

Pakistan - Institutional Excellence (391-0498)

Project Identification Document

I. Summary Description:

Requested LOP funding: \$60 million ESF grant, FY1988 - FY1995

The Pakistan Institutional Excellence project will assist selected Pakistani higher education and research organizations in both public and private sectors to maintain and expand institutional excellence. The project will provide assistance to Pakistani academic departments in support of advanced training, faculty exchange and joint research with U.S. institutions, conferences and seminars, and construction. The project focusses on GOP-designated centers for academic excellence and will direct strengthening and quality improvement efforts toward these established centers, and others to be identified under this project.

II. Issues:

Most of the issues discussed below were discussed during the review of the concept paper in October 1986, but little additional analysis of them has been presented in the PID. The reporting cable from that review is attached.

A. Project Purpose: A major area of concern remains the project purpose. It appears that the objective is a limited one of assisting selected institutions to improve the quality of their efforts by time-limited provision of support, rather than a broader institutional effort to develop a sustained capacity by the University Grants Commission or any other entity to provide similar support to additional institutions after the AID project ends. Is it reasonable for the project to focus on the development of long term indigenous capacity for providing financial and technical assistance to Pakistan's institutions? Additionally, the PID does not indicate any host country contribution to the project and raises the question as to what degree project success is constrained by the lack of university budget support for on-going activities. Indeed, the PID is silent generally on the financial situation of education overall.

B. Long-term Impact: If the more limited project purpose is retained, what will the future of the institutions be after completion of the project? Are there methods to encourage long-term support for the participating institutions from government or private sources so that the standards of excellence achieved under the project will be sustained? The Mission should review lessons learned from other institutional assistance efforts in Pakistan and explore the institutions internal policies and processes for potential approaches to sustainability, as suggested in the concept paper review.

C. Mission Strategy: The project's relation to the Mission's development strategy needs further elaboration to demonstrate how improvement of selected institutions relates to AID's approved CDSS strategy and to Pakistan's major development problems in the education sector. For example, a general problem is the weakness in the policy environment for science and technology development. What strategic approach will the project take to strengthen the science and technology arena? Are broad government policies impediments? Other general issues are politicization of academic institutions, peer review and academic freedom. Will improvement of selected institutions have any general effect on these issues? If medical science institutes are funded, how will this be related to our policy objectives in nutrition, child survival and primary health care?

D. Project Management: The proposals call for up to \$7.8 million for a prime contractor to manage the administrative aspects of the program. In addition, the UGC (with AID participation) will do the final selection of grantees and the MOE will provide policy guidance. It is not clear how these three elements interact to insure that the policy and institutional issues that are identified will be addressed.

E. Policy Issues: The PID does not address the issue of policy objectives raised in the ANPAC review of the Concept Paper. It remains unclear to what degree these can be identified and dealt with during the project's life beyond the selection criteria to be applied to individual sub-grants. Regional or national policies are not addressed.

F. Criteria: The criteria listed do not include any financial soundness or viability concerns beyond absorptive capacity.

G. Construction: The PID proposes \$5.1 million in construction. Absent an institutional purpose (see issue A above) there will be the need to develop preliminary plans and estimates for any physical construction prior to obligation (i.e. 611).

H. PP Approval: The Mission plans to present the PP to AID/W for approval. Since the project does not yet have a well formulated rationale or strategy, the Project Committee concurred.

III. Design Guidance:

A. Equity Implications: The PID raises a number of equity questions, directly and indirectly, which need to be addressed in design and review.

1. The PID points out that, like other higher education projects, the benefits accrue generally to the economically and socially privileged class. Efforts will be made to distribute benefits equitably among the ethnic and geographic divisions of Pakistan, but the basic benefit incidence is not likely to be altered.

2. Another question which should be examined is the impact of this project on educational institutions not participating in the project. If the project successfully leverages greater public or private resources into support of the centers of excellence, (as is desirable to assure their continued success), will this be at the expense of resources going to primary or secondary education? Will efforts in our policy dialogue to promote greater GOP resources for primary education be undercut?

3. Similarly, will those higher education institutions not participating in the project be drained of existing talent as staff are drawn to the salary, training and other benefits of the participating institutions?

B. Other Donor Assistance and Prior AID Experience: The project design should discuss lessons learned from other donor assistance and earlier AID efforts in institution building in higher education and discuss the linkages with other donor activities.

C. Selection Criteria and Project Concentration: From the examples given, it appears that the intention is to concentrate on management, engineering, physical and biological sciences and English language training. The Project Committee recommended that the selection criteria be explicit on this point to ensure some concentration of the program. The PP should discuss why particular sectors are selected and what will be achieved in each. To help address the issue of long term sustainability, should the selection criteria include examination of the candidate institutions' histories in retaining staff, and internal policies affecting retention?

D. Achievements and Outputs: The design should identify what, specifically, will be achieved in each major area of activity [i.e. advanced training, faculty exchange and joint research with U.S. institutions, conferences and seminars, and construction]. Indicators of success should be identified. Economic and market factors may provide some indicators of success, as the graduates and research which are produced will presumably find a market. The number and employment experiences of graduates and the volume of research and consultancies funded by the private sector may serve as indicators of the value of the output.

E. Conditionality: The design should examine the extent to which conditionality may be appropriate in this project, either in the Project Agreement or in the sub-grants. It may be possible to address long term sustainability of the institutional improvements through changes under the control of the institutions (such as salary levels, or other benefits to retain staff, and tuition increases or fund raising to raise resources). Policies of the GOP which may be impediments to excellence should be identified and addressed when appropriate. The project should seek to assure maintenance of project funded commodities or facilities beyond the life of the sub-grant. In so far as possible, the project should emphasize demand driven research to establish funding links for future support of the participating institutions.

F. Focus: With a possible 30 plus participating institutions and potentially dozens of disciplines, PP design should focus on how the project can be managed most efficiently. It may be desirable to limit the number of institutions, at least at the outset, and gradually add more as experience is gained and implementation systems are refined.

IV. Point requiring clarification:

While the PID facesheet indicates that ESF funding is planned, other documents indicate Development Assistance may be planned. The Mission should be advised that there is not likely to be \$60 million available from Education funds.

drafted: GRAndersen/PSMatheson 8/11/87 2281n

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

OIE PD 000 17951
8/23/87

September 23, 1987

MEMORANDUM

To: See Distribution

From: ANE/PD/SA, Gerald R. Andersen *GA*

Subject: Asia Near East Project Review Committee (PRC)
Meeting, Pakistan Institutional Excellence PID
(391-0498)

A PRC meeting to review the Mission's response to issues raised during the recent ANPAC review of the subject PID is scheduled for 3:00 p.m., Friday, September 25, in room 4440 N.S. Participation is invited in accordance with ANE Bureau procedures.

The Issues Paper, the Bureau's comment cable, and the Mission response cable are attached. The PID was distributed earlier.

Attachments:

1. Issues Paper
2. State 269784
3. Islamabad 19404

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SUBJECT: ANE REVIEW OF CONCEPT PAPERS FOR POST -87

PERIOD

1. IN PROJECT COMMITTEE REVIEWS AND SUBSEQUENT SUMMARY MEETING WITH ANANE, BUREAU STAFF REVIEWED WITH PROGRAM OFFICER PETER DAVIS THE CONCEPT PAPERS SUBMITTED FOR POST-87 PROJECTS AND DISCUSSED APPROACH TO PROGRAM/PROJECT DEVELOPMENT. ALSO DISCUSSED ACE/ECE PRIVATE WINDOW ISSUES, RURAL ELECTRIFICATION PROJECT EVALUATION, AND ENERGY SECTOR OBJECTIVES.

