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FY 1985

OFFICE OF POLICY DEVELOPMENT AND PROGRAM REVIEW
BUREAU FOR PROGRAM AND POLICY COORDINATION



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FY 1985 ANNUAL BUDGET SUBMISSION

PPC/PDPR

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Section I OFFICE LONG RANGE OBJECTIVES

PDPR has the following Long-term Strategic Objectives:

I. Development, clarification and refinement of the Agency's bilateral assistance policies, in order to achieve, enhance, and/or promote timely development and rapid implementation of these policies.

II. Support of key Agency initiatives where PDPR has a special role and competence, as for example:

Policy Dialogue, Technology Transfer, Private Enterprise, and Institutional Development, the "Four Pillars" of Agency policy;

Improved economic analysis of programs and projects;

Improved social and institutional analysis.

III. Initiating and/or following through on matters of special legislative interest (e.g., capital savings/appropriate technology) where PDPR has a special role and competence.

IV. Initiating and/or following through on research which has been "promised" either explicitly or implicitly in Agency policy papers.

The focus of PDPR's research activities is on issues and products where PDPR's leadership and/or involvement can contribute to accelerating or otherwise enhancing the speed of adoption of the Agency's important development policies.

PDPR's Near and Intermediate Term Operational objectives derive from and are consistent with the above. For the planning period FY 1984-FY 1985, emphasis will be on achieving/assuring the implementation and productive utilization of the series of Agency policy papers and policy determinations already promulgated or currently scheduled for promulgation.

Relationships between the principal PDPR operational objectives(s) and individual FY-84 and FY-85 research activities are described in detail in the following narrative. A detailed description of each of the proposed program activities is provided in Section III.

Section II PDPR's FY 84 and FY 85 Program

All of the policies presented in the new series of policy papers and policy determinations of Handbook 1 will be supported and promoted by the day to day activity of PDPR during FY 84 and FY 85, a special effort will be made to clarify, explain and promote a number of key policy themes and initiatives. This special effort will be made through the application of PDPR's staff time and program resources in a balanced agenda of research, policy evaluation and policy promotion.

After a careful review of the published and planned policy papers and determinations, the following key themes have emerged as areas deserving the special attention of PDPR resources.

- o Clarification of the roles of the private sector and the public sector.

The Agency's emphasis on deepening our support for the development of the private sector and opening LDC economies to market forces has been explained in general terms in the Private Enterprise Policy Paper. In addition and of equal importance, the private sector and market forces themes are strongly carried forward in the sector policies - e.g. agriculture, health, population and education.

While the Agency at large is sympathetic to this policy initiative, its application in the principal and traditional AID sectors need considerable clarification and promotion. In the past, the Agency's designs of projects in these sectors have been biased by assumptions that these functions are largely public welfare services and our bilateral programs can stimulate the private sector only indirectly. As a result of some very innovative projects and initial PDPR research findings, we now know that there is considerable room for expanding the role of the private sector through direct AID assistance and rationalizing the role of the public sector so that it is less stiffling of economic freedom. PDPR's research portfolio for FY 84 and FY 85, therefore, includes a number of activities to better illustrate the capabilities of the private sector and market forces in LDC economies and suggest appropriate roles for AID resources in support of these activities. In particular we plan to produce a variety of studies which demonstrate to USAID's the extent to which activity can be shifted to the private sector or at least subjected to market forces. These studies are intended to be solid and persuasive evidence in support of more market oriented design of AID projects.

Typical activities which support this policy objective are for example:

Achieving Food Security and Employment Creation
Through Increased Support for Small, Commercial Farms;
Comparative Economic Analysis of Private Schooling;
Private Enterprise Development: A Market Approach;
Denationalization and Divesture;
Sources of Entrepreneurship.

o Pricing, Subsidies and Recurrent costs.

Intimately connected with our interest in sorting out the private from public activities in AID's areas of interest is the need to demonstrate the importance of proper pricing, reduction of subsidies and management of recurrent costs. No public or private institution or firm can long survive if it does not price its product or service in accordance with rational policies which are based on producing a profit or, if a subsidy is warranted, basing the subsidy on the perceived benefit accruing to the financiers of the subsidy. In FY 84 and FY 85 PDPR intends to direct a part of its program resources to a set of studies which will bring out the importance of the finance side of production and service delivery - an issue too frequently overlooked in the past.

