

PD-AAS-097
 ISN 42033

AID 1020-25 (7-68)
PROJECT APPRAISAL REPORT (PAR)
 (U-446) See M.O. 1026.1

SECURITY CLASSIFICATION
UNCLASSIFIED

001 PROJECT NUMBER
 367-11-110-054

002 PAR MO. DAY YR. 003 U.S. OBLIGATION SPAN 004 PROJECT TITLE

AS OF: 1 2 3 4 6 8 FY 5 7 Thru FY 7 2

005 COOPERATING COUNTRY - REGION - AID/W OFFICE

NEPAL 000134

FOOD GRAIN PRODUCTION
 (Research and Extension)

006 FUNDING TABLE

AID DOLLAR FINANCING-OBLIGATIONS (\$000)	TOTAL	CONTRACT (NON-ADD)	PERSONNEL SERVICES			PARTICIPANTS		COMMODITIES		OTHER COSTS	
			AID	PASA	CONTRACT	DIR. PASA	CONTRACT	DIR. PASA	CONTRACT	DIR. PASA	CONTRACT
CUMULATIVE NET THRU ACTUAL YEAR (FY 19)											
PROPOSED OPERATIONAL YEAR (FY 19)											

SEE PAGE 1 A

Reference Center Room 1656 IS

CCC VALUE OF P.L. 480 COMMODITIES (\$000) → Thru Actual Year : Operational Year Program :

007 IMPLEMENTING AGENCY TABLE

If contractors or participating agencies are employed, enter the name and contract or PASA number of each in appropriate spaces below; in the case of voluntary agencies, enter name and registration number from M.O. 1551.1, Attachment A. Enter the appropriate descriptive code in columns b and c, using the coding guide provided below.

TYPE CODE b	TYPE CODE c	a. IMPLEMENTING AGENCY	TYPE CODE		d. CONTRACT/PASA/VOLAG NO.	e. LEAVE BLANK FOR AID/W USE
			b.	c.		
1. U.S. CONTRACTOR 2. LOCAL CONTRACTOR 3. THIRD COUNTRY CONTRACTOR 4. PARTICIPATING AGENCY 5. VOLUNTARY AGENCY 6. OTHER:	0. PARTICIPATING AGENCY 1. UNIVERSITY 2. NON-PROFIT INSTITUTION 3. ARCHITECTURAL & ENGINEERING 4. CONSTRUCTION 5. OTHER COMMERCIAL 6. INDIVIDUAL 7. OTHER:					
		1. See PAR (being prepared) on ASC (203)				
		2. for info on implementing agencies financed by this project.				
		3.				

PART I - PROJECT IMPACT

I-A. GENERAL NARRATIVE STATEMENT ON PROJECT EFFECTIVENESS, SIGNIFICANCE & EFFICIENCY.

This summary narrative should begin with a brief (one or two paragraph) statement of the principal events in the history of the project since the last PAR. Following this should come a concise narrative statement which evaluates the overall efficiency, effectiveness and significance of the project from the standpoint of:

- (1) overall performance and effectiveness of project implementation in achieving stated project targets;
- (2) the contribution to achievement of sector and goal plans;
- (3) anticipated results compared to costs, i.e., efficiency in resource utilization;
- (4) the continued relevance, importance and significance of the project to country development and/or the furtherance of U.S. objectives.

Include in the above outline, as necessary and appropriate, significant remedial actions undertaken or planned. The narrative can best be done after the rest of PART I is completed. It should integrate the partial analyses in I-B and I-C into an overall balanced appraisal of the project's impact. The narrative can refer to other sections of the PAR which are pertinent. If the evaluation in the previous PAR has not significantly changed, or if the project is too new to have achieved significant results, this Part should so state.

008 NARRATIVE FOR PART I-A (Continue on form AID 1020-25 | as necessary):

The Food Grain Project and its predecessors date back to the earliest days of the U.S. assistance in Nepal. Until 1950 Nepal was closed to the outside world. As early as 1951 negotiations were started with the U.S. and in early '51, an agreement was signed by which the U.S. would provide economic and technical assistance to Nepal. One of the first projects was a project in general agriculture. At that time there was no Ministry of Agriculture and the functions of the Department of

