants arrive, (iv) what external conditions (e.g., markets for export products) are likely to be critical, (v) type and cost of support to be provided settlers initially and in the longer term, and (vi) approaches to settler selection.

(c) How to relate special area development schemes to regular government programs and organizations -- For example, should one generally work with existing government organizations in implementing schemes, accepting the inherent capacities and limitations of those organizations, or should one attempt to create special governmental and project management entities? These questions typically arise in the provision for special financing, staffing, maintenance, and supply arrangements for pilot projects. They are then further

exacerbated by unique patterns of control and authority in making project decisions. We need to know more about those factors which inhibit or encourage replicability, adaptation, and institutionalization of pilot efforts.

(d) What infrastructure is necessary and what should the role of rural works be in creation of that infrastructure -- In addressing this policy issue, TA/RD will concern itself with (i) how to develop practical methods of designing and implementing participatory approaches to rural works programs, (ii) how to identify and develop appropriate administrative and control procedures to limit misuse of funds and to prevent the alteration of program objectives, (iii) the optimal spatial distribution of public works, (iv) how to integrate rural works programs with projects to promote other types of off-farm employment, (v) how to identify and select appropriate technology for rural works, and (vi) how rural works compare with other means (e.g., direct taxation) of mobilizing resources for infrastructure creation, and (vii) exploration of alternative organization and implementation models for watershed management; including erosion control, forestry, upstream dams, small-scale irrigation, drainage and maintenance projects.

(e) Exploration of various techniques, including land reform and tax laws, institutional structures, etc., for influencing patterns of access to productive assets such as land and water, and how patterns of access relate to the overall development of the area.

(f) How to think more systematically about the distribution of public authority within a defined region and to encourage more effective mobilization and utilization of resources in order to improve

the quality and supply of public goods. We need to consider the functional utility and equity considerations of various levels of decentralization; the choice among joint boards, area councils, local administration, etc., as mechanisms for organizing such functions as planning and managing water or electricity systems; and how AID projects might influence these choices.

(g) Because decentralized area development schemes are particularly suited to adjusting programs to the needs of specific target groups an extremely difficult task for sector-wide programs, the project will be particularly concerned with techniques for developing institutional capacities at the sub-regional level for identifying target groups, devising programs to which they have access, and creating a favorable environment for widespread participation in the development process. The participation of women in the benefits of modernization is a good case in point. As the role of women in the workforce changes from region to region, it may require highly specific programs to increase their earning capacity.

A good deal of research and state-of-art work has already been done on some of the above area development strategies and policy considerations. Rural works and institutions relating to land ownership and use are two examples. Thus, in some cases, work under this project will emphasize updating existing materials and making them more relevant to emerging mission project considerations. Other concerns as, for example, colonization and resettlement policies, will need case study work to extend our knowledge, as well as state-of-art work to synthesize current knowledge.

Increasingly, analytical work is required to identify key interrelated sets of constraints within a region so that government resources are not dissipated in trying to do "everything at once" or the "easiest" things first. In this regard, attention must be given to our ability to design proper sequencing, location, and volume of efforts so that public expenditure is balanced with changes in the rural economy, development of infrastructure, necessary data gathering to permit effective planning, and capacities to deal with anticipated social side effects of the proposed development program. State-of-the-work and methodology development are both required if area development is to be comprehensive and effective.

#### 4. Project Inputs

Project inputs are primarily in the form of personnel and related support services. The contracting university(s) will be expected to put together a core consulting/research team which is interdisciplinary in character and is capable of encompassing a sufficient range of the substantive concerns of this project. This core group will be available for applied research/consulting work in a limited number of countries (at least four) but will guide information dissemination and consulting network development to cover a full range of projects and countries.

Consultant services will be financed under this project when they fall within the scope of the area development concerns outlined above and when they relate directly to the core of priority research/consulting activities worked out annually between the contracting university(s) and the Inter-Bureau Project Committee. To meet consul-

tant needs indirectly related to these types of activities or beyond the resources available to the prime contractor, self-financed regional bureau mechanisms will be used. Sources of expertise will be members of the consultant networks developed under the project and therefore will benefit from involvement in information dissemination and other coordination activities under the project.

In attempting to improve the flow of professional talent in support of this project, it is anticipated that certain interventions in the university environment of the prime contractor will be desirable.

(a) In a general sense it will be the intention of the project to encourage the transfer of professional talent to policy oriented and applied research which has more direct pay-off for mission activities.

(b) It will also be desirable to enlarge the scope of recruitment for such work beyond those normally involved in AID consulting activities. For example, many well trained area specialists are now scattered in different institutions which provide little support for overseas or applied research. Furthermore, many with high levels of applied research skills will now be tempted by alternative opportunities for comparable work in the U.S. itself. It is expected that the contracting university will serve as a catalyst in marshalling these resources and may well wish to sub-contract some work to these centers/individuals.

(c) Two major problems in accessing university professionals in the past have been the timing of the academic year, and the lack

of flexibility in university staffing patterns. The project suggests some arrangements which will facilitate overcoming these problems.

(i) Core researchers' time will be procured in advance, freeing them from academic duties for specific periods of work under this project.

(ii) This core can then be supplemented through the recruitment of a group of research associates, the need for whom will be determined on an annual or two year basis according to the specification of the state-of-the-art and applied research load.