Typical activities which support this policy objectives are for example:

Pricing and Management of Surface Waters Irrigation
Systems;
Health Demand and Financing; and in the area of;
Measuring Demand For Family Planning Services.

o Institutional Development and Organization Efficiency.

The effort to build a body of knowledge which can be used to influence the design of projects must embrace three major dimensions; the private sector vs. public sector and the pricing, subsidies and recurrent cost economic issues and a third issue of organizational efficiency. This third issue is an understanding of the key determinants of how donor assistance can help institutions be made more efficient. To a large extent, institutional development has been perceived as a public sector issue since public institutions do not have profit/loss signals to help them improve their performance. However organizational efficiency issues are also important in LDC private sector activities because of the unsophisticated nature of many markets and the limited knowledge of technology and market conditions by the participants in production and exchange. Consequently better project designs which support the private/public markets question on pricing, subsidies or recurrent costs economic question must also address the institutional efficiency issues. In particular, achieving our policy objectives in pricing, subsidies and recurrent costs will be heavily dependent on organizational improvement which reduce the costs of production and service delivery. Of the three generic policy areas of interest to PDPR noted above, the mechanisms for successfully carrying out an institutional development effort are perhaps the least understood. Our Institutional Development and Local Organization Policy papers are the most general and clearly in need of further explanation and practical guidance if AID is to see a productive return on its institutional development assistance.

Typical activities which support this policy objective are for example:

Technology Transfer in Agriculture: Information Feedback Systems

Improved Management of Rural Development Projects.

Demographic Factors in Education Planning.

Continuation of the SIP program

A series of operational research studies to appraise the determinants of institutional development efforts.

A series of state-of-the-art papers exploring institutional development as it is currently practiced in the field.

Sector Policies

In addition to the above key policies, there are a number of sector specific policies and project/program analysis requirements which will also be promoted by the staff and resources of PDPR. These are as follows.

o Food

Refining Food Aid Allocation Criteria

Improving household food security--increasing attention to the role of on-farm food security in addressing nutrition problems.

o Population

Case Studies of AID's experience in 104(d). Several case studies of country programs which have successfully integrated population and development policies and programs are anticipated. These will provide further guidance on the implementation of Section 104(d) of the FAA.

o Education

Education and Rural Development. A central policy issue is the degree to which rural development strategies can be effective in the absence of some essential minimum of adult literacy and schooling capacity for children in rural areas.

Evaluation of Refugee assistance Efforts Related to Promoting Refugee Self-Sufficiency and Productivity.

Support of Regional Human Rights Initiatives.

Energy, Environment and Natural Resources

Reassessment of U.S. Interests in Developing Countries. Such analyses would review U.S. security, debt/energy linkages and political objectives in middle income countries and AID recipient countries.

Fuelwood - The Agency is intensifying its attention to fuelwood, both in the fuelwood research plan and in several bilateral institution building projects. This subject area has been emphasized in past PPC programs and such emphasis will be continued. Specific

programs will include a major study of land and tree ownership and other sociological considerations to encourage wider tree planting that will follow up the FY 83 funded purchase order designed to launch this activity.

Economic Analyses

Under this research category, PDPR will conduct and commission research designed to improve AID's capacity to analyze the economic viability of projects and programs. Research studies in this category:

Budget and Planning Model -- contribute to the development of economic models that will assist missions identify and resolve problems identified in AID's policy papers and policy determinations.

Modelling the Policy Reform Process.

Macro economic Policy Profiles.

o Special Economic Issues of Development

Activity to be carried out under this objective relate to continuing of the study of likely scenarios of future development in LDC's, the development of a greater understanding of the problem of employment, which may replace food security as the future principal donor concern and the building of a firm theoretical and analytical base for the policy dialogue and technology transfer initiatives.

Trade and Specialization.

LDC Export Development.

Survey Studies in Employment.

Conference on Employment and Economic Policy.

Migration

Technology Defusion Paradiqms

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)
COUNTRY/OFFICE PPC/PDPR

	FY 1983 ESTIMATE	FY 1984 CP ESTIMATE	FY 1985 AAPL	PLANNING PERIOD			
				1986	1987	1988	1989
<u>ARD&N</u>							
Grants	765	775	675	450	500	500	600
<u>POP</u>							
Grants	130	125	50	200	100	200	150
<u>HEALTH</u>							
Grants	255	135	75	75	100	100	150
<u>EDUC</u>							
Grants	150	100	310	290	300	300	200
<u>ESF</u>							
Grants	300	--	--	--	--	--	--
<u>SDA</u>							
Grants	1215	1365	1390	1610	1750	1800	2100
TOTAL	<u>2815</u>	<u>2500</u>	<u>2500</u>	<u>2625</u>	<u>2750</u>	<u>2900</u>	<u>3200</u>
<hr/>							
Total Personal USDH (Workyears)	33.2	37.7	37.8				