MISSION DIRECTOR APPROVAL → SIGNATURE: William C. Ide DATE: May 28 1969

UNCLASSIFIED

May 28 1969

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

PAR 006 FUNDING TABLE REVISED FOR NEPAL

AID Financing- Obligations \$000 or \$000 Equivalent	Total	Con-tract (Non-Add)	Personnel Services			Participants		Commodities		Other Costs	
			AID	PASA	Con-tract	Dir. PASA	Con-tract	Dir. PASA	Con-tract	Dir. PASA	Con-tract
Cumulative Net Thru Actual Year (FY 1968) TC/DG \$:	1,941	147	1,189		147	139		240		226	
104(g) \$ Equivalent:	3,783		23			121				3,639	
Proposed Operational Year (FY 1969) TC/DG \$:	361	57	205		57	98		1			
104(g) \$ Equivalent:	1,047		40			495				512	

Agriculture were assigned to a small office in the Department of Commerce. There were only a handful of agricultural graduates at the college level.

The work in Nepal was different from most U.S. agricultural programs because not only had the technical expertise to be developed but also the organization through which technical expertise could operate. Thus, in the early days of the project a great deal of time and effort were required to organize the agricultural effort and to set up the administrative machinery for its operation.

The early agricultural activities concentrated mainly on extension-type efforts in which farmers were exhorted to work harder and to do better almost exclusively within the framework of their existing technology. The new seeds had yet to be promoted on a large scale. The agricultural effort was diffused, attempting to deal in the broad aspects of the agricultural program patterned on the U.S. programs, namely, livestock, home science, general extension, youth organizations, and adaptive research.

Not only the U.S. was interested in giving aid to Nepal but also India, and the Nepalese program was influenced in the early '50s by the efforts that India was undertaking in its own country, especially the community development idea. In this stage of the project, there was an effort to organize agriculture within the broad confines of a general community development effort. Fieldmen were multi-purpose workers, not agricultural workers.

SECURITY CLASSIFICATION

UNCLASSIFIED

PROJECT NUMBER

367-11-110-054

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

Not only India became interested in Nepal but also the Swiss, the Israelis, and UN agencies. During the '60s it was possible to specialize within the agricultural sector because there was a relatively large increase in people with formal training at the college and secondary school levels. The U.S. began to sharpen its focus in agriculture primarily to production of food grains, while other agricultural activities were taken over by other aid donors; for example, the Indians concerned themselves with horticulture; the UN with livestock, and the Israelis with resettlement schemes.

A.I.D. agricultural projects were combined, consolidated, or eliminated so that by 1966, there was only one major agricultural dollar project, General Agriculture, which was renamed in 1968 as the Food Grain Production Project. The Food Grain Project combined the functions of research and extension into one project. Each function with a Nepali director. (Note: The Food Grain Production Project finances the dollar costs of some technicians who work on special activities such as the Agricultural Supply Corporation which also are supported by USAID under separate local currency projects. These activities and the work of the technician concerned are being evaluated in the PARS which the USAID is preparing on these separate local currency projects.)

Beginning with the third Plan, 1965-1970, USAID accepted the Nepalese Government's goal of increasing food grain production 3% per year. (A 3% increase in food grain production would result in a 1% annual increase in GNP.) This goal was translated into a four year program of increasing production of food grains by 12% between the base year of FY 1966 and FY 1970. While statistics are poor, it appears that Nepal's food grain production is growing, but at a rate which is considerably below 3% per annum. There has been a marked percentage increase in wheat production but because of the low absolute production of wheat in the base year, this increased wheat production has had a relatively minor impact on total food grain production. Rice is the most important crop, accounting for 75% of food grain crops in the base year, and there has not been any apparent significant increase in total rice production. Thus, most variations in rice production seem to reflect basically changes in weather conditions, even though in Kathmandu and certain limited areas in the Terai there have been noticeable increases in production. To reach production targets, the project assisted HMG to develop its strategies. Simply stated, the strategies were to increase yields per acre by the use of proven practices, and the combination of fertilizers, good seeds and insecticides. Sixteen of Nepal's most productive districts were selected for a coordinated program, which placed in these districts the necessary people and inputs to increase production. Specific programs were carried out in "Grow More" campaigns for wheat, paddy, and corn. The first two, almost three, years of the Plan coincided with severe drought conditions in Nepal and India. However, in specific areas, for example Kathmandu Valley and Rapti Valley, there were USAID programs of long standing. The introduction of wheat as a second crop in Kathmandu Valley resulted in dramatic increases in production. In Kathmandu Valley wheat production increased from less than 3,000 tons in 1964 to a level which was at least 20,000 tons in 1968 and quite possibly substantially more. In Rapti Valley the introduction of corn and wheat also increased production significantly. Last year, with good rains, crop production increased some 9% from the previous year of low rainfall. Because of changes in weather conditions, it is difficult to measure the success of a food grain project in terms of production figures. More meaningful indices of success would be in terms of the number of farmers who utilize modern agricultural methods and modern inputs, and the percentage of total land where modern