(iii) Provision will be made for support of the involvement of graduate students in the work of the project in order to encourage the training of policy oriented professionals working on LDC problems.

(iv) In conducting its applied research, consulting, and information dissemination activities, the contracting university will be encouraged to draw in individuals and institutions.

Considerable AID/W professional input will be required under this project especially as a functional part of the core consulting/research working groups. This involvement on the part of AID is crucial to assure that these groups integrate consulting and research activities so that the outcome is most relevant and useful for USAID missions. It is essential that approximately 40 percent of the time of the project manager be devoted to representing AID on the Inter-bureau Committee for monitoring contractor activities (both from AID/W and through field travel), and to manage the cooperative agreement under which the activities will be implemented. Additional inputs from members of the Rural Development Steering Committee/Inter-

bureau Committee in the form of information and guidance will be required as specified below.

It is assumed that the professional talents (AID and non-AID) required by this project are available, willing and sufficiently qualified to carry out the proposed activities. This presumes satisfactory arrangements can be consummated with one of the universities or consortia expected to bid on this project.

### PART III. PROJECT ANALYSES

#### A. TECHNICAL ANALYSIS, INCLUDING ENVIRONMENTAL ASSESSMENT

The project has as its primary purpose assistance to Missions in more clearly defining critical rural development problems facing them and in devising appropriate program responses. The technical nature of recommended responses will vary according to in-country circumstances. Since project activity will occur in several countries in response to demand from Missions it is not possible at this time to specify what would be a technically correct response. The instruments of project activity will be expected to be sensitive both to differing country situations and to common properties which may provide general solutions for application elsewhere. Emphasis will be placed on appropriate, effective, wide-distribution techniques which best exploit existing situations.

Implementing agencies will use the most appropriate analysis techniques available to their disciplines (primarily the social sciences) to understand the rural development problems facing Missions and LDCs. In their advisory and in-country research work they will utilize techniques most suitable for replication under the conditions found in cooperating countries.

B. Budget

OUTPUT BUDGET

YEAR OF PROJECT

	I	II	III	IV	TOTAL
A.					
Research & Consulting	\$ 204,060	204,060	204,060	204,060	816,240
Staff Core	168,060	168,060	168,060	168,060	
Travel	16,000	16,000	16,000	16,000	
Per Diem	20,000	20,000	20,000	20,000	
B.					
Networking and Information System	32,112	32,112	32,112	32,112	128,448
Graduate Assistant (2 months)	2,280	2,280	2,280	2,280	
Research Assistants (2 months)	5,832	5,832	5,832	5,832	
Seminars and Conferences	24,000	24,000	24,000	24,000	
C.					
State-of-the-Art	113,535	113,535	113,535	113,535	454,140
Staff Core	94,535	94,535	94,535	94,535	
Travel	9,000	9,000	9,000	9,000	
Per Diem	10,000	10,000	10,000	10,000	

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OUTPUT BUDGET

YEAR OF PROJECT

	I	II	III	IV	TOTAL
D.					
General Project Costs	85,451	87,451	93,451	93,451	359,804
Director	36,460	36,460	36,460	36,460	
Secretarial	30,991	30,991	30,991	30,991	
Production	3,000	4,000	6,000	6,000	
Supplies	5,000	6,000	10,000	10,000	
Travel	10,000	10,000	10,000	10,000	
TOTAL	435,158	437,158	443,158	443,158	1,758,632
Plus Inflation 6%		26,229	53,178	79,768	
Two Year		463,387	496,336	522,926	
TOTAL		898,545		1,019,262	

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OUTPUT BUDGET

YEAR OF PROJECT

		I	II	III	IV	TOTAL
A. Core Staff						
Senior Faculty						
\$2,500/month (12MM)	30,000	(12MM) 30,000	(12MM) 30,000	(12MM) 30,000	(12MM) 30,000	
Overhead & Prerequisites (? .823)	<u>24,690</u>	<u>24,690</u>	<u>24,690</u>	<u>24,690</u>	<u>24,690</u>	
	54,690	54,690	54,690	54,690	54,690	218,760
Research Associates						
\$1,600/month (60MM)	96,000	(60MM) 96,000	(60MM) 96,000	(60MM) 96,000	(60MM) 96,000	
Overhead & Prerequisites (? .823)	<u>79,000</u>	<u>79,000</u>	<u>79,000</u>	<u>79,000</u>	<u>79,000</u>	
	175,000	175,000	175,000	175,000	175,000	700,000
Research Assistant						
\$625/month (36MM)	22,500	(36MM) 22,500	(36MM) 22,500	(36MM) 22,500	(36MM) 22,500	
Overhead & Prerequisites (? .823)	<u>18,517</u>	<u>18,517</u>	<u>18,517</u>	<u>18,517</u>	<u>18,517</u>	
	41,017	41,017	41,017	41,017	41,017	164,068
Subtotal (A)	\$270,707	\$270,707	\$270,707	\$270,707	\$270,707	1,082,828