2. RECOGNIZE COSS/STRATEGY QUESTION WAS NOT MADE EXPLICIT DURING THE JUNE DISCUSSION WHEN PROJECT IDEAS WERE INTRODUCED. NOW, HOWEVER, CONSENSUS WAS THAT AS MISSION CONTINUES ITS PROJECT DESIGN EFFORT FOR THESE AND OTHER POST-87 PROJECTS, WE SHOULD ALSO BE DEVELOPING AN OVERALL PROGRAM STRATEGY WHICH ENCOMPASSES ALL PROPOSED ACTIVITIES. THIS WILL HELP US AVOID POTENTIAL PROLIFERATION OF PROGRAM INTO A LARGE NUMBER OF NEW ACTIVITIES BEYOND WHAT WE ARE ABLE TO EFFECTIVELY SUPPORT ADMINISTRATIVELY, AND HELP ASSURE A FOCUSED AND

EFFECTIVE PROGRAM. UNDERSTAND MISSION IS IN AGREEMENT ON PREPARATION OF A COSS IN THE FY 87 CYCLE, COVERING THE ENTIRE FY 1988-1993 PERIOD. FOR SUBMISSION IN APRIL 1987. SINCE SOME OF THE NEW PROJECT IDEAS DO NOT FALL WITHIN THE EXISTING APPROVED STRATEGY DOCUMENTS, SUBMISSION AND APPROVAL OF THE COSS SHOULD PRECEDE REVIEW/APPROVAL OF PIDG FOR SUCH PROJECTS, SO THAT THE COSS PROCESS IS NOT PREJUDICED BY PREMATURE PROJECT DECISIONS AND PROPOSALS ARE REVIEWED WITHIN AN APPROVED STRATEGIC CONTEXT. THIS MEANS THAT FY 88 CONGRESSIONAL PRESENTATION SHOULD COVER ONLY PROJECTS WHICH CAN BE RELATED TO THE EXISTING PROGRAM/STRATEGY, I.E. WHICH ARE NON-CONTROVERSIAL IN TERMS OF STRATEGY AND/OR ARE CONTINUATION OF EFFORTS IN EXISTING SECTORS. EDUCATION, INSTITUTIONAL EXCELLENCE AND REGIONAL INFRASTRUCTURE ARE VIEWED AS PROJECTS FOR WHICH PID SUBMISSION SHOULD BE DELAYED UNTIL AFTER DEVELOPMENT OF A COSS WHICH ENCOMPASSES THEM, WHEREAS PRIVATE SECTOR POWER AND THE NEW AGRICULTURE PROJECTS FIT WITHIN CURRENT STRATEGY WHICH FOCUSED ON ENERGY AND AGRICULTURE. THIS MEANS THAT THE ENTIRE SPECTRUM OF POST-87 ACTIVITIES WILL NOT

BE PRESENTED TO CONGRESS IN THE FIRST YEAR OF THE NEW PROGRAM, BUT THAT FY 88 WILL BE TREATED SOMEWHAT SEPARATELY FROM THE OUT YEARS OF THE PROGRAM. UNDERSTAND MISSION'S PROJECT DEVELOPMENT HAS NOT SIGNIFICANTLY OUTPACED STRATEGY DEVELOPMENT, SO THIS SHOULD NOT CAUSE SERIOUS PORTFOLIO DELAYS. ADDITIONAL WORK ON CONCEPTS AND FEASIBILITY CAN CONTINUE.

3. MAIN PARAMETERS WHICH SHOULD GUIDE COSS PREPARATION WERE DISCUSSED AS FOLLOWS:

(A) IT WILL REFLECT THE BILATERAL PAK-U.S. AGREEMENT REGARDING LEVELS, TO BE SOUGHT FROM THE U.S. CONGRESS FOR 1992-1993;

(B) IT WILL ATTEMPT TO BE MORE SPECIFIC AND PROBLEM-ORIENTED ABOUT PRIORITY SECTORS TO BE FINANCED THAN THE CURRENT COSS; BENCHMARKS TO BE ACHIEVED AND POLICY ISSUES TO BE ADDRESSED SHOULD BE INCLUDED IN OVERALL AND SECTORAL ANALYSES.

(C) IT WILL SET THE STRATEGY IN THE CONTEXT OF BROAD DEVELOPMENT PROSPECTS AND ISSUES FACING PAKISTAN, ADDRESSING TRENDS IN AND POLICY-RELATED CAUSES OF KEY ECONOMIC AND SOCIAL EQUITY ISSUES IN PAKISTAN (FOR EXAMPLE, EMPLOYMENT, AND INCOME DISTRIBUTION) NOT ADDRESSED DIRECTLY BY THE PROGRAM, BY MAKING USE OF AVAILABLE DATA;

(D) IT WILL DRAW ON THE SEPARATELY-CONDUCTED ANALYSES IN THE SECTORS OF AGRICULTURE, CHILD SURVIVAL, PRIMARY EDUCATION, AND WILL SUMMARIZE ENERGY SECTOR STRATEGY AND COMPONENTS. THE ENERGY DISCUSSION SHOULD CONSIDER THE POLICY AND INSTITUTIONAL SETTING; ESTABLISH OBJECTIVES IN THE SECTOR; AND DEFINE PRIORITIES IN AID PROGRAMMING. WE UNDERSTAND SUBSTANTIAL DATA AND ANALYSES ARE CURRENTLY AVAILABLE FROM WHICH AN ENERGY STRATEGY CAN BE DEFINED;

(E) IT WILL VIEW PRIVATE SECTOR PROMOTION AS A TOOL WITHIN SECTORS IN WHICH INVESTMENTS OCCUR (E.G. AGRICULTURE, ENERGY, HEALTH AND POPULATION, EDUCATION) AND NOT AS A SEPARATE SECTOR.

(F) FURTHER COSS GUIDANCE WILL FOLLOW.

4. IN ORDER TO INFORM/INVOLVE ADMINISTRATOR MCPHERSON IN DECISIONS REGARDING THE POST-87 PROGRAM, WE PLAN TO SUBMIT AN INFORMATION MEMORANDUM PRIOR TO HIS NOVEMBER VISIT TO PAKISTAN ON THIS APPROACH AND DESCRIBING THE POST-87 PROJECTS AS WE KNOW THEM. PRIOR TO SUBMISSION, WE WILL AWAIT YOUR COMMENTS ON ABOVE AND ON FOLLOWING SPECIFIC REACTIONS TO THE CONCEPT PAPERS.

5. COMMENTS ON REGIONAL INFRASTRUCTURE IMPROVEMENT PROJECT. TWO MAIN ISSUES AROSE: NEED TO ASSURE THAT THESE INFRASTRUCTURE ACTIVITIES ARE IMPORTANT TO SOLVING THE SOCIAL AND ECONOMIC DEVELOPMENT PROBLEMS SELECTED FOR MISSION CONCENTRATION IN THE COSS, AS WELL AS MEETING VISIBILITY OBJECTIVES; AND NEED TO ASSURE THAT FAA SECTION 611(A) REQUIREMENTS ARE MET.