UNCLASSIFIED

3

UNCLASSIFIED

367-11-110-054

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

agriculture is being practiced, etc. From figures on the use of fertilizer (2,733 metric tons of nutrients in FY 1968), it is clear that while a good start has been made, there is still a need for much greater progress in the agricultural sector.

As the number one goal of USAID/Nepal, the Food Grain Project has contributed to the increase in agricultural production in two ways: 1) USAID technicians have assisted Nepali counterparts to establish agricultural research farms and to carry out adaptive research to determine the best combination of new seeds and inputs for Nepali conditions; 2) in extending the information and recommended practices to farmers, AID technicians have lent not only their technical know-how but their organizational abilities to get the agricultural program going. One of their most important functions has been to help provide supervisory assistance to field workers and to demonstrate the need for a field-oriented central office which is responsive to the needs of its field staff.

AID's financial contribution to the Food Grain Project has been significant. U.S. financial involvement, in the form of U.S.-owned Indian rupees, has totalled the equivalent of \$3,783,000 thru 6/30/68.

Since 90% of Nepal's people are dependent on agriculture for their livelihood, and since agriculture provides most of Nepal's foreign exchange, the project will have continuing relevance for a long period of time. Even if the family planning activities accelerate remarkably, the food problem will remain in large parts of Nepal.

PART I-B - PROJECT EFFECTIVENESS

009

I-B-1 - OUTPUT REPORT AND FORECAST - (See detailed instructions)

1. CODE NO. AID/W USE ONLY	2. This section is designed to record progress toward the achievement of each project output target which was scheduled in the PIP, Part II. Where progress toward a target is significantly greater or less than scheduled, describe reason(s) beneath the target.	ACTUAL AND PLANNED OUTPUTS (ALL DATA CUMULATIVE)				
		3 ACTUAL CUM. TO DATE	4. AS OF PRIOR JUNE 30 i.e. for FY 68		5. PLANNED BY NEXT JUNE 30 (i.e. for FY 69)	6. PROJECTED TOTAL FOR PROJECT LIFE
			a. PLANNED	b. ACTUAL		
	<u>Production Bench Marks</u>					
	1. Increased production of food grains: (000 MT)				3 % Per Yr. Increase Projected Total for FY 70	
		<u>FY 66 Base Year</u>	<u>FY 67</u>			
	Paddy	2,020	1,838	2,040	2,207	
	Maize	466	460	478	518	
	Wheat	70	80	100	156	
	Millet	83	80	82	87	
	Total	2,639	2,458	2,700	2,968	
	2. Food grain demonstration program (number of districts)			16	16	
					Planned by Next June 30	
	3. Training:					
	(a) Stateside training for project personnel			44	45	
	(b) Third country training			56	37	
	(c) B.Sc. degree training in India			273	35	
	(d) In-service training				224	
					224	
					52	
					198	
					313	
					700	
					Target Not Set	

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

workers and to up-grade the training of the field workers now in service. The Food Grain Project established a college-level participant training program in India. To date some 12 Nepalis have received their degrees in agriculture and 246 are in training, all in Indian universities. Although it now appears unlikely that the original target of 700 Indian-trained Nepali graduates will be met, it is still hoped that approximately 50 new candidates will be sent each year to Indian agricultural universities for the next several years. In addition to the Indian training program, USAID has provided specialized degree training for 8 in the United States and non-degree training of three to twelve months for 83 in the U.S. and third-countries.

It is obvious that with agriculture dominating the economy and the society, there are a multitude of non-project factors which influence the achievement of project targets. The education system which has been developed on classical lines and which has yet to imbue the dignity of work obviously influences the project; people go to school to get off the farm and out of agriculture rather than to learn to be better farmers. National integration efforts influence agricultural production because there is a political need to integrate the country and thus scarce resources may not always be available in the areas of greatest potential but may be shifted to isolated areas of lesser potential. The competition for scarce resources makes it necessary to curtail desirable agricultural programs in order to let the more welfare-type programs continue. Also, malaria eradication is a costly program which must be carried out before agricultural development can take place in given areas of the most productive agricultural regions. Roads must be built before agricultural products can be profitably exported out of the hills or fertilizer economically transported into the hills. Assuming Nepal's will to develop, and the performance of the past few years plus the new agricultural technology which is available, one can be optimistic about Nepal's chances of continuing to accelerate its agricultural development.