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OUTPUT BUDGET

YEAR OF PROJECT

	I	II	III	IV	TOTAL
B. Project Costs					
Project Director (12MM)	20,000	(12MM) 20,000	(12MM) 20,000	(12MM) 20,000	
Overhead & Prerequisites (@ .823) (12MM)	<u>16,460</u>	(12MM) <u>16,460</u>	(12MM) <u>16,460</u>	(12MM) <u>16,460</u>	
	36,460	36,460	36,460	36,460	145,840
Secretarial (12MM)	17,000	(12MM) 17,000	(12MM) 17,000	(12MM) 17,000	
Overhead & Prerequisites (@ .823) (12MM)	<u>13,991</u>	(12MM) <u>13,991</u>	(12MM) <u>13,991</u>	(12MM) <u>13,991</u>	
	30,991	30,991	30,991	30,991	123,964
Office Supplies					
Production	3,000	4,000	6,000	6,000	
Supplies	<u>5,000</u>	<u>6,000</u>	<u>10,000</u>	<u>10,000</u>	
Total	<u>8,000</u>	<u>10,000</u>	<u>16,000</u>	<u>16,000</u>	50,000
Subtotal (B)	75,451	77,451	83,451	83,451	319,804
C. Conference & Seminar Costs					
	24,000	24,000	24,000	24,000	96,000
D. Travel					
Per Diem	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	
Subtotal (D)	65,000	65,000	65,000	65,000	260,000

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OUTPUT BUDGET

YEAR OF PROJECT

	I	II	III	IV	TOTAL
TOTAL	\$435,158	\$437,158	\$443,158	\$443,158	\$1,758,632
Inflation (6%)	<u>          </u>	<u>26,229</u>	<u>53,178</u>	<u>79,768</u>	
Total	435,158	463,387	496,336	522,926	1,917,807
Two Year Total		898,545		\$1,019,262	

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### C. SOCIAL ANALYSIS

The primary emphasis of this project on assisting AID Missions and regional bureaus to design more effective operational programs arises from TA/RD's perception that the rural development activities of AID Missions are at the cutting edge of rural development practice. The TA/RD strategy is to work with Missions and regional bureaus to develop the types of projects that will contribute an understanding of how to stimulate and encourage rural development, recognizing that most projects in this area are still at the experimental stage. By drawing upon experiences and approaches from a broad range of countries, TA/RD will be able to assist AID Missions to work more effectively with local institutions to design, implement, and evaluate rural area development projects. TA/RD feels this approach will permit the resources it can mobilize to have a stronger impact on the rural poor than could be achieved if TA/RD contractors focused their attention more directly on local institutions.

This does not mean that resources mobilized through this project will not work closely with local institutions at all stages of regionally integrated planning and projects. However, in line with TA/RD's view that it is the task of AID as a whole and not just TA/RD to do rural development, this project will primarily focus on making resources available to Missions and regional bureaus so they can more effectively

perform their proper function of promoting and developing better rural development projects in their various regions and countries.

#### Impact of Project

By working with AID Missions and LDC institutions to design and implement more effective area development policies and project, this project will have an important impact on the quality of life of the rural poor. Through this project, Mission and LDC planners will become more aware of the importance of integrated regional development to the rural poor, and the contribution of this approach to increasing employment and income opportunities in rural areas. This TA/RD activity should help to stimulate the identification and development of increased market opportunities, investment opportunities, and facilitate targeting economic benefits to the poor. The in-depth research and special studies to be carried out will identify constraints on the development of specific regions and suggest programatically feasible alternatives for overcoming these constraints. To the extent that projects of this sort can be successfully implemented, low income rural producers and laborers will benefit from the increase in employment and income opportunities that are generated.

This project will pay particular attention to ways of increasing rural employment and income opportunities for women. The available data suggest that in many countries

and regions women participate extensively in rural non-farm activities and particularly cottage industries. In addition, the project will seek to identify women and minority consultants who will participate in project activities as members of the research and consulting networks which this project will develop and utilize.

#### Part IV. Implementation Arrangements

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

###### 1. University Contractor

It is TA/RD's intention to seek competitive proposals from universities or university consortia for this applied research contract. Because of this it is not possible at this time to identify a specific contractor but it is possible to identify the desirable characteristics of such a contractor.

a) Regional planning: The integrating concept in this project is the concept of integrated regional planning. Any institution selected for this project will, therefore, need to have strong capability in regional planning including appropriate specialized disciplines such as regional economics.

b) Resource Management: Given the growing importance of access to land and water, growing environmental problems, and the key role of resource management in spatially integrated rural area strategies, the institution selected must have clear capabilities in the area of resource management and resource economics. Particular preference will be given to institutions with established competence in arid and semi-arid lands or agriculture. Although the project will deal primarily with social and institutional problems

of resource management it is desirable that the institution have technical back-up in appropriate agricultural and natural resource sciences and that the social scientists have had exposure to the unique problems of these ecosystems. Some core funding can be provided for agricultural/natural resource scientist where they can make a direct contribution to the development of institutional analysis or to regional social-economic problems.

c) Governance problems: Many of the institutional problems of regional development center around the distribution and organization of public authority, problems of local public finance, analytical skills and training of local officials, and the interaction between the public and private sector at the local level. It is expected, therefore, that the university selected will have demonstrated capability in the areas of local government and local finance, political economy/public policy analysis, and public administration.

d) Social analysis: Typically in LDC situations there is a substantial gap between government administration and the villages and policy is often made with very limited information on local social/economic systems, role structures, institutional patterns, and custom. It is expected, therefore, that the institution selected will have capabilities in rural sociology and/or applied anthropology (especially economic anthropology, social ecology, aggregate social

data analysis).