(A) AS STATED IN THE JUNE 87 CABLE ON THE POST 87 PROGRAM, EACH ACTIVITY NEEDS CREDIBLE DEVELOPMENTAL BENEFITS WITHIN SOME STRATEGIC CONTEXT. ECONOMIC FEASIBILITY NEEDS TO BE INCLUDED AMONG THE IMPORTANT CRITERIA FOR PROJECT SELECTION. POLICY OBJECTIVES SHOULD BE IDENTIFIED. THE COSS STRATEGY SHOULD PROVIDE A BASIS FOR THE PROJECT AND ITS MAJOR COMPONENTS. IF MISSION WISHES TO PURSUE THE KARACHI SLUM OR FLYOVER

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PROPOSALS, SOME LEVEL OF URBAN STRATEGY DISCUSSION WOULD BE NECESSARY.

(B) WE SEE A MAJOR IMPEDIMENT TO PACKAGING A VARIETY OF CAPITAL PROJECTS IN ONE FUND OR BASKET PROJECT. CREATION OF SUCH A FUND OR PROJECT SOLELY TO FUND DISPARATE INFRASTRUCTURE PROJECTS, WHICH HAVE NOT YET

HAD FULL FEASIBILITY WORK COMPLETED, POSES FAA SECTION 611 (A) PROBLEMS AND POLICY QUESTIONS. OBLIGATION OF FUNDS FOR MAJOR, NON-SUBSTITUTABLE CAPITAL PROJECTS PRIOR TO FEASIBILITY DETERMINATION WOULD NOT MEET REQUIREMENTS OF SECTION 611 (A), AND EVEN AUTHORIZATION OF LARGE AMOUNTS OF FUNDS PRIOR TO SUCH DETERMINATION WOULD BE CONSIDERED PREMATURE AND IMPRUDENT, SINCE FUNDS COULD BE TIED UP FOR A PROLONGED PERIOD.

(C) TO HELP MEET ANALYTIC REQUIREMENTS, PROJECT COMMITTEE SUGGESTS ALTERNATIVE APPROACHES WHICH MIGHT BE PURSUED COULD INCLUDE EITHER SEPARATE PPS ON EACH INFRASTRUCTURE PROJECT, IN WHICH FEASIBILITY ISSUES WOULD HAVE BEEN EXAMINED PRIOR TO AUTHORIZATION, OR AN APPROACH COMBINING SEPARATE PROJECT PAPERS FOR THE LARGER ACTIVITIES, WITH INCLUSION OF SMALLER ONES INTO EXISTING AREA DEVELOPMENT PROJECTS, WHERE A RELATIONSHIP WITH OVERALL DEVELOPMENT OBJECTIVES IN BALUCHISTAN AND NWFP, CAN BE DEMONSTRATED (SUCH AS ASSISTANCE TO LAGGING AREAS). THIS WOULD EASE THE ANALYTICAL BURDEN OF MAKING DISPARATE ACTIVITIES FIT INTO AN OVERALL STRATEGY, AND MIGHT ALSO AVOID DELAY IN START UP OF AT LEAST SOME OF THE DESIRED HIGH VISIBILITY ACTIVITIES. HOWEVER, EVEN AS COMPONENTS OF AREA DEVELOPMENT PROJECTS, THE CAPITAL PROJECTS WOULD HAVE TO MEET FAA SECTION 611 (A) REQUIREMENTS, WITH FEASIBILITY DEMONSTRATED PRIOR TO OBLIGATION.

6. PRIVATE SECTOR POWER: BUREAU STAFF AND JAVIS AGREED THAT MANY CONCEPTUAL ISSUES REMAIN TO BE WORKED OUT. UNDERSTAND THAT A PRE-PID TEAM IS CURRENTLY IN COUNTRY EXPLORING WITH MISSION AND GOP MANY SUCH FINANCIAL, POLICY AND INSTITUTIONAL QUESTIONS. PRIOR TO PID DEVELOPMENT, WE NEED BETTER UNDERSTANDING OF SUCH ISSUES AS POSSIBLE ROLE, IF ANY, OF A FINANCING FACILITY, ROLES AND RESPONSIBILITIES OF WAPDA VS. PRIVATE ENTITIES, FUNCTIONS OF A UTILITY COMMISSION, AND HOW PRICING AND OTHER POLICY ISSUES WOULD BE INCORPORATED IN A PROJECT. IT IS NOT CLEAR WHETHER WAPDA IS INTERESTED IN PRIVATE DISTRIBUTION AS WELL AS PRIVATE GENERATION.

IN DISCUSSION OF THE CONCEPT PAPER FOR THIS ACTIVITY, GROUP ALSO DISCUSSED PRICING AND OTHER POLICY CONCERNS RELATED TO ECE, RURAL ELECTRIFICATION AND ENERGY PLANNING PROJECTS. CONCERN WAS EXPRESSED THAT WE NEED A CLEAR ARTICULATION OF A SECTOR APPROACH WITH POLICY OBJECTIVES AND PRIORITIES IDENTIFIED. WHILE CONSIDERABLE ANALYTICAL WORK ON ENERGY ISSUES HAS BEEN DONE, BUREAU FELT A NEED FOR A DISTILLATION OF THIS

WORK INTO A UNIFIED STRATEGY STATEMENT. THIS WILL HELP US ENSURE THAT WE FOCUS OUR EFFORTS IN WAPDA AND THE GOP ON THE HIGHEST PRIORITY ITEMS, THAT ALL OUR ACTIVITIES IN THE SECTOR ARE MUTUALLY SUPPORTIVE, AND THAT WE DO NOT OVERLOAD THE SYSTEM WITH EFFORTS TO ACHIEVE AN EXCESSIVE NUMBER OF MAJOR CHANGES AT ONCE. AS INDICATED PARA 3 (D) ABOVE, THIS SHOULD BE PREPARED IN CONJUNCTION WITH THE GOCC.

7. RURAL ELECTRIFICATION EVALUATION: PROJECT COMMITTEE DISCUSSED MAJOR FINDINGS AND RECOMMENDATIONS OF THE EVALUATION, SUCH AS THE RECOMMENDATIONS FOR AN

INSTITUTIONAL STRATEGY TEAM TO HELP WAPDA FOCUS ON MAJOR INSTITUTIONAL PROBLEMS; RECOMMENDATION TO UNDERTAKE A COMPONENT 5 RURAL DISTRIBUTION EFFORT UNDER SPECIFIC CONDITIONS AS A DEMONSTRATION EFFORT FOR WAPDA'S OWN CONTINUING DISTRIBUTION EFFORTS; AND RECOMMENDATION TO INSTITUTE A MAJOR MONITORING AND DATA COLLECTION PROGRAM. UNDERSTAND MISSION PLANS AN INTERNAL REVIEW OF THE EVALUATION AND WILL PROPOSE APPROPRIATE PROJECT RESTRUCTURING. A REVISED PROJECT PAPER SHOULD THOROUGHLY DISCUSS THE EVALUATION FINDINGS AND RECOMMENDATIONS, AND INDICATE MISSION PROPOSED SOLUTIONS TO PROBLEMS IN CASES WHERE EVALUATION RECOMMENDATION IS NOT TO BE PURSUED. PLEASE KEEP US INFORMED AS YOU GO ALONG RE HOW YOU PLAN TO DEAL WITH THE MANY ISSUES IN THIS PROJECT.