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1983 to FY 1985 (\$ thousands)

		Country/Office <u>PPC/PDPR</u>		
<u>APPROPRIATION ACCOUNT</u>		<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
<u>ARD&N</u>				
930-0091	Rural Develop. Res.	515	475	450
930-0096	Nutrition	<u>250</u>	<u>200</u>	<u>--</u>
	Sub-total	765	675	450
<u>POP</u>				
930-0068	Fertility Determinants	130	50	200
<u>HEALTH</u>				
930-0082	Village Health	255	75	75
<u>EDUCATION</u>				
930-0089	Education Policy Impl.	150	310	290
<u>ESF</u>				
930-0098	Support for Democr.	300	--	--
<u>SDA</u>				
930-0002	Development Digest	100	100	140
930-0077	Energy	175	125	100
930-0086	Human Rights	400	400	400
930-0090	Soc. & Pol. Aspects	45	125	175
930-0092	Economic Research	345	390	495
930-0097	SIPs	<u>150</u>	<u>250</u>	<u>300</u>
	Sub-total	1,215	1,390	1,610
<u>TOTAL</u>		<u>2,815</u>	<u>2,500</u>	<u>2,625</u>

Proj. No: 930-0091(.2)
(FY 83/84)

Functional Acct: Section 103 (ARDN)

Title: Achieving Food Security and Employment Creation Through Increased Support for Commercial Farms

New or Ongoing: On-going

Funding: FY 84: \$150, FY85: \$150, LOP: \$450

Purpose: The purpose is to determine what, if any, limitations exist in low-income, food-deficit countries to implementing a strategy of providing sufficient resources and incentives to enable small farmers to raise their marketable surplus in ways that will assure food security for the poor majority, promote economic growth and raise the demand for labor in productive employment.

Background: During the preparation of A.I.D.'s Food and Agricultural Development Policy Paper (May, 1982), the theoretical trade-off between growth and equity in the context of two strategy options---both designed to assure food availabilities for the poor majority, was intensively assessed and debated. Under the first option, the employment and equity effects of an assistance strategy targeted towards rural groups with relatively few resources (marginal and/or subsistence farms as well as the landless) were considered to be critically important and that approach therefore was identified as preferable. Under the second option, the production effects of an assistance strategy focussed primarily on commercial farms already growing both food and cash crops for domestic and possibly export markets was considered to be the most effective means to meet both growth and equity objectives.

One group of A.I.D. policy and technical experts believed that agricultural production, food availabilities and productive employment in LDCs would be maximized by channeling assistance to commercial farms. Others felt that a strategy of assistance to these farms may or may not be the best way to increase agricultural production in ways that would assure food availabilities at appropriate prices, and that this approach certainly will not maximize rural employment, either on-farm or off-farm; nor did they believe that income of the poor majority would be increased on a sustained basis. Rather, this group believed that these multiple objective could best be achieved if U.S. assistance were targeted towards small producers whose marketable surplus could be increased if they were provided with sufficient resources and incentives. The extent to which these small producers were "commercial," according to this group, was immaterial.

In the context of these divergent views, the drafters of the A.I.D. policy document called for "A paper to analyze the extent to which increased production on commercial and/or semi-commercial farms in developing countries will also meet employment and food consumption objectives through increased employment on such farms and indirectly through stimulus to off-farm rural enterprise. Although available evidence confirms the relatively high economic efficiency of small farms, the question is complex." (Footnote 6, page 3, of the Policy Paper.)

Project Description:

Phase I of this effort, initiated in FY-83, addresses the following hypothesis:

"The food gap in low-income, food deficit countries is in large part due to the absence of a strategy to provide sufficient resources and incentives to small farmers; and considering the limitations to such a strategy that interventions designed to raise the marketable surplus on these farms will be less efficient and effective in assuring food security and promoting economic growth and productive employment than will a strategy of assisting commercial farmers."

The major output is a paper containing a summary of the literature review and an analytical framework together with an underlying argument clearly demonstrating :

- how and by what means the hypothesis can be addressed;
- the data requirements and probable sources to test the hypothesis;
- an estimate of the time and additional resources required for any follow-on work necessary to test the hypothesis.