e) As the institution will be called on to perform consulting and research tasks in a wide variety of countries, preference will be given to those institutions with established experience in LDC research--including evidence of language competence. There will be no objection to utilizing specialists with limited or even no LDC experience in certain capacities if they are inadequately supervised in or if they are employed essentially in a theory building or methodological capacity. Nor is it expected that the range of country experience desired will be equally great in all disciplines. Nevertheless, we will take into account the breadth and depth of country experience.

f) Within the purview of regional planning there are two substantive concerns which have been of great interest to AID missions and represent areas in which extensive research/consulting requirements will be forthcoming. These are infrastructure development and rural market systems. We will expect the contracting institution to have had some experience in the institutional, administrative, financial, and social aspects of these types of projects.

g) Management Capacity: This project is obviously a complicated one with a number of important component parts. One of the most important criteria for selection of the contracting institution, therefore will be the management mechanism which will be available for putting these services together. There must be a capacity for flexible and innovative combination of interdisciplinary teams for conceptual work, consulting, and research. There must also be the ability to find flexible mechanisms for making faculty time available for mission needs and for accessing individuals from other institutions or from the private sector where need be. Finally, as it now appears possible that no single institution can provide all the services required, there may be the need for some capacity for inter-institutional cooperation. It should be understood, however, that should it become necessary to contract with more than one institution, our intention is to utilize a contractual and management mechanism which will assure intense collaborative work rather than simply a legal mechanism for accessing individuals for specific pieces of work.

A brief chart is attached here to illustrate the range of services/disciplines which may be required in

the project and the rough allocation of time to each (the time is calculated in "senior equivalents" --ie. each work month is costed as if the individual were being paid at the average rate of a senior faculty member. It is understood however that some of these individuals may, in fact, be more junior and some may well be accessed on a sub-contract basis.

DATA PLANNING

ANALYSIS					INSTITUTIONAL BACKSTOP
FUNCTIONS ↓	Spatial & Economic Analysis	Governance & Management	Social Analysis	Total Resources Per Year	Not required in core but potentially useful
MARKETING	Regional* Science	Political Economy and Public Policy	Economic Anthropology	18 SE**	Small Industry Development Business Administration Engineering
	Agricultural Economy				
RESOURCE MANAGEMENT	Regional Science	Political Economy and Political Analysis			Law Geology System Ecology Range, Forestry and Water Management
	Resource Economics	Public Administration	Social Ecology	18 SE	
INFRASTRUCTURE	Regional Science	Political Economy	Economic Anthroponology	18 SE	Accounting
	Agricultural Economics	Public Finance			Engineering
		Public Administration			Transport Economics
DATA MANAGEMENT	Economics and Sociology	Economics and Sociology	Economics and Sociology	6 SE	Statistics Computer Modeling Information System
	30 SE	20 SE	10 SE		

\* "Regional Science" is meant to include Regional Economics and Economics Geography

\*\* SE = Senior equivalent

## 2. AID

The project will require about 40% of the time of the TA/RD project manager. It is anticipated that the contribution of the project manager will be in three areas.

a) Normal project management and monitoring activities.

b) Extensive liaison with regional bureaus and field missions to assure optimal use of the University's resources and to help set priorities for the University's state-of-the-art and research work.

c) Professional input into the substantive activity of the contractor and professional review of output.

The successful completion of the project will also require periodic inputs from the regional bureaus to assist in identifying countries and projects suitable for University's involvement, to set priorities for research, consulting, and state-of-the-art work, and to assist in evaluating the outputs. This input will be provided by a specific Inter-bureau Committee which will be established for the project and the RD Steering Committee.

Through these two mechanisms we hope to assure the relevance and quick applicability of the university's work. This will be encouraged through a continual focus on the application of the University's work to ongoing projects on the one hand and the continuing involvement of the regional bureau representative in setting priorities on the other.

## B. Implementation

The selection of contractors for this project is expected to be by competitive bidding. It is possible, however, that TA/RD may attempt to undertake some pre-selection limitations on the competition in order to limit competition to the most realistic competitors. Another possibility, because of the complex nature of the project, is that we may employ "collaborative-style", "early involvement" implementation techniques so that TA/RD might play a more active role in facilitating inter-institutional collaboration should that prove necessary. The project will then be implemented through a "cooperative agreement" style contract for services.

Funds for the four basic project outputs -- consulting network/roster, information dissemination, state-of-the-art work and related special case studies, and applied research and consulting -- will be obligated in the first year for two years in the amount of \$898,545. A second tranche of \$1,019,262 would be obligated for the final two years of the project.

The basic arrangements for the core of activities which are of a recurring nature -- networking and periodic aspects of the information dissemination system -- will be worked out between TA/RD and the University during the first three months of the contract. The remainder of the activities -- applied research and consulting, state-of-the-art work,

and special information activities (e.g., regional seminars) will be specified annually through consultations among the contracting university, TA/RD, the Inter-bureau Project Committee and concerned missions. The overall plan will then be approved by the RD Steering Committee.