8. INSTITUTIONAL EXCELLENCE: THERE WAS CONSIDERABLE INTEREST IN MISSION'S APPROACH TO INSTITUTION BUILDING THROUGH THIS CONCEPT. PROJECT COMMITTEE FELT SIGNIFICANT DEVELOPMENTAL IMPACT COULD BE DERIVED FROM ASSISTANCE TO SELECTED INSTITUTIONS. AS MISSION PROCEEDS WITH DESIGN EFFORT, FOLLOWING GUIDANCE IS PROVIDED:

(A) PROJECT PURPOSE: WHAT RATIONALE UNDERPINS THE GROUPING OF DISCRETE INSTITUTION-BUILDING EFFORTS INTO ONE PROJECT? MISSION SHOULD CONSIDER WHETHER AN OBJECTIVE SHOULD BE DEVELOPMENT OF A LONG TERM INDIGENOUS CAPACITY FOR PROVIDING FINANCIAL AND TECHNICAL ASSISTANCE TO PAKISTAN'S INSTITUTIONS AFTER AID'S PROJECT TERMINATES, RATHER THAN SIMPLY MANAGEMENT OF FUND FOR A LIMITED TIME AIMED AT IMPROVING SELECTED INSTITUTIONS.

(B) NEED FOR PRIORITIES AND CLEAR OBJECTIVES: RATHER THAN ATTEMPTING TO ASSIST INSTITUTIONS IN NINE OR MORE SECTORS, AS PROPOSED IN THE CONCEPT PAPER, SUGGEST FOCUS ON THREE TO FIVE MAJOR SECTORS TO IMPROVE OVERALL

PROJECT IMPACT AND AVOID PROLIFERATION IN THE PROGRAM. PID SHOULD IDENTIFY THE SECTORS SELECTED, INDICATE WHY SELECTED, AND WHAT SPECIFICALLY WILL BE ACHIEVED IN EACH (MANPOWER DEVELOPMENT, SKILLS TRAINING, GREATER LINKAGES WITH U.S. OR OTHER INSTITUTIONS, CURRICULUM DESIGN, TECHNOLOGY TRANSFER, ETC.)

(C) POLICY OBJECTIVES: WHAT SPECIFIC OBJECTIVES WILL BE SOUGHT FOR THE PROJECT AS A WHOLE OR FOR EACH INSTITUTION? IT MAY PROVE MORE FEASIBLE TO WORK ON ISSUES WITHIN THE CONTROL OF THE BENEFICIARY INSTITUTIONS RATHER THAN SEEKING CHANGES IN FEDERAL OR PROVINCIAL POLICIES. SOME AREAS TO BE EXAMINED MIGHT BE TUITION CHARGES FOR STUDENTS, AND POSSIBLE INCENTIVES FOR TEACHERS, SUCH AS SALARY SUPPLEMENTS, FELLOWSHIPS OR FLEXIBILITY IN PERMITTING CONSULTING WORK.

(D) INSTITUTIONAL ANALYSIS: EXTENT TO WHICH INDIVIDUAL ANALYSES WILL BE NEEDED MAY VARY, DEPENDING ON THE TYPE OF ASSISTANCE TO BE PROVIDED. PID SHOULD DISCUSS HOW THIS JUDGMENT WILL BE MADE. AN INSTITUTIONAL/ORGANIZATIONAL DEVELOPMENT SPECIALIST SHOULD BE INCLUDED IN PID DESIGN WORK.

(E) CRITERIA FOR SELECTION AND A REVIEW PROCESS FOR PROPOSALS SHOULD BE DEVELOPED. WILL AID APPROVE FINAL SELECTION?

(F) ROLE OF WOMEN: THE PROJECT COMMITTEE ENDORSED EFFORTS THROUGH THE PROJECT TO EMPHASIZE EXPANSION OF OPPORTUNITIES FOR WOMEN. MISSION MAY WANT TO CONSIDER PROVIDING SPECIFIC ASSISTANCE, SUCH AS FUNDING OF

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HOUSING OR OTHER SEPARATE FACILITIES, IF NEEDED TO ALLOW
WOMEN EQUAL PARTICIPATION. ARE THERE WOMEN'S
ORGANIZATIONS WHICH COULD APPROPRIATELY BE INCLUDED IN
THE PROJECT?

(G) LAHORE SCHOOL OF MANAGEMENT SCIENCES: ALTHOUGH THE
CONCEPT PAPER DID NOT INCLUDE THIS ACTIVITY, IT IS OUR
UNDERSTANDING FROM SUBSEQUENT DISCUSSIONS THAT MISSION
NOW INTENDS TO INCLUDE THAT PROPOSAL IN THE
INSTITUTIONAL EXCELLENCE PROJECT. WE AGREE THAT THIS
WOULD BE AN APPROPRIATE PROJECT HOME FOR IT.

9. PRIMARY EDUCATION SECTOR: UNDERSTAND THAT MISSION
PLANS AN INTERNAL REVIEW OF THE SECTOR ASSESSMENT AND
THAT THEREAFTER A CONCEPT PAPER WOULD BE DEVELOPED.
EDUCATION PROJECT SHOULD NOT BE INCLUDED IN
CONGRESSIONAL PRESENTATION FOR FY 88 FUNDING. ANE/TR

HAS PROVIDED SEPARATE COMMENTS TO PETER DAVIS ON THE
SECTOR ASSESSMENT ITSELF. SHULTZ

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E.O. 12958: N/A
SUBJECT: ANPAC REVIEW OF INSTITUTIONAL EXCELLENCE
PROJECT IDENTIFICATION DOCUMENT

1. THE MISSION WELCOMED THE OPPORTUNITY TO RESPOND TO ISSUES OUTLINED BY AID/WASHINGTON IN THE RECENT ANPAC REVIEW OF THE INSTITUTIONAL EXCELLENCE PROJECT IDENTIFICATION DOCUMENT (PID).

2. THE ANPAC REVIEW RAISED SEVERAL QUESTIONS CONCERNING (1) THE DEVELOPMENT STRATEGY AND PURPOSE OF THE INSTITUTIONAL EXCELLENCE PROJECT, (2) THE RELATION BETWEEN THE IEP AND USAID/ISCP DEVELOPMENT PRIORITIES, AND (3) THE WAY IN WHICH THE IEP WILL ADDRESS BASIC SYSTEMIC CONSTRAINTS TO INSTITUTIONAL EXCELLENCE.

3. BACKGROUND AND DEVELOPMENT STRATEGY: FOR THE PAST SEVERAL YEARS THE PAKISTAN GOVT DOCUMENTS HAVE IDENTIFIED PROBLEMS OF INSTITUTIONAL DEVELOPMENT AS CENTRAL TO THE ENTIRE PROGRAM. THE PROBLEMS ARE GENERIC. THEY EXIST IN WATER MANAGEMENT, ENERGY, HEALTH AND POPULATION AND DOUBTLESS ARE AS SERIOUS IN OTHER CRITICAL AREAS WITH WHICH WE DO NOT DEAL DIRECTLY. ONE THAT IS CENTRAL TO ALL OTHERS IS QUALITY OF EDUCATION--AT THE HIGHER LEVELS TO PREPARE PAKISTAN'S LEADERS AND THROUGH EDUCATION AND RESEARCH TO PRODUCE THE IDEAS AND INFORMATION NEEDED TO MANAGE THE POLITICAL ECONOMY AT THE PRIMARY LEVEL TO BRING EDUCATION TO THE MAJORITY OF THE POPULATION THAT NOW RECEIVES NONE.

IN THE CASE OF EDUCATION, BY VIRTUALLY ANY CRITERION PAKISTAN'S MOST DEVELOPMENT FAILURE, THE MISSION FOR 4 YEARS HAS MAINTAINED A WATCHING BRIEF, WAITING FOR THE MOMENT WHEN FINANCIAL AND POLITICAL/MANAGERIAL WILL MIGHT MATCH GOV Rhetorical INTENTIONS. IN PRIMARY EDUCATION THAT TIME MAY HAVE ARRIVED. WE INTEND TO TEST THE PROPOSITION IN THE COMING MONTHS.