However, much work remains to be done as reflected in the relatively small use of modern agricultural methods and inputs, the inactivity of the Central (Agricultural) Coordinating Committee and the district committees, and the insufficient training of JTAs (junior extension workers).

UNCLASSIFIED

367-11-110-054

PART I-C - Continued

C.2 - GENERAL QUESTIONS

These questions concern developments since the prior PAR. For each question place "Y" for Yes, "N" for No, or "NA" for Not Applicable in the right hand column. For each question where "Y" is entered, explain briefly in the space below the table.	MARK IN THIS COL.
013 Have there been any significant, unusual or unanticipated results not covered so far in this PAR?	N
014 Have means, conditions or activities other than project measures had a substantial effect on project output or accomplishments?	Y
015 Have any problems arisen as the result of advice or action or major contributions to the project by another donor?	N
016 If the answer to 014 or 015 is yes, or for any other reason, is the project now less necessary, unnecessary or subject to modification or earlier termination?	N
017 Have any important lessons, positive or negative, emerged which might have broad applicability?	Y
018 Has this project revealed any requirement for research or new technical aids on which AID/W should take the initiative?	N
019 Do any aspects of the project lend themselves to publicity in newspapers, magazines, television or films in the United States?	Y
020 Has there been a lack of effective cooperating country media coverage? (Make sure AID/W has copies of existing coverage.)	N
021 NARRATIVE FOR PART I-C.2 Identify each explanatory note by the number of the entry to which it pertains. (Continue on form AID 1020-25 I as necessary):	

014 - The means and conditions, which have had substantial effect on the project are mentioned above.

017 - Lessons learned include:

- (1) Agriculture is very complex. A change in one part of the process, for example the use of fertilizer, requires numerous changes in other parts of the production cycle. Many of the changes cannot be anticipated and thus there is a great deal of experimentation in trying to find the best way to do the job under existing circumstances.
- (2) There is a need to concentrate and coordinate efforts. Each new step or improved practice by itself may ~~not be~~ very useful but combined with another step or improved practice, gives greater results. It is for this reason that the Coordinated Agricultural Program in Sixteen Districts has been undertaken with encouraging results.
- (3) Agriculture is dynamic. What worked yesterday will not necessarily be proper for tomorrow. New practices, new technological break-throughs, and new combinations of productive factors require constant change and adjustments in a modern agricultural development program. Thus, though one item may have been of prime importance in the recent past, it may assume lesser importance in the future as more important new factors arise.
- (4) Many things need to be done at once. Hard decisions are constantly required to keep a focus on the most important limiting factors or constraints. It is absolutely essential that priorities be established and maintained and that these priorities be those which are substantively important for the agricultural production process.
- (5) Farming is a way of life and a business. Although farmers may farm using traditional methods because they prefer traditional methods, it is also true that farmers cannot produce if their costs exceed their returns, and modern agricultural inputs are expensive in Nepal. While it may be said that farmers may not necessarily respond to change if

UNCLASSIFIED

8

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

change is profitable it can be said with certainty that farmers will not change their practices if farming is not profitable.

(6) Nepalese farmers are responsive to change. The most encouraging lesson of the past almost two decades' experience is that, unlike the reported resistance to change by farmers in some parts of the world, Nepalese farmers accept change when they have the knowledge, the skills, the inputs, and incentives. This has been demonstrated in Kathmandu, Chitwan districts (Rapti Valley), several places along the Terai, and in some hill areas.