Phase II, proposed for FY-84 funding, involves follow-on field work to test specific hypotheses on the relation between different patterns of agricultural growth and rural employment in selected food-deficit LDCs. It is anticipated that Phase II will take three years and \$150,000 per year to completion.

Relationship of Project to Office Objectives: Improved understanding of small farm systems is fundamental to all development assistance in agriculture and the rural sector. PDPR has as a central objective the improvement of Agency policies toward small farm agriculture.

Relationship of Proposals to Mission and Other AID Activities:

A much better understanding of this matter will be of substantial assistance to Missions, whose agricultural programs focus on small farmers.

Major Outputs: A major technical paper that will aid in the formulation of new policy guidelines for appropriate agricultural assistance interventions to promote food security in food-deficit LDCs.

Beneficiaries: Principal beneficiaries would be small farmers in agriculture if the dual path approach to rural sector development is confirmed, one emphasizing production, and one emphasizing employment.

Subproject No. 930-0089.4

Functional Account: EHR

Title: Comparative Economic Analysis of Private Schooling

New or Ongoing: Ongoing

Funding: FY84: \$30 LOP: \$90

Purpose: To examine the determinants and consequences of the division of responsibility for schooling between the public and private sectors

Background: Though essentially all countries rely on privately supported and administered schools for some part of the total education provided, data on the extent of private schooling (numbers enrolled, teachers employed, financial expenditure) are not collected or reported systematically. There has been little comparative analysis of the factors which determine the extent, quality or effectiveness of private schooling responses. Why do different countries utilize private schools to very different extents? What is the private school response to differing public policy or economic conditions?

Project Description: As an initial investigation, a senior researcher will be supported to undertake field work in two developing countries and to develop a comparative analysis of factors influencing the supply of and demand for private schooling using data from 10 countries previously studied and the two new field studies. A technical paper reviewing the available literature and data bases will also be prepared.

Relationship to office objectives: A key education policy issue is the degree to which A.I.D. can contribute to a larger, stronger and more effective role for privately-provided schooling. This is viewed as strategic to more efficient use of resources, diversification of educational opportunities and fuller participation by communities and parents in educational decision-making. However, at present there is inadequate knowledge of how the private sector responds under varying conditions, nor of what changes in policy context, technical or financial/administrative support would induce a more effective private response.

Major Outputs: Two country studies (India and an African country, probably Kenya, in 1984), a comparative analysis of 10-15 countries and a literature/data review. Results to be reported in an AID/W workshop.

Beneficiaries: Direct beneficiaries will include AID and LDC education policymakers. Ultimate beneficiaries will include children and parents who have access to more cost-effective and diversified education opportunities.

NEW PROJECT NARRATIVE

NUMBER:

TITLE: Private Enterprise Development: A Market Approach

FUNDING: FY 1984: \$100, LOP: Grant, \$100

APPROPRIATIONS ACCOUNT: Section 106, FAA

PURPOSE: To study the systems through which very small enterprises obtain their inputs and market their products. AID long has been interested in examining the input and product markets for small scale farmers. The results of years of research and of projects and programs in this area is paying off in terms of increased efficiency of input service delivery, efficient market systems, increased farm output, and improved farm earnings. Given the increased recognition of the importance of generating employment opportunities and the fact,

now well established, that the overwhelming majority of jobs outside of agriculture are in small enterprises, AID is turning its attention to means of assisting small and microentrepreneurs, urban and rural, in industry and service fields.

The project will signal a major policy initiative for AID, building on the earlier work of S&T/MD/ESE. By exploring input and marketing systems affecting small scale and microentrepreneurs, the project will emphasize institutions, formal and informal, and markets that link those institutions with the entrepreneurs. The project will encourage missions to explore more thoroughly effective means of reaching very small and microentrepreneurs indirectly, through institutions and by making existing markets function more efficiently.

THE PROBLEM: Employment increasingly is recognized as the lynchpin of the Agency's four strategic emphases. By far the vast majority of non-agricultural employment in developing countries occurs in small scale and microenterprises (e.g., "firms" employing up to a range of 10 to 20 employees). Efforts to reach such small firms directly have floundered largely because the costs of doing so are prohibitive. An effective indirect approach is required.

By conducting a research effort that looks at the institutions and markets through which very small firms obtain their inputs and sell their products, this project will identify means of improving the efficiency of those two critical business aspects. Earlier efforts that have concentrated on production and on technology have not succeeded; the technologies involved are simple and the production techniques well known. Improved efficiency is not likely to be achieved by exploring new production techniques.