AS CONCERNS HIGHER EDUCATION AND TRAINING, THE MISSION HAS DEMONSTRATED A SPECIFIC BUT LIMITED CONCERN WITH PAKISTAN'S OVERALL PROBLEMS OF HUMAN RESOURCE DEVELOPMENT. THE AID/ISCP TRAINING PROGRAM, AT A LEVEL OF 1400 PARTICIPANTS PER YEAR, MUST NOW BE THE AGENCY'S LARGEST SINGLE PARTICIPANT TRAINING PROGRAM. BOTH THE GOV AND WE JUDGE IT ENORMOUSLY SUCCESSFUL AND SUCCESSFUL AS DO THE PRIVATE SECTOR PARTICIPANTS WHO TAKE PART IN IT. BUT THE TRAINING PROGRAM MOSTLY OTHER GOVERNMENT NEEDS, ADDRESSED ONLY A SMALL PART OF PAKISTAN'S OVERALL PROBLEM IN TRAINING AND UTILIZING HIGHER LEVEL MANPOWER AND HAS LITTLE DIRECT EFFECT ON HIGHER EDUCATION AND RESEARCH.

THE DISTRESS OF PARTICIPANT UNIVERSITIES IS, OF COURSE,

SEVERE. TO THE EXTENT THAT THE MOST INTRACTABLE PROBLEMS STEAM FROM UNCONTROLLED GROWTH, OVER-CROWDING, CORRUPTION IN EDUCATIONS AND THE GENERAL POLITIZATION OF STUDENT BODIES AND IN MANY CASES STAFF, OVERALL UNIVERSITY REFORM IS TODAY BEYOND THE REACH OF ANY MAJOR DONOR-ASSISTED PROGRAM, ALTHOUGH THE CRISIS OF THE UNIVERSITIES IS RECEIVING INCREASING HIGH-LEVEL POLITICAL AND GOVERNMENTAL ATTENTION. IN THESE CIRCUMSTANCES WE BELIEVE THAT A LARGE AID PROGRAM, DESIGNED TO HELP PAKISTAN TO SURVIVE AND DEVELOP DURING A TIME OF INTENSE EXTERNAL AND INTERNAL POLITICAL PRESSURES, CANNOT CONTINUE TO IGNORE THE CHALLENGE OF MAINTAINING AND FURTHER DEVELOPING SOME SELECTED NUMBER OF THOSE INSTITUTIONS THAT HAVE ACHIEVED AND MAINTAINED GENUINE QUALITY IN EDUCATION AND RESEARCH, OR PROMISE TO ACHIEVE THAT LEVEL OF QUALITY, DURING A PERIOD OF STRESS AND DETERIORATION IN THE OVERALL HIGHER EDUCATION ESTABLISHMENT.

THE AID/ISLAMABAD EDUCATION STRATEGY THUS CONTAINS THREE PARTS. THE FIRST IS TO CONTINUE, REFINE AND PROBABLY EXPAND FURTHER THE LARGE PARTICIPANT TRAINING PROGRAM.

THE SECOND IS TO ACQUIRE THAT SOME NUMBER OF HIGHER-LEVEL CENTERS OF EXCELLENCE AND CENTERS OF ADVANCED STUDIES MAINTAIN AND EXPAND THEIR TEACHING AND RESEARCH ACTIVITIES TO SERVE AS A SOURCE OF FIRST-CLASS BRAINPOWER TO THE COUNTRY. WE BELIEVE THIS SHOULD BE DONE ACROSS THE BOARD OF PHYSICAL, BIOLOGICAL AND THE SOCIAL AND MANAGERIAL SCIENCES. THE RESULT WILL BE TO DEMONSTRATE--A MOST IMPORTANT CONSIDERATION IN A SOCIETY WHERE SO MANY STANDARDS HAVE SLIPPED--THAT INTERNATIONAL QUALITY WORK CAN TAKE PLACE, EXPAND AND MOVE TO HIGHER LEVELS IN PAKISTANI INSTITUTIONS. THE GOV HAS GIVEN EVIDENCE OF ITS OWN BELIEF IN THIS APPROACH THROUGH BOTH ITS OWN SPECIAL CONSIDERATION OF A NUMBER OF SUCH CENTERS AND THROUGH THE ANTIQUOUS AND COSTLY MINISTRY OF SCIENCE AND TECHNOLOGY OVERSEAS TRAINING PROGRAM.

THE THIRD PART OF THE STRATEGY, SUBJECT TO A FINAL READING ON THE STATUS OF FINANCING OF PRIMARY EDUCATION WHICH IS NOW TAKING PLACE, WILL LIKELY BE A MAJOR PROGRAM TO IMPROVE THE QUALITY AND COVERAGE OF PRIMARY EDUCATION.

THE INSTITUTIONAL EXCELLENCE PROJECT DOES NOT PROPOSE A MAJOR REFORM OF THE HIGHER EDUCATION ESTABLISHMENT. IT DOES OFFER SOME FRIGHT SUPPORT FOR THE MEDIUM TERM TO A NUMBER OF EXTREMELY IMPORTANT STANDARDS BEARERS. IT IS NOT A REFORM OPERATION. THE MAJORITY OF THE INSTITUTIONS WE ARE CONCERNED WITH HAVE ESTABLISHED A TRADITION OF MAINTAINING STANDARDS AND GROWING LONG AFTER EVERY MAJOR DONOR FUNDING FINISHES AND WITHIN THE INDUSTRY OF BUSINESS ADMINISTRATION IN PARTICULAR. IN THIS SENSE WE ARE FAMILIAR WITH FROM OUR CURRENT PROJECT OPERATIONS, THE LEADERS AND FUNDERS ARE WELL VERSED IN THE ART OF RAISING FUNDING AND OTHER SUPPORT FROM BOTH INDIGENOUS AND FOREIGN SOURCES--ALTHOUGH ALL HAVE IMPORTANT NEEDS NOT CURRENTLY BEING MET. THE RELATIVELY NEW CENTER FOR MOLECULAR BIOLOGY RESEARCH IN LAHORE, FOR EXAMPLE, HAS THE MODEL PRIZE WINDFALL ON ATR PAKISTAN AND OTHERS AND BOTH HAVE BEEN INVOLVED IN SOLID STATE TECHNOLOGY RESEARCH AND TRAINING LINKAGES.

WE EXPECT THAT THE SETTING OF THESE AGENCIES BEHIND OF HIGH STANDARDS, WILL BE CRUCIAL IN THE LONG

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BETTER CONNECTED TO U.S. INSTITUTIONS AND FULLY CAPABLE OF CONTINUING TO GENERATE SUPPORT AND RESOURCES NEEDED FROM THE GOP AND OTHER SOURCES. THE PP WILL EXPLORE THIS SUBJECT FURTHER. BUT FROM WHAT WE HAVE SEEN THE MISSION HAS NO SERIOUS DOUBTS ABOUT THE CAPACITY OF THE FREQUENTLY REMARKABLE LEADERSHIP AND STAFF WE FIND IN THESE CENTERS AND DEPARTMENTS TO CONTINUE TO MAINTAIN THE INTEGRITY OF THEIR PROGRAMS AND TO GROW.