UNCLASSIFIED

SECURITY CLASSIFICATION

UNCLASSIFIED

367-11-110-054

PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

022 A-1 - INDIVIDUAL ACTIONS (See detailed instructions M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

PIP ITEM NO.	MAJOR ACTIONS OR STEPS; CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS	(b) STATUS - PLACE AN "X" IN ONE COLUMN		
		(1) BEHIND SCHEDULE	(2) ON SCHEDULE	(3) AHEAD OF SCHEDULE
1.	Training of required personnel in Nepal	X		
2.	Review of program progress by Central Coordination Committee and the District Coordination Committees	X		
3.	Develop irrigation/drainage facilities on research farms	X		
4.	Send students (goal 700) abroad for college agricultural degrees	X		
5.	Publish extension agents handbook	X		
6.	Carry out demonstrations	X		

UNCLASSIFIED

10

UNCLASSIFIED

367-11-110-054

PART II - Continued

023

II-A.2 - OVERALL TIMELINESS

In general, project implementation is (place an "X" in one block):

(a) On schedule

(b) Ahead of schedule

(c) Behind schedule

BLOCK (c): If marked, place an "X" in any of the blocks one thru eight that apply. This is limited to key aspects of implementation, e.g., timely delivery of commodities, return of participants to assume their project responsibilities, cooperating country funding, arrival of technicians.

(1) AID/W Program Approval

(2) Implementing Agency (Contractor/Participating Agency/Voluntary Agency)

(3) Technicians

(4) Participants

(5) Commodities (non-FFF)

(6) Cooperating Country

(7) Commodities (FFF)

(8) Other (specify): Environmental/Institutional conditions

II-B - RESOURCE INPUTS

in Nepal

This section appraises the effectiveness of U.S. resource inputs. There follow illustrative lists of factors, grouped under Implementing Agency, Participant Training and Commodities, that might influence the effectiveness of each of these types of project resources. In the blocks after only those factors which significantly affect project accomplishments, write the letter P if effect is positive or satisfactory, or the letter N if effect is negative or less than satisfactory.

1. FACTORS-IMPLEMENTING AGENCY (Contract/Participating Agency/Voluntary Agency)

024	IF NO IMPLEMENTING AGENCY IN THIS PROJECT. PLACE AN "X" IN THIS BLOCK:	X	032 Quality, comprehensiveness and candor of required reports	
			033 Promptness of required reports	
025	Adequacy of technical knowledge		034 Adherence to work schedule	
026	Understanding of project purposes		035 Working relations with Americans	
027	Project planning and management		036 Working relations with cooperating country nationals	
028	Ability to adapt technical knowledge to local situation		037 Adaptation to local working and living environment	
029	Effective use of participant training element		038 Home office backstopping and substantive interest	
030	Ability to train and utilize local staff		039 Timely recruiting of qualified technicians	
031	Adherence to AID administrative and other requirements		040 Other (describe):	

2. FACTORS-PARTICIPANT TRAINING

041	IF NO PARTICIPANT ELEMENT IN PROJECT. PLACE AN "X" IN THIS BLOCK:		TRAINING UTILIZATION AND FOLLOW UP	
			052 Appropriateness of original selection	P
	PREDEPARTURE			
042	English language ability	P	053 Relevance of training for present project purposes	P
043	Availability of host country funding	P	054 Appropriateness of post-training placement	P
044	Host country operational considerations (e.g., selection procedures)	N	055 Utility of training regardless of changes in project	P
045	Technical/professional qualifications	N	056 Ability to get meritorious ideas accepted by supervisors	P
046	Quality of technical orientation	N	057 Adequacy of performance	P
047	Quality of general orientation	P	058 Continuance on project	P
048	Participants' collaboration in planning content of program	N	059 Availability of necessary facilities and equipment	N
049	Collaboration by participants' supervisors in planning training	P	060 Mission or contractor follow-up activity	N
050	Participants' availability for training	P	061 Other (describe):	
051	Other (describe):			

UNCLASSIFIED

SECURITY CLASSIFICATION

SECURITY CLASSIFICATION
UNCLASSIFIEDPROJECT NUMBER
367-11-110-054PART II-B - Continued (Note: ~~Very minor U.S. dollar assistance~~)
3. FACTORS-COMMODITIES

PLACE AN "X" IN APPROPRIATE BLOCK:	062 FFF	063 NON-FFF	X	064 NO COMMODITY ELEMENT	
					072 Control measures against damage and deterioration in shipment.
065 Timeliness of AID/W program approval (i.e., PIO/C, Transfer Authorization).					073 Control measures against deterioration in storage.
066 Quality of commodities, adherence to specifications, marking.					074 Readiness and availability of facilities.
067 Timeliness in procurement or reconditioning.					075 Appropriateness of use of commodities.
068 Timeliness of shipment to port of entry.				N	076 Maintenance and spares support.
069 Adequacy of port and inland storage facilities.					077 Adequacy of property records, accounting and controls.
070 Timeliness of shipment from port to site.				N	078 Other (Describe):
071 Control measures against loss and theft.					