Responsibilities for project management, direction, and coordination will be shared by TA/RD with members of the Rural Development Steering Committee (RDSC) and members of an Inter-bureau Committee for Area Development. The RDSC is composed of the senior rural development officer from each of the regional bureaus. The Inter-bureau Committee would be made up of representatives of the regional bureaus (Steering Committee members or other staff members), PPC, interested TAB offices and other interested AID personnel.

The Steering Committee as presently constituted would remain the crucial voice of the Regional bureaus in the development and implementation of TA/RD's overall program. The RDSC would function on the following range of activities:

1. discussion and review of the overall TA/RD program (budget, staffing, and the like);
2. the overall allocation of resources of TA/RD projects, including this one, among regional bureaus;
3. new project proposals; and
4. significant differences of opinion arising from interbureau project committees for different TA/RD projects.

The Inter-bureau Committee would have the following responsibilities:

1. dealing with detailed project development concerns;
2. advising on major decisions in project implementation, including design of applied research projects, allocation of project resources between bureaus and the like; and
3. acting as a point of contact in each bureau for information relating to the project.

In addition, the contracting university, TA/RD and the Inter-bureau Committee will jointly develop an annual implementation plan which will be reviewed and approved by the Steering Committee.

The functions of these two committees in project implementation are further delineated in the sections which follow.

The sequential approach to elaboration of specific applied research activities which is outlined in this PP encourages collaborative participation in problem definition by the prime university cooperator, which assures flexible responses to mission needs, and encourages innovative approaches to rural development problems. Although TA/RD has not chosen to employ the Expanded Program for this project, we intend to use the same type of flexible programming in this project, once the contract is let, as with the Expanded Program Schools. We would also encourage maximum interaction and mutual support among the several

universities participating in TA/RD's program, regardless of the specific contracting mechanism employed. This is potentially reinforcing of the strong networking activity expected in this project.

C. Implementation Plan

The work of the primecontractor under the cooperative agreement will consist of two portions.

a) A core of activities which will continue throughout the duration of the project and will be defined in the initial agreements. This will include the networking and periodical aspects of the information dissemination system. A basic core of work months time per year will be allocated to these activities.

b) A second set of activities which will be specified as the project progresses. This will include state-of-the-art work, applied research and consulting, and aspects of the information activity which may be tied to specific regional or project activities. Funds for these activities will be obligated and work months time allocated to these activities but the specification of the activities will occur on an annual basis. This is necessary because later work frequently depends on the results of earlier work and the project needs of the missions alter over time. This arrangement will permit university to free appropriate staff or recruit research associates in

response to need while at the same time being assured of a certain level of overall funding for these activities.

Generally speaking attempts will be made to package information activity and applied research and consulting under this heading so as to focus the resources of the university onto the needs of specific countries, projects, and substantive problems rather than dissipating those energies in disparate activities. It is for this reason that the annual specifications of the work plan by the Inter-bureau Committee is critical to the success of this undertaking and it is for this purpose that the distinction between core activity and focused activity is maintained.

State-of-the-art papers will be directed toward general problems facing AID missions and development practitioners rather than at specific countries, but it may well be that case studies in connection with such analysis may be linked to the country specific research. The need for sequencing, timeliness, and relevance also suggest that this activity should be part of the focused activity rather than of the core.

The activities outlined in this document are initially planned to cover a 4-year period. During the first three months of the first year the details of the core activities will be worked out.

Also during the first three months arrangements will be worked out with at least two specific missions for the contracting university's involvement in ongoing consulting and applied research related to mission projects with an important participatory component. A proposal will also be developed for the first of at least four major state-of-the-art papers dealing with salient aspects of the problems of participatory development. At the end of this three month period, the package of consulting, applied research, and state-of-the-art papers will be approved by the Inter-bureau Committee. Within the first six months of the first year we would evolve a schedule for a set of information dissemination/ networking activities of a specialized nature (e.g., regional or substantive conferences/workshops).

By the end of the first year, therefore, we will have achieved the following outputs.

- a) Applied research consulting arrangements will be worked out in at least two countries.
- b) Consulting network and roster (subject to caveat stated above) will be organized and in operation.
- c) Plans will be under way for specialized information dissemination activities.
- d) Periodical elements of the information dissemination system will be functioning.

e) First state-of-the-art paper should be under way and probably in draft form.

During the remaining three years the University will undertake the following additional activities:

a) At least an additional three state-of-the-art papers.