WE ALSO BELIEVE THE CENTERS OF EXCELLENCE, THE CENTERS OF ADVANCED STUDIES AND RESEARCH INSTITUTES WILL EXERT A POSITIVE EFFECT ON THE LARGER HIGHER EDUCATION ESTABLISHMENT. A SMALL INSTANCE: THE EVIDENT QUALITY OF THE TEACHING AND RESEARCH WORK BEING CARRIED OUT AT THE LAHORE UNIVERSITY OF MANAGEMENT SCIENCES, WHICH IS A PRIVATE SECTOR INSTITUTION, HAS ALREADY BROUGHT A DOUBLING OF THE BUDGET FOR THE MANAGEMENT SCIENCES DEPARTMENT OF PUNJAB UNIVERSITY, ITS PUBLICLY FUNDED NEIGHBOR.

FINALLY, WHILE EARLY PLANNING IN REGARD TO THE IEP HAD LOOKED STRICTLY AT DEVELOPMENTAL ISSUES, A STRONG POLITICAL ARGUMENT EXISTS FOR SUCH A PROJECT IN AN ESP PROGRAM WITH A BASIC POWERFUL POLITICAL RATIONALE. AID ASSISTANCE TO SOME NUMBER OF INSTITUTIONS WHICH CONDUCT TEACHING AND RESEARCH WITH DISTINCTION WILL BE HIGHLY VISIBLE AND POLITICALLY DESIRABLE.

4. ROLE OF UNIVERSITY GRANTS COMMISSION: THE ANPAC REVIEW SUGGESTS THAT THE IEP MIGHT STRENGTHEN THE INSTITUTIONAL CAPABILITY OF THE UNIVERSITY GRANTS COMMISSION (UGC) TO ANALYZE THE POLICY, FINANCIAL, INSTITUTIONAL AND POLITICAL CONSTRAINTS WHICH IMPEDE PROGRAMS OF INSTITUTIONAL EXCELLENCE AND TO SYSTEMATICALLY ADDRESS PROBLEMS COMMON TO ALL PAKISTAN UNIVERSITIES. WE WOULD LIKE TO EMPHASIZE THAT THE UGC PER SE DOES NOT REQUIRE STRENGTHENING. IT IS A SOPHISTICATED BODY DIRECTED BY PROFESSIONAL ADMINISTRATORS WHO HAVE THE ABILITY TO ANALYZE THE PROBLEMS AND CONSTRAINTS FACED BY THE CENTERS OF EXCELLENCE. THE OFFICE OF MUHAMMAD RECORDED DEVELOPMENT HAS WORKED CLOSELY WITH THE UGC AND THE MOE SINCE THE INCEPTION OF THE IEP. THE OFFICIAL REPRESENTATIVES OF THE UGC AND THE MOE HAVE REVIEWED THE PID AND FULLY SUPPORT ITS APPROACH TO PROJECT IMPLEMENTATION AND INSTITUTIONAL DEVELOPMENT.

5. SUSTAINABILITY: THE ANPAC REVIEW QUESTIONS WHETHER THE BENEFITS REALIZED THROUGH IEP FINANCING WILL BE SUSTAINED BEYOND THE LIFE OF THE PROJECT IF UNDERLYING PROBLEMS (E.G. GOP POLICIES OR LACK OF RESOURCES) ARE NOT ADDRESSED. THIS GENERAL QUESTION IS DISCUSSED IN THE BACKGROUND (SECTION II). AFTER SIX MONTHS OF FIELD WORK ANALYZING NEEDS OF THE CENTERS OF EXCELLENCE IN RELATION TO GOP/AID DEVELOPMENT PRIORITIES, MOE/GOP REPRESENTATIVES AND THE MISSION PROJECT DESIGN TEAM IDENTIFIED THREE BASIC AREAS FOR INSTITUTIONAL STRENGTHENING: (1) IMPROVING AND EXPANDING OF FACULTY THROUGH TRAINING PROGRAMS, FACULTY EXCHANGES AND JOINT RESEARCH (2) PROCUREMENT AND MAINTENANCE OF UP-TO-DATE AUDIO-VISUAL AND LABORATORY RESEARCH EQUIPMENT AND (3) IMPROVEMENT OF LIBRARY RESOURCES. EXPERIENCE HAS DEMONSTRATED THAT FACULTY MEMBERS WITH COMPLETE GRADUATE DEGREES ARE MOTIVATED TO CONTINUE TEACHING AND RESEARCH AT CENTERS OF EXCELLENCE DUE TO THE ACADEMIC ATTRIBUTES, HIGH STATUS AND SALARY COMPARED TO OTHER HIGHER EDUCATION INSTITUTIONS IN PAKISTAN, HIGH CALIBRE OF GRADUATE STUDENTS, AND OPPORTUNITIES

TO TEACH AND CONDUCT RESEARCH. BENEFITS REALIZED THROUGH THE INSTITUTIONAL EXCELLENCE PROJECT WILL ALSO BE SUSTAINED THROUGH THE STUDENTS WHO RECEIVE M.A AND PH.D DEGREES. IT IS EXPECTED THAT A LARGE PERCENTAGE OF THE MOST CAPABLE GRADUATES WILL ELECT TO JOIN THE FACULTIES OF IEP SUPPORTED INSTITUTIONS. OTHERS WILL LIKELY ASSUME PROMINENT POSITIONS IN TEACHING AND RESEARCH AT UNIVERSITIES AND RESEARCH INSTITUTES THROUGHOUT THE COUNTRY.

6. DEVELOPMENT PRIORITIES: THE MISSION AGREES WITH THE ANPAC REVIEW'S CONCLUSION THAT PROJECT ANALYSES DEMONSTRATE THE LINKAGE BETWEEN THE ASSISTED INSTITUTIONS AND AID-SPECIFIC DEVELOPMENT OBJECTIVES. WE CONCUR WITH THE SUGGESTION THAT THE PROJECT PAPER SHOULD DEMONSTRATE THE MANNER IN WHICH THE IEP WILL SUPPORT THE MISSION'S DEVELOPMENT PRIORITIES IN EACH SECTOR. FIELD WORK TO DATE INDICATES A VERY CLEAR IMAGE EXISTS. FOR EXAMPLE, THE MISSION'S PRIVATE SECTOR STRATEGY INCLUDED AN EMPHASIS ON LEADERSHIP TRAINING. A RECENT VISIT TO THE INSTITUTE OF BUSINESS ADMINISTRATION (IBA) IN KARACHI (A PROBABLE RECIPIENT OF IEP FUNDING) REVEALED THAT 75 PERCENT OF THE TOP MANAGEMENT ECHELON IN BANKING IN KARACHI AND LAHORE ARE IBA GRADUATES.

ANOTHER LIKELY CANDIDATE FOR IEP FUNDING IS THE CENTER FOR MOLECULAR BIOLOGY (CMB) OF THE UNIVERSITY OF PUNJAB. CMB IS WORKING CLOSELY WITH THE AID SUPPORTED PAKISTAN AGRICULTURAL RESEARCH CENTER (PARC) TO ELIMINATE THE PRESENT THREATENING CHICK-PEA BLIGHT, A SERIOUS PROBLEM FOR MILLIONS OF PAKISTANIS. CMB IS ATTEMPTING TO DEVELOP A NEW AND STRONGER VARIETY OF CHICK-PEA PLUS OTHER LEGUMES AND GRAINS FOR FORTIFIED DIETARY NUTRIENTS.