MEANS OF IMPLEMENTATION: PDPR will prepare a contract probably with a university, to conduct a thorough review of the exploding literature on inputs and product markets for very small enterprises. This secondary source literature review will be followed by primary (field) research on the interaction of institutions, formal and informal, with a select number of market structures (e.g., the merchant based putting-out system, subcontracting systems, and production for jobbers) in a particular set of developing countries. These two phases define the project. However, it is anticipated that a follow-on grant, jointly funded by PPC, S&T/MD, and a selected mission(s) would support research on how to improve AID projects designed to assist very small enterprises. The USAID(s) involved would be in those countries in which the research under this project was conducted. Mission involvement

is expected to be limited, but prospects for substantial involvement in the follow-on grant are great.

TARGET GROUP: USAIDs (Selected)

NEW PROJECT NARRATIVE

NUMBER:

TITLE: Denationalization and Divestiture

FUNDING: FY 1984: \$100; FY 1985: \$71; LOP Grant, \$175

APPROPRIATIONS ACCOUNT: Section 106, FAA

PURPOSE: To be support field research into various aspects of the denationalization process. The project would document cases of denationalization both at the national level and at the level of the enterprise. The research would investigate alternative types of denationalization including divestiture, deregulation, contracting out public services, use of user fees, and instituting policy reforms as appropriate. The project would assess the circumstances under which some processes work better than others and would identify the chief constraints -- and the best means of overcoming those constraints -- that inhibit denationalization.

The research would help missions design projects in this broad and unexplored field and would assist missions in articulating their perspectives on policy reforms as they relate to denationalization.

THE PROBLEM: AID and many host governments are interested in looking for technical advice on how best to proceed with the denationalization process. The technical questions vary from an assessment of the expected benefits and costs of denationalization; to an assessment of the best forms in achieving denationalization (e.g., sales through capital markets, competitive bidding, leasing, building a contracting capacity), to an assessment of the distributive and political implications

of denationalization. This grant would provide a publishable (book length) study based on:

- a review of the literature;
- intensive conversations with experts and interested developing country officials;
- field studies of cases, both at the national and the enterprise level; and
- a full review of the draft report in AID.

Three country cases will be identified as well as numerous case studies of enterprises. The case studies will be identified by criteria worked out in AID to assure relevance to the Agency and to specific interested missions.

MEANS OF IMPLEMENTATION: PDPR will contract with an experienced institution in this field. Heavy ED involvement is anticipated, as is some mission involvement. No logistic support is anticipated from field missions.

TARGET GROUP: Policy makers in AID and in LDCs, who will want to know more about this complex and important area, and missions who will want to know more about constraints, and means of overcoming constraints, in designing denationalization projects.

NEW PROJECT NARRATIVE

NUMBER:

TITLE: Sources of Entrepreneurship

FUNDING: FY 1985: \$235; FY 1986: \$700; LOP Grant, \$935

APPROPRIATIONS ACCOUNT: Section 106, FAA

PURPOSE: To contribute to refining existing methods of identifying entrepreneurial talent and to develop recommendations to stimulate and to channel entrepreneurial drives in developing countries. The project presumes that a development strategy in which private enterprise plays a key role must have, as a basic priority, the promotion of an environment in which the

incentives and the opportunities for nurturing entrepreneurial drives can thrive.

The project will help missions refocus their country strategies on the entrepreneur who creates the productive job opportunities deemed essential for broadly based economic growth. The project will develop a typology of countries that would help AID identify appropriate policy measures given variations in the supply of entrepreneurial talent. Missions will be encouraged to design projects that promote and channel entrepreneurial drives in suitable ways.

THE PROBLEM: In recent years, the role of the entrepreneur has not received adequate attention in the economic literature. Yet, in the past, individual initiative, private incentives, the achievement-oriented performance of the entrepreneur, uncertainty and risk bearing aspects of entrepreneurial behavior, and other aspects of the entrepreneurial urge all have been recognized as important preconditions for innovation and investment. The entrepreneur creates job opportunities; entrepreneurial firms -- not large or medium scale enterprises -- are the sources of most non-farm jobs in the developing countries. AID's emphasis on private enterprise brings the role of the entrepreneur to the forefront of thinking about economic development.