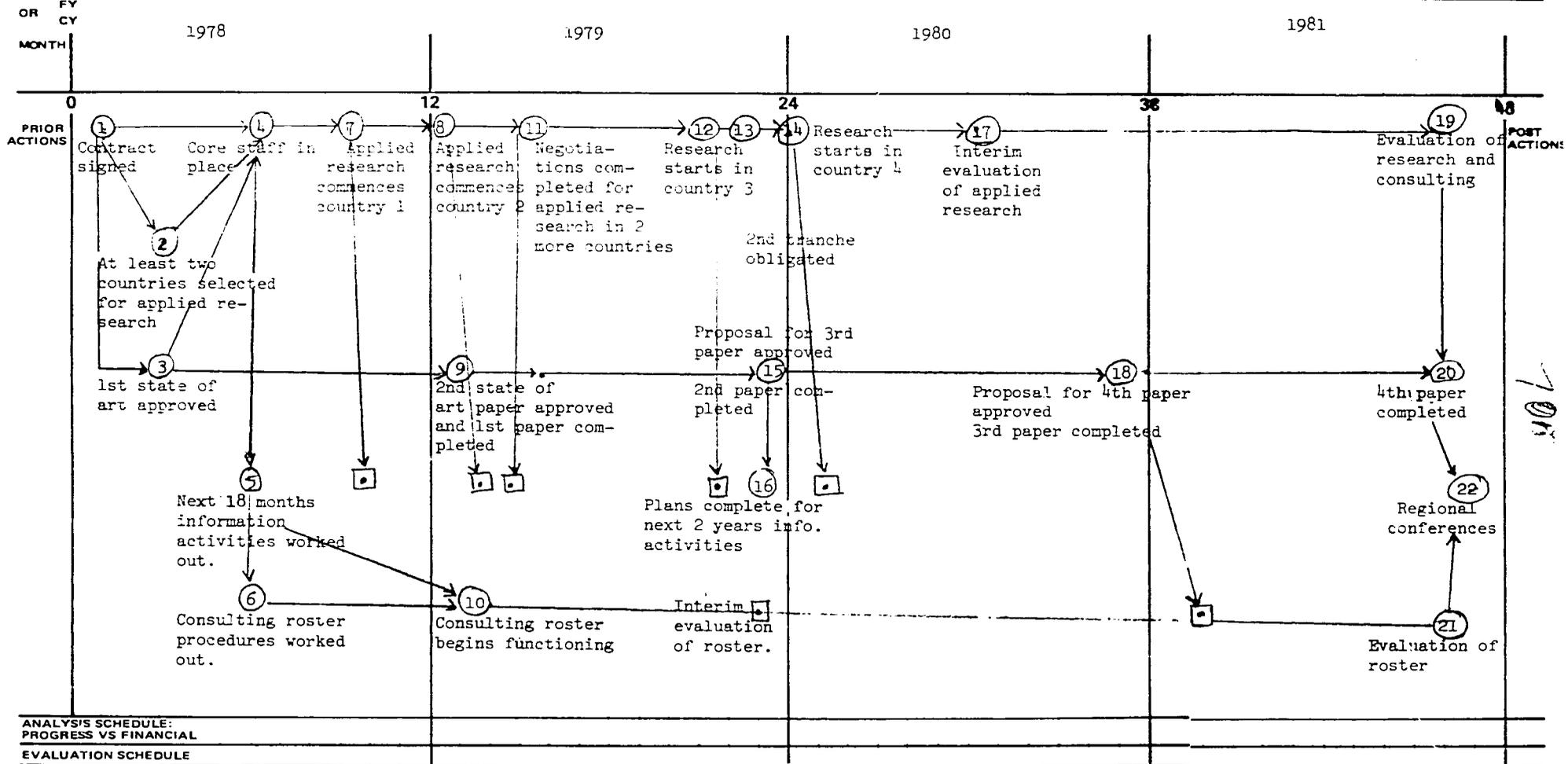
b) Research and consulting relationships with at least two additional missions.

c) Continuation of the networking and information system activities.

d) Organize a series of specialized seminars/workshops/conferences either on regional basis or on specialized topics as seems appropriate.

The details of the proposed phasing of these activities by month and year are summarized in the following table:

COUNTRY	PROJECT NO.	PROJECT TITLE	DATE	<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> REVISION #	APPROVED	<input type="checkbox"/> ORIGINAL <input type="checkbox"/> REVISION #	APPROVED
Interregional		Rural Area Development	9/77				



**CRITICAL PERFORMANCE INDICATOR (CPI) NETWORK**

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COUNTRY	PROJECT NO.	PROJECT TITLE	DATE	<input type="checkbox"/> ORIGINAL	APPROVED
Interregional		Rural Area Development	10/1/78	<input type="checkbox"/> REVISION #	

PROJECT PURPOSE (FROM PRP FACESHEET)

CPI DESCRIPTION	Initiated	Completed		Initiated	Completed
<u>Year I (1977-1978)</u>					
1. (a) RFP sent out		10/77	6. Negotiations begin for two additional research/consulting relationships.		1/79
(b) Contractor selected		1/78	7. (a) Research begins in country #3.		6/79
(c) Project Committee selected		1/78	(b) Evaluation of package of outputs to date.		
2. (a) Recruitment of core staff at university.			8. (a) Research begins in country #4.		10/79
(b) Arrangements worked out for roster and information activities.			(b) Proposal for state-of-art paper #3 accepted by TA/RD		
(c) Proposal for first state-of-the-art paper accepted by TA/RD			(c) Obligation of second tranche completed.		
(d) Negotiations for consulting/research involvement with two missions.			<u>Year III (1979-1980)</u>		
(e) First year's program approved by Inter-Bureau Committee.			9. Second state-of-art paper completed.		12/79
(f) Information/Network activities worked out for next 18 months.			10. Interim evaluation (especially of network and information systems).		6/80
3. Research commences in country #1		9/78	11. Proposal for fourth state-of-art paper accepted TA/RD		10/80
4. (a) Research commences in country #2		10/78	12. (a) Third state-of-art paper completed.		12/80
(b) Proposal for second state-of-the-art paper presented to TA/RD and accepted.			(b) Remaining network/information activities worked out.		
<u>Year II (1978-1979)</u>					
5. First state-of-the-art paper completed.		12/78	13. Interim evaluation (especially of applied research and consulting activities).		6/80
			14. Proposal for seminars and regional conferences to review research and state-of art activities.		10/80
			<u>Year IV (1980-1981)</u>		
			15. Fourth state-of-art paper completed		10/80
			16. Regional conferences.		6/81-12/81
			17. Final evaluation of activities and final reports on applied research/consulting activities.		10/81-12/8

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D. Evaluation Plan

Evaluation activities are planned for each of the principal components of the project. The following specific evaluations are planned during the life of the project.