7. AID AND OTHER DONORS' PAST EXPERIENCE: THE MISSION CONCURS THAT A THOROUGH ANALYSIS OF THE EXPERIENCE OF A.I.D. AND OTHER DONORS WITH SIMILAR PROJECTS SHOULD BE CONDUCTED. THE MISSION PLANS TO REQUEST THE AID CENTER FOR DEVELOPMENT INFORMATION AND EVALUATION TO CONDUCT A LITERATURE SEARCH. THE MISSION IS AWARE OF SIMILAR INSTITUTIONAL EXCELLENCE PROJECTS THAT AID HAS SUPPORTED IN EGYPT AND THE WORLD BANK IN INDONESIA AND PLANS TO REVIEW OTHER RELEVANT EVALUATIONS AS PART OF THE PI DESIGN PROCESS.

8. POLICY OBJECTIVES AND CONSTRAINTS TO INSTITUTIONAL EXCELLENCE: CARLE GUIDANCE SUGGESTS THAT THE MISSION FOCUS ON SUCH POLICY OBJECTIVES AS INCENTIVES FOR TEACHERS (SALARY SUPPLEMENTS, FELLOWSHIPS OF FLEXIBILITY IN PERMITTING CONSULTING WORK). FOR THE MOST PART, THE CENTERS OF EXCELLENCE HAVE ALREADY CARRIED OUT NECESSARY POLICY REFORMS TO INSURE A MOTIVATED AND RELATIVELY WELL PAID FACULTY. TO A VARYING DEGREE, THEY HAVE FORGED LINKS WITH THE PRIVATE SECTOR AS A MEANS OF OBTAINING ADDITIONAL FINANCIAL SUPPORT AND TO ASSURE A READY JOB MARKET FOR GRADUATES. FOR THE MOST PART THE CENTERS HAVE DYNAMIC DIRECTORS WHO HAVE DEMONSTRATED THE ABILITY TO GARNER FINANCIAL SUPPORT, AND TO CONTROL FACULTY APPOINTMENTS.

WHILE THE PROJECT PAPER WILL INVESTIGATE THIS ISSUE IN GREATER DEPTH, IT IS OUR EXPERIENCE THAT THE INSTITUTIONS WHICH IEP WILL SUPPORT ARE CAPABLE OF DEALING WITH THE NECESSARY INSTITUTIONAL CHANGES TO ASSURE EXCELLENCE IN TEACHING AND RESEARCH.

9. CRITERIA FOR SELECTION: AID WILL APPROVE THE FINAL

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SELECTION OF EACH SUB-PROJECT. SUGGESTED CRITERIA
ARE LISTED IN PID ANNEX A. JAMES NORRIS CARRIED WITH
HIM TO AID/W A PROTOTYPE PROPOSAL WITH DRAFT EXPANDED
SELECTION CRITERIA.

10. ROLE OF WOMEN: IEP WILL VIGOROUSLY SUPPORT
EXPANDED TRAINING AND RESEARCH OPPORTUNITIES FOR
WOMEN. SUCH INSTITUTIONS AS THE CENTERS FOR
MOLECULAR BIOLOGY IN LAHORE AND THE HEJ INSTITUTE OF
CHEMISTRY IN KARACHI HAVE OVER 50 PERCENT FEMALE
STUDENT ENROLLMENT. THE SOCIAL/CULTURAL MILIEU OF
THE CENTERS OF EXCELLENCE IS ONE OF THE FEW IN
PAKISTAN WHICH ACTUALLY PROMOTES THE PARTICIPATION OF
WOMEN AND DEMONSTRATES ITS UTILITY.

11. PROJECT MANAGEMENT: IN ORDER TO INITIATE PROJECT
IMPLEMENTATION IN AN EXPEDITIOUS MANNER, A FINAL
DECISION AS TO SA SETASIDE OR OPEN COMPETITION WILL
BE MADE DURING THE DEVELOPMENT OF THE PROJECT PAPER.

12. BASED ON THE ABOVE, THE MISSION REQUESTS
AID/WASHINGTON APPROVAL OF THE PID ASAP SO THAT WE
MAY MOVE AHEAD IN THE DEVELOPMENT OF THE PROJECT
PAPER. WE LOOK FORWARD TO RECEIVING ANPAC'S
DISCUSSION OF OTHER ISSUES WHICH WILL GUIDE US IN THE
DESIGN OF THE PROJECT PAPER. RAPHEL

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SUBJECT: ANPAC REVIEW, INSTITUTIONAL EXCELLENCE

REF: STATE 335779

1. ANPAC REVIEWED SUBJECT PID ON AUGUST 14 AND DISCUSSED A NUMBER OF ISSUES ON WHICH FURTHER CLARIFICATION IS REQUESTED PRIOR TO DECISION ON PID APPROVAL. BUREAU SUPPORTS IDEA OF AN EFFORT TO DEVELOP AND SUPPORT CENTERS OF EXCELLENCE, BUT WE NEED BETTER UNDERSTANDING OF MISSION'S THINKING ON SOME BASIC CONCEPTUAL ISSUES. MOST WERE RAISED IN THE OCTOBER 1986 REVIEW OF THE CONCEPT PAPER, AS REPORTED IN STATE 335779 AND ARE FURTHER DISCUSSED IN PARAGRAPHS 2 AND 3.

2. STRATEGIC APPROACH: SEVERAL POSSIBLE PROJECT APPROACHES MIGHT BE TAKEN TO IMPROVE CENTERS OF EXCELLENCE.

THE PID APPEARS TO DESCRIBE A VERY SIMPLE APPROACH IN WHICH SELECTED INSTITUTIONS WOULD BE GIVEN AN INJECTION OF RESOURCES, PERHAPS ON A ONE-TIME BASIS, TO MEET AN IDENTIFIED PROBLEM WHICH IS HAMPERING ITS LEVEL OF EXCELLENCE. IN EFFECT THE PROJECT WOULD BE AN

INSTITUTIONAL BASKET PROJECT WHICH WOULD NOT HAVE AN OVERALL INSTITUTIONAL DEVELOPMENT RATIONALE REACHING BEYOND THE ASSISTED INSTITUTIONS AND THE LIFE OF THIS PROJECT. THAT IS, IT IS NOT CLEAR THAT THERE IS ANY INTENTION TO DEVELOP AN ONGOING INSTITUTIONAL CAPACITY IN THE UNIVERSITY GRANTS COMMISSION (UGC) OR ANY OTHER ENTITY TO SYSTEMATICALLY ADDRESS PROBLEMS COMMON TO PAKISTAN'S UNIVERSITIES AND RELATED INSTITUTIONS.

THE BENEFITS OF THIS APPROACH ARE ITS SIMPLICITY OF ADMINISTRATION AND RAPID IMPACT ON THE SELECTED INSTITUTIONS. THE RISK IS THAT UPON THE COMPLETION OF THE PROJECT THE IMPROVEMENTS WILL NOT BE SUSTAINED BECAUSE THE UNDERLYING PROBLEMS (E.G. GOV POLICIES OR LACK OF RESOURCES) WILL NOT HAVE BEEN ADDRESSED. WE MAY MISS AN OPPORTUNITY FOR THE PROJECT TO ADDRESS THE UNDERLYING INSTITUTIONAL PROBLEMS AFFECTING THE ENTIRE HIGHER EDUCATION SYSTEM, TO ENABLE THE ASSISTED INSTITUTIONS TO BECOME MODELS FOR OTHER CENTERS OF

AN ALTERNATIVE APPROACH WOULD BE TO VIEW THIS PRIMARILY AS AN QUOTE INTERMEDIATE CREDIT INSTITUTION UNQUOTE TYPE OF PROJECT, IN WHICH THE STATED PURPOSE WOULD BE TO DEVELOP THE UGC'S (OR OTHER APPROPRIATE ENTITY) ABILITY TO ANALYZE AND ADDRESS THE POLICY, FINANCIAL, INSTITUTIONAL AND POLITICAL CONSTRAINTS WHICH AFFECT PAKISTAN'S HIGHER INSTITUTIONS ACROSS THE BOARD. THEN, ASSISTANCE TO SELECTED INSTITUTIONS WOULD BE A MEANS OF DEVELOPING THIS INSTITUTIONAL CAPACITY.