Indicate in a concise narrative statement (under the heading a. Overall Implementation Performance, below) your summary appraisal of the status of project implementation, covering both significant achievements and problem areas. This should include any comments about the adequacy of provision of direct hire technicians as well as an overall appraisal of the comments provided under the three headings (b, c & d) which follow. For projects which include a dollar input for generation of local currency to meet local cost requirements, indicate the status of that input (see Detailed Instructions).

Discuss separately (under separate headings b, c & d) the status of Implementing Agency Actions, Participants and Commodities. Where above listed factors are causing significant problems (marked N), describe briefly in the appropriate narrative section: (1) the cause and source of the problem, (2) the consequences of not correcting it, and (3) what corrective action has been taken, called for, or planned by the Mission. Identify each factor discussed by its number.

079 NARRATIVE FOR PART II-B: (After narrative section a. Overall Implementation Performance, below, follow, on form AID 1020-25 F as needed, with the following narrative section headings: b. Implementing Agency, c. Participants, d. Commodities. List all narrative section headings in order. For any headings which are not applicable, mark them as such and follow immediately below with the next narrative section heading.)

a. Overall Implementation Performance.

Research farms have been developed and the extension service has been launched. Technology based upon Nepalese experience is emerging and the technical knowledge of how to increase agricultural production in Nepal is in hand. There is a great deal more work to be done but positive strides have been made.

Aside from the physical input factors, such as agricultural supplies, the project has been influenced by the technicians who have been made available through USAID assistance. In general, the quality of the U.S. technicians has been high, and within the Government of Nepal U.S. technicians are well-received. U.S. advisors' advice is actively sought and overtly accepted. This does not mean that all U.S. technicians have been good, but it means that our technicians working with Nepalese have been able to work out a modus operandi agreeable and useful to both.

The provision of technicians by the Agency leaves much to be desired, in terms of the mechanics of the operation. During the past two years, two vital field positions have remained unfilled; a third position has been vacant for over six months. The apparent inability to get the right person at the right place on time seriously hampers the program. In one instance it was the Ministry's failure to act promptly on two nominations but otherwise it has been the lack of nominations that has allowed these positions to remain unfilled.

UNCLASSIFIED

SECURITY CLASSIFICATION

UNCLASSIFIED

367-11-110-054

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

Participants

Participant training program has been a vital part of the project and has provided needed expertise to the Government of Nepal. There has been no problem between USAID technicians and their counterparts in determining who should go and for what courses.

Commodities

Commodities have been practically insignificant in this project. There have been only a few vehicles and a few pieces of equipment. Other than the extra-ordinarily long time which it takes to acquire commodities from request to delivery, there have been no particular problems.

UNCLASSIFIED

13

PART III - ROLE OF THE COOPERATING COUNTRY

The following list of illustrative items are to be considered by the evaluator. In the block after only those items which significantly affect project effectiveness, write the letter P if the effect of the item is positive or satisfactory, or the letter N if the effect of the item is negative or less than satisfactory.

SPECIFIC OPERATIONAL FACTORS:	
080 Coordination and cooperation within and between ministries.	P
081 Coordination and cooperation of LDC gov't. with public and private institutions and private enterprise.	P
082 Availability of reliable data for project planning, control and evaluation.	N
083 Competence and/or continuity in executive leadership of project.	P
084 Host country project funding.	P
085 Legislative changes relevant to project purposes.	P
086 Existence and adequacy of a project-related LDC organization.	P
087 Resolution of procedural and bureaucratic problems.	N
088 Availability of LDC physical resource inputs and/or supporting services and facilities.	N
089 Maintenance of facilities and equipment.	P
090 Resolution of tribal, class or caste problems.	P
091 Receptivity to change and innovation.	P
092 Political conditions specific to project.	P
093 Capacity to transform ideas into actions, i.e., ability to implement project plans.	P
094 Intent and/or capacity to sustain and expand the impact of the project after U.S. inputs are terminated.	P
095 Extent of LDC efforts to widen the dissemination of project benefits and services.	P
096 Utilization of trained manpower (e.g., participants, counterpart technicians) in project operations.	P
097 Enforcement of relevant procedures (e.g., newly established tax collection and audit system).	P
098 Other:	N
HOST COUNTRY COUNTERPART TECHNICIAN FACTORS:	
099 Level of technical education and/or technical experience.	N
100 Planning and management skills.	N
101 Amount of technician man years available.	N
102 Continuity of staff.	P
103 Willingness to work in rural areas.	N
104 Pay and allowances.	P
105 Other:	

In the space below for narrative provide a succinct discussion and overall appraisal of the quality of country performance related to this project, particularly over the past year. Consider important trends and prospects. See Detailed Instructions for an illustrative list of considerations to be covered.