1. Each state-of-the-art paper will be evaluated as it is received both in terms of professional standards and in terms of its utility to the Agency. This will be the responsibility of TA/RD professional staff with assistance from other offices in AID/W as required and with such outside input as required. The results will then be submitted to the Inter-bureau Committee for review.

2. 18 months: General evaluation of project outputs to date with emphasis on the effectiveness of the arrangements for the consulting roster, information system, and the interaction among contractor, regional bureaus and missions, and TA/RD.

3. 30 months: Interim evaluation -- especially of utility and use of information system and consulting system/roster.

4. 42 months: Interim evaluation especially directed toward the consulting and applied research results and the functioning of the University/host country/mission relationships.

5. Final evaluation: Of all components of the project and will include final regional seminars conducted by the University to review substantively the results, findings, and experience gained during the project by all parties.

#### E. Project Operations

Management responsibilities for operations under the project are vested in TA/RD. The responsibilities for monitoring and managing the activities in this problem area will be assigned to a member of the TA/RD professional staff who has both interest and expertise in this field. The project manager will not only coordinate and monitor the activities of the contracting university but will also be involved in the substantive concerns of the project and will work in a collegial manner with the university to determine the scope and direction of issues papers and in-depth country specific applied research. However, the RD Steering Committee, advised where appropriate by the Inter-bureau Committee on Rural Area Development, will not participate fully in major decisions affecting project operations. Specifically, these decisions include, but are not limited to, the aggregate allocation of resources of the project among the geographic regions, the selection of LDCs where major applied research activities will be carried out; the evaluation of performance of universities, individual consultants, TA/RD staff (in management of the project) and the missions (in the utilization of the project).

The scope of involvement of members of the Steering Committee will depend on their interests and needs in this critical problem area.

The managerial approach proposed for this project places upon the Steering Committee members and the regional bureaus a dual responsibility -- on the one hand, to identify and interpret the specific needs of missions within their region and seek through this project the maximum support in meeting those needs; and on the other hand, to participate in management with an agency perspective directed toward the objective of optimizing advance of the state-of-knowledge about and practice in this critical problem area.

Each of the functions under the project will require somewhat different managerial treatment.

1. State-of-the-art Papers

The development of the state-of-the-art papers and other problems and issues papers will be managed primarily by TA/RD. The general subject matter and coverage will be reviewed and approved by the RD Steering Committee. As noted above, a TA/RD professional staff member in the particular area will work with the Inter-bureau Project Committee and the university in developing each document.

2. Network Management

The development of networks and their utilization presents a somewhat more complex task than would appear on the surface, particularly when one element of the networking activity will be to assist the development of a roster of qualified experts interested in consulting on

AID projects. The sensitivity of the government collecting personal information and using it for employment decisions, the sensitivity of universities to evaluating the performance of academics and the requirements of the Privacy Act must be taken into account in designing, particularly, the roster of potential consultants.

Relying on the experience obtained with a small activity contract to develop a roster of potential anthropology consultants and based on exploration over the next several weeks, with the guidance of the General Counsel's Office, of various alternatives, we will design the least cost most effective rostering and networking system possible for this project and the others being developed by TA/RD with the same design. We cannot define the precise mechanism by which the networking procedure can be handled at this time, but it is clear that, at a minimum, the contracting university must be deeply involved initially in defining needed areas of expertise for which individuals will be sought. The university will also clearly be responsible for the networking activity apart from the roster dimension. For these reasons, "network management" has been included as an output of the project and funds are budgeted for that purpose. Should the most efficient mechanism for accomplishing the roster function prove not to be the contracting university -- for either statutory or professional reasons -- the adjustment will be made either in the initial cooperative agreement or in

an amendment to it.

### 3. Applied Research and Consulting

The most important concern of this project is to improve access of the missions to the best available consulting talent and to encourage more extensive use of applied research in program development and operations. Responsibility for assuring that the right people are made available to the mission for the right job at the right time is a responsibility which must be shared by missions, regional bureaus, and contracting universities, and TA/RD. TA/RD proposes to approach this implementation problem in the following fashion:

1. TA/RD will be responsible for developing materials to present and explain the program to the missions. Wherever desired, in AID/W or in regional conferences, a presentation of the program will be made by TA/RD staff. TA/RD staff will also explain the program in the course of TDY travel on other matters wherever desired and appropriate.

2. With respect to operations in LDCs where a major university commitment will be made:

- a. The contracting university and regional bureaus will propose countries of particular interest for activities under their project.

b. Missions will be notified of such interest and will be asked for agreement in principle along with that of the regional bureau involved, the Inter-bureau Project Committee, and TA/RD.

c. Country selection will be made as part of the process specification of the annual work plan of the contractor. Once agreement in principle is arrived at, a detailed scope of work will be developed in country between a representative of the university and the mission, subject to concurrence by the regional bureau and TA/RD.