THE ADVANTAGES OF THIS APPROACH ARE THAT PROBLEMS AFFECTING THE ENTIRE SPECTRUM OF INSTITUTIONS CAN BE SYSTEMATICALLY ANALYZED AND ADDRESSED; THAT LONG TERM SUSTAINABILITY OF INDIVIDUAL IMPROVEMENTS MAY BE ADDRESSED THROUGH SOME OVERALL APPROACH (E.G., CHANGES IN UGC SUPPORT OR OTHER AGREEMENT ON INCREASING RESOURCE AVAILABILITY); AND THAT AN ON-GOING INDIGENOUS CAPACITY REMAINS TO CONTINUE SUPPORT OF ADDITIONAL CENTERS OF EXCELLENCE. THIS COULD BE ACCOMPLISHED, PERHAPS, BY LEVERAGING HOW UGC'S OTHER RESOURCES ARE APPLIED.

THE DISADVANTAGES OF THIS APPROACH ARE GREATER COMPLEXITY AND THE POSSIBILITY THAT ACTUAL PROVISION OF SUPPORT TO INSTITUTIONS MIGHT LAG WHILE ANALYTICAL WORK WAS UNDERTAKEN.

IN BETWEEN THESE TWO ARE A RANGE OF POSSIBLE STRATEGIC APPROACHES WHICH COULD COMBINE BOTH PURPOSES IN VARYING

DEGREES. WE WOULD APPRECIATE CLARIFICATION OF MISSION'S INTENDED APPROACH, REACTION TO ABOVE, AND RATIONALE FOR SELECTION.

3. LEVELS OF ANALYSIS: REGARDLESS OF HOW THE PROJECT STRATEGY AND PURPOSE ARE DEFINED, WE NEED TO CONSIDER THE LEVEL OF ANALYSIS NECESSARY TO ASSURE THE PROJECT WORKS WITH CENTERS OF EXCELLENCE RELEVANT TO PAKISTAN'S DEVELOPMENT. WHILE SAYING THIS, WE RECOGNIZE THAT THIS PROJECT CANNOT BE A MAJOR UNIVERSITY SECTOR REFORM PROJECT.

AT THE MOST COMPREHENSIVE LEVEL, THE PROJECT ANALYSIS COULD DEMONSTRATE THE LINKAGE BETWEEN THE ASSISTED INSTITUTIONS AND AID'S SPECIFIC DEVELOPMENT OBJECTIVES IN EACH SECTOR. FOR EXAMPLE, IF A MEDICAL SCHOOL WERE ASSISTED, SHOULD SUCH ASSISTANCE BE DIRECTED TO DEVELOPING A CAPACITY TO DEAL WITH AID'S TRADITIONAL AREAS OF INTEREST SUCH AS NUTRITION, FAMILY PLANNING AND CHILD SURVIVAL? SHOULD ASSISTANCE TO AGRICULTURAL INSTITUTIONS HAVE SOME DIRECT RELATION TO OUR AGRICULTURE SECTOR PRIORITIES? A SCIENCE/TECHNOLOGY STRATEGY WOULD PROBABLY BE NECESSARY IF A SUBSTANTIAL NUMBER OF THE CENTERS OF EXCELLENCE ARE EXPECTED TO BE IN THE SCIENCE FIELD (AS SUGGESTED BY ANNEX B)?

AT A LESS COMPREHENSIVE LEVEL, THE BUREAU FELT IT WOULD BE APPROPRIATE FOR THE PROJECT TO LOOK BEYOND THE INDIVIDUAL ANALYSES OF NEEDS OF THE SELECTED INSTITUTIONS TO THE OVERALL POLICY, FINANCIAL OR OTHER CONSTRAINTS WHICH AFFECT INSTITUTIONAL EXCELLENCE ACROSS THE BOARD IN PAKISTAN. WHAT ARE THE UNDERLYING INFLUENCING FACTORS WHICH MAKE IT DIFFICULT FOR INSTITUTIONS TO EXCEL? WHAT AFFECTS THE LEVEL OF RESOURCES AND FUNDS FLOW? WHAT AFFECTS STAFF RETENTION? IN SHORT, WHAT ARE THE CONSTRAINTS TO ACHIEVING EXCELLENCE IN THIS SET OF INSTITUTIONS? HOW CAN THE PROJECT HELP THE SYSTEM TO CHANGE THESE UNDERLYING FACTORS? IN DEVELOPING SELECTED CENTERS OF

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EXCELLENCE, CAN THE PROJECT ALSO PROMOTE THEM AS MODELS FOR OTHER CENTERS TO FOLLOW? IN RESPONDING TO THESE QUESTIONS, IT WOULD BE USEFUL TO REFLECT A.I.D. AND OTHER DONOR PAST EXPERIENCE WITH SIMILAR PROJECTS, INCLUDING WHAT HAPPENED TO ASSISTED INSTITUTIONS AFTER ASSISTANCE TERMINATED.

AT THE LEAST COMPLEX LEVEL, THE PROJECT WILL OF COURSE NEED TO INCLUDE A MECHANISM BY WHICH THE IMPLEMENTING ENTITY CAN ANALYZE THE SPECIFIC PROBLEMS AFFECTING THE

SELECTED INSTITUTIONS, AND DEFINE WAYS THE PROJECT CAN BRING ABOUT REFORMS.

4. IN ADDITION TO THE BASIC DESIGN ISSUES RAISED ABOVE, THE ANPAC DISCUSSED A SERIES OF OTHER ISSUES WHICH WOULD BE OF INTEREST AS THE MISSION MOVED BEYOND THE PID. WE ARE FORWARDING THEM BY POUCH TO GIVE THE MISSION THE BENEFIT OF OUR THOUGHTS ON THESE ISSUES FOR FUTURE CONSIDERATION IN ANY PP.

5. IN SUMMARY, THE PID HAS NOT GIVEN US A SENSE OF PROJECT PURPOSE WHICH FITS OVERALL DEVELOPMENT GOALS, NOR THE FEASIBILITY AND SUSTAINABILITY OF THE PROJECT. THE INSTITUTIONAL EXCELLENCE PROJECT COULD HAVE A VARIETY OF STRATEGIC APPROACHES. IT IS NOT CLEAR FROM THE PID SUBMITTED WHAT THE APPROACH IS. BEFORE WE CAN CONTEMPLATE A SCOPE OF WORK FOR A DESIGN TEAM, BUREAU REQUESTS A DESCRIPTIVE OR ANALYTICAL RESPONSE TO THE QUESTIONS AND ALTERNATIVES PRESENTED IN SECTIONS 2-3. MISSION RESPONSE TO THESE QUESTIONS WILL GO A LONG WAY TOWARD GIVING US A MORE EXPLICIT SENSE OF WHAT THE PURPOSE IS, WHAT THE PROBLEM IS, AND WHAT THE BEST APPROACH TO THE PROJECT IS LIKELY TO BE. ARMACOST

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