For only those items marked N include brief statements covering the nature of the problem, its impact on the achievement of project targets (i.e., its importance) and the nature and cost of corrective action taken or planned. Identify each explanatory note.

106 NARRATIVE FOR PART III (Continue on form AID 1020-25 I):

The quality of performance in the Food Grain Project has remained reasonably high over the past several years. This is not to say that improvements cannot be made but is in recognition of the fact that Nepal has had to make tremendous progress to arrive at a position where other countries have been able to start their agricultural development efforts.

The Ministry of Agriculture had the same Secretary from 1960 through early 1969, when he was promoted to the position of Chief Secretary. He is considered one of the most devoted civil servants in Nepal and he provided the needed leadership during this vital period. He was the Director of the Rapti Valley Development program, a U.S.-aided effort to reclaim a malarial valley. This valley has become very productive and is one of the most successful projects which the U.S. has assisted in Nepal. The Secretary has been able to maintain a relatively high degree of coordination between Ministries and within his own Ministry.

082 - A major problem which ~~occurs~~ more frequently as Nepal's development effort

UNCLASSIFIED

SECURITY CLASSIFICATION

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

gains momentum is the lack of reliable data for project planning control and evaluation. Very difficult communication and transportation problems, coupled with a tendency to accept targets as actual data findings, make for unreliable data. No cadastral survey has been completed for all of Nepal nor is there an accurate estimate of such basic figures as total cultivated area, average yield per acre by region or zone, amounts of land under irrigation, rainfall and temperature, roads, etc. This is not to say that there is no information nor to say that some information is not accurate but is to say that for most general purposes, reliable data are not available. As more and better staff are out-posted and supervision is of better quality, more accurate information is being acquired. This, however, will take time.

A.I.D. has provided most of the finances for the project since its inception. This is due, in part, to the fact that the budget of the Government of Nepal is divided into two parts: 1) regular and 2) development. Foreign aid is channeled into the development budget and since most of the activities in the Ministry of Agriculture have fallen into the category of the development budget, there has been a large component of foreign aid in the project. Once budgets are determined, host-country project funding is available in the amounts committed.

087 - Procedural problems obviously affect the operation of the project. For example, 23% of the extension department's budget last year remained unspent primarily because of the Government's inability to get the money out to the field where it could be used and the failure of the field personnel to submit proper vouchers and receipts for moneys received. This at a time when the field people were unable to operate because of a "lack of funds".

The budget has been prepared on a 19-line item basis rather than by project needs and it occasionally happens that activities grind to a halt for lack of funds in one category where there may be more than adequate funds in another category. For example, tractors on the experimental farms have remained idle for want of money to purchase gasoline while money for other purposes has remained unused, and the Ministry has not made the necessary transfer of funds or has failed to request permission to transfer funds if the amount involved exceeded their discretionary authority.

088 & 103 - Most of the outlying regions in Nepal are truly undeveloped and offer few of the modern amenities -- for example, electricity, running water, or educational facilities. For these reasons, among others, technicians are sometimes reluctant to go to the hinterlands to work. Particularly important is that educational and health facilities are not available for the families of Nepali technicians. In this way supporting services and facilities have a negative effect on the project's implementation.

As mentioned previously, Nepalese co-workers in the project are receptive to change and innovation probably to a degree enjoyed by few USAID Missions in the world. In general, Nepalese co-workers work closely with the U.S. counterparts and once the bond is established, and the A.I.D. technician projects his worth, advice is actively sought and, when applicable, used. One of the USAID technician's primary roles is to operate as a catalyst in the operation of the project. His advice may not always be taken but it is usually weighed against other factors and a synthesis created.

UNCLASSIFIED

SECURITY CLASSIFICATION

Page No.

8 A

15

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

098 - This project has been plagued by constant shifts of personnel at the middle and lower levels. This constant shifting of farm managers, extension workers, and district extension officers (DADO's) has significantly reduced the effectiveness of the project.