3. With respect to activities in countries which are not countries of primary specialization by a university:

- a. the regional bureaus will identify applied research/consulting needs in their countries.
- b. the list of needs compiled by the regional bureaus will be compiled and evaluated by TA/RD and the contractor; and either (i) needs will be met through the consulting roster or (ii) where needs are viewed as high priority negotiations with the contracting university regarding the use of research associate slots may be possible.

4. As an operating principal, missions will be encouraged to enter their own self-financed agreements as a result of relationships started with universities rather than working through this TA/RD financed project. The role of TA/RD's project in this connection is to get initial work underway, make connections, facilitate transactions and not to control the development of relationships. TA/RD should be directly involved only insofar as funding under this project is required for the R&D effort and available for ancillary consulting services.

5. In those situations in which an AID/W bureau or a mission is using the vehicle of this project to secure services with its own funding, TA/RD would be kept informed. TA/RD in turn will notify the Interbureau Project Committee

of this activity periodically. The purpose is to assure that the general commitments for consulting by university, are in fact carried out and to assist in project evaluation.

**PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK**

Life of Project: \_\_\_\_\_  
From FY \_\_\_\_\_ to FY \_\_\_\_\_  
Total U.S. Funding: \_\_\_\_\_  
Date Prepared: \_\_\_\_\_

Project Title & Number: Rural Area Development

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><b>Program or Sector Goal:</b> The broader objective to which this project contributes: To enhance the ability of AID missions and LDC institutions to design and implement programs that will enable them to operate more effectively toward increasing productivity, income and the quality of life of the rural poor.</p>	<p><b>Measures of Goal Achievement:</b> Improve planning and management capabilities which includes: (a) focus on spatial integration of development efforts. (b) concern for development management, and preservation of regional resources (c) more effective institutional capacity for planning, and management of public resources and guidance of private investment in a regional context.</p>	<p>Analysis of PP's, evaluation of mission area development projects with particular emphasis on: (a) evidence of integration of technical, social, and institutional aspects within a regional context; (b) better utilization of empirical analysis at all stages of the project; (c) improved income/employment pattern -- especially of those mission projects in which the university contractor is directly involved.</p>	<p><b>Assumptions for achieving goal targets:</b> 1. Increasing data gathering and analysis in LDC and Mission during project. 2. Adequate policy commitment by host government to integrated area planning 3. Can expect measurable impact by end of project.</p>
<p><b>Project Purpose:</b> To marshal and bring to bear practical experience and intellectual resources in area development -- spacial planning, resource management, and related governance problems -- which missions and bureaus can draw upon for assistance in the design, implementation, and evaluation of projects and programs.</p>	<p><b>Conditions that will indicate purpose has been achieved:</b> End of project status. (1) Network of consultants established and mission use of multi-disciplinary area development consulting teams has been facilitated. 2. Completion of set of project related research and state-of-art studies which evaluate and test various strategies for area planning and emphasize vertical and horizontal regional links and management of community resources in the development process.</p>	<p>Survey of utility of services to missions 1. TA/RD verification of mission are of short term consulting. 2. In house and external professional review of research and state-of-art studies and mission evaluation of utility of documents. 3. Evaluation of mission projects in which prime contractor has been involved. 4. Mission evaluation of utility of network.</p>	<p><b>Assumptions for achieving purpose:</b> AID and LDC practitioners recognize need for more knowledge and information in this area. U.S. and LDC professionals will be able to work collaboratively and integrate activities.</p>
<p><b>Outputs:</b> • Consulting and applied research on problem and issues. State of art papers and special studies • Dissemination of information on area development techniques. • Consulting Network and Roster.</p>	<p>1. Increases, faster, and better organized flow of relevant experiences and information related to area development efforts. 4. Successful utilization of the mission-university linkage developed by project. <b>MAGNITUDE OF OUTPUTS</b> 1. Inter-disciplinary core team established and applied research underway in at least four countries. 2. At least 4 state of the art papers selected. 3. Agreed upon information services fulfilled. 4. Consulting roster functioning to AID's satisfaction.</p>	<p>Direct monitoring by TA/RD Studies accepted by Inter-Bureau Committee and RD Steering Committee. Information activities monitored by TA/RD. Roster accepted by TA/RD. com-</p>	<p><b>Assumptions for achieving outputs:</b> 1. University has management capacity to integrate research and consulting; quality research and consulting talent can be mobilized by this mechanism; and investment in increased professional involvement will yield improvement in state of art in AID projects.</p>
<p><b>Inputs:</b> 1. Contractural agreement with university 2. Mission and host government financial and staff commitment which also simultaneously serves their own planning needs. 3. Guidance and decision making by Rural Development Steering Committee and Inter bureau Committee. 4. TA/RD staff to assume management and professional review.</p>	<p><b>Implementation Target (Type and Quantity)</b> Budget of \$1,470,000 over 4 years.</p>	<p>Regular AID reporting procedures</p>	<p><b>Assumptions for providing inputs:</b> Cooperative mechanism can be worked out with suitable institution. Agreements can be reached with mission, host governments and university on consulting/research activities.</p>

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