099 & 101 - The level of technical education is increasing and by the passage of time, experience is deepening. The first judgment by policy makers in the Ministry of Agriculture was that it would be necessary to sacrifice quality for quantity in the numbers of fieldmen at post. There was a very real need for the Government to have its presence felt among the 75 Districts of the country. Approximately 600 extension-type workers received approximately three months' training each to prepare them for work at the village level. This training obviously is not enough. Possibly a hundred other agricultural workers have received college-level degrees and are now working in the field. But these men have had less practical experience than they must have if they are to perform competently.

So it is that in the technical level of education and experience there is a negative impact on the project as seen looking toward the future. In retrospect, the fact that this number of people is now in the field engaged actively in the agricultural development program is significant.

100 - The weakest link in the project has been a general lack of planning and management skills by people within the project. This is understandable given the conditions listed several times above. Added to the problems created by a new organization (created to modernize the traditional agriculture using foreign inputs carried over the most difficult terrain in the world) is the fact that management is carried on on a very personal basis — in other words, it is not possible to create a clean-cut bureaucracy which deals with issues on the merits of the case. The Ministry has grown so fast over the past ten years that many sections within a department are as big as the entire Ministry was some ten years ago. Some of the department heads with whom the project deals still run their departments essentially as they had ten years ago although they now have many times more staff and operations to carry out; for example, the fifty District Agricultural Development Officers report directly to the Director of Extension and he still is actively involved in personnel actions of the 600 field people.

103 - Willingness to work in rural areas has been mentioned above.

SECURITY CLASSIFICATION UNCLASSIFIED

PROJECT NUMBER 367-11-110-054

PART IV - PROGRAMMING IMPLICATIONS
IV-A - EFFECT ON PURPOSE AND DESIGN

Indicate in a brief narrative whether the Mission experience to date with this project and/or changing country circumstances call for some adjustment in project purposes or design, and why, and the approximate cost implications. Cover any of the following considerations or others that may be relevant. (See Detailed Instructions for additional illustrative considerations.) Relevant experience or country situations that were described earlier can simply be referenced. The spelling out of specific changes should be left to the appropriate programming documents, but a brief indication of the type of change contemplated should be given here to clarify the need for change. For example, changes might be indicated if they would:

1. better achieve program/project purposes;
2. address more critical or higher priority purposes within a goal plan;
3. produce desired results at less cost;
4. give more assurance of lasting institutional development upon U.S. withdrawal.

107 NARRATIVE FOR PART IV-A (Continue on form AID 1020-25 I):

USAID/Nepal anticipates no major change in the project purpose and design except for increased attention to the problems of the hill areas. As agricultural production increases and there is a need for more concern with marketing and supplies, it is possible that there may need to be some changes in the project. However, such changes would be preceded by studies in order to determine the most appropriate action.

IV-B - PROPOSED ACTION

108 This project should be (Place an "X" in appropriate block(s)):

1. Continued as presently scheduled in PIP.
2. Continued with minor changes in the PIP, made at Mission level (not requiring submission of an amended PIP to AID/W).
3. Continued with significant changes in the PIP (but not sufficient to require a revised PROP). A formally revised PIP will follow.
4. Extended beyond its present schedule to (Date): Mo. 8 Day 30 Yr. 76. Explain in narrative, PROP will follow. X
5. Substantively revised. PROP will follow.
6. Evaluated in depth to determine its effectiveness, future scope, and duration.
7. Discontinued earlier than presently scheduled. Date recommended for termination: Mo. ___ Day ___ Yr. ___
8. Other. Explain in narrative.

109 NARRATIVE FOR PART IV-B:

The project will be continued essentially as it has been in the past with minor modifications.

However, it is clear that the goal of the project should be to bring the green revolution to those parts of Nepal where modern agriculture can be introduced now (the Terai and the major valleys of Nepal) and that work must be intensified to determine what can be done to improve agriculture in the hill regions and to start programs in the hill regions.

UNCLASSIFIED

SECURITY CLASSIFICATION

PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

PAR - MISSION CLEARANCES

John T. Craig, Program Officer

John T. Craig

Raymond E. Fort, Chief
Rural Development Division

Raymond E. Fort

Dale G. Strong, Chief
Agriculture Branch

Dale G. Strong

Edwin M. Mendenhall, Controller

Edwin M. Mendenhall *12/1/68*