Yet we know little about the entrepreneurial urge. This project will investigate:

- the effect of regulations and other public interventions on entrepreneurial activities;
- the implications for entrepreneurial behavior of various degrees of market concentration and industrial integration;
- the purported failure in the area of technologically based entrepreneurship in the developing countries; and
- the economic conditions under which the entrepreneurial urge is translated into investment behavior.

The project will review the existing literature. Field work in six countries (two each in Africa, Asia, and Latin America) will be conducted by host country research institutions, coordinated by AID, with technical assistance supplied by a team of U.S. specialists (e.g., economist, sociologist, social psychologist, education specialist, and statistician). Household surveys will identify constraints to entrepreneurial

behavior and test methods of identifying entrepreneurial talent. Macroeconomic analyses would focus on policy, cultural and other broad constraints.

MEANS OF IMPLEMENTATION: PDPR will be closely involved in the work of this project. PDPR will draw contracts with a team of U.S. experts and with six host country institutions, one in each of the six countries involved. A moderate amount of mission involvement is anticipated; logistic support needs will be limited.

TARGET GROUP: The target group, ultimately, will be AID missions. The research is designed to raise the awareness, on the part of the entire development community, of issues relating to entrepreneurship, individual initiative, and private responses to market signals.

Proj. No: 930-0091(.3) Functional Acct: Section 103
(ARDN)
(FY 83)

Title: Pricing and Management of Surface-Water Irrigation Systems

New Or Ongoing: On-Going

Funding: FY 84: \$140 LOP: \$140

Purpose: To determine the effects on employment and production of different policies concerning pricing the services of surface-water irrigation systems and taxing agricultural land served by such systems on the investment in, and maintenance and operation of such systems, in order to determine the best policy concerning pricing and taxation.

Background: Donors have funded construction of many large and medium surface irrigation systems, especially in Asia. Dependable irrigation from these systems can be the crucial factor in determining the scope for raising agricultural productivity in the areas served. Many of the "green revolution" varieties require dependable water regimes that cannot be supplied by rainfall but depend instead on an effectively run irrigation system. In many areas, the possibility of a second or third crop in the annual cropping system depends entirely on irrigation.

However, maintenance and operation of existing irrigation systems has the general reputation of inefficiency. It appears that relatively small expenditures of resources on improved maintenance and operating procedures might yield large

returns. One of the constraints upon maintenance and operation may be financial: the extent to which user fees generate enough funds to support an efficient level of maintenance and operating costs. Another constraint may be perverse effects caused by low user fees.

Project Description: Case studies will be made of existing irrigation systems that operate under different policies regarding pricing and taxation in order to determine which policies have been successfully used to finance and to operate efficient irrigation systems. Research will be undertaken primarily in the field. Secondary research may be facilitated by consulting newsletters of the Asian Regional Irrigation Communication Network (distributed through the Agricultural Development Council's offices in Bangkok). Examples of possible cases for study could be chosen from many countries, most of them in Asia. However, it is proposed to leave the choice primarily up to the expert contractors. Cases that cover a variety of pricing policies and regions will be specified.

Relationship of Proposal to Office Objectives: This subproject directly pursues PDPR's objective of improving AID's knowledge of the process of rural and agricultural development, so as to strengthen AID's programs in those areas.

Relationship of Proposal to Mission and Other AID Activities: Several AID Missions have identified management of irrigation systems as key parts of their programs, especially in the South Asian region. Management studies have concentrated on technical management rather than on economic management. The proposed research therefore complements technical research, such as that undertaken in S&T's project #930-1007, "Water Management Synthesis."

Major Outputs: The initial output will be an analytical policy synthesis of the case studies by the contractors. Subsequently, major outputs will be AID guidance based upon the lessons learned from the case studies.

Beneficiaries: The information will be gathered to improve policy-making in AID/W, initially. It is expected that there will subsequently result improved pricing policy in AID's host countries and improved project design and management by USAID missions. The ultimate beneficiaries will be the farmers who use the services of irrigation systems.

NEW PROJECT NARRATIVE

NUMBER:

TITLE: Health Demand and Financing

FUNDING: FY 1984: \$75,000; FY 1985: \$75,000;
LOP Grant, \$150,000

APPROPRIATIONS ACCOUNT: Section 104, FAA

PURPOSE: This project would allow the economic considerations introduced in the revised health policy paper to be operationalized in AID's project development work. The purpose of this project would be to: (1) define or explain Agency policy, (2) lead the Agency in investing in critical research areas; and, (3) further the policy process by exploring relevant and promising research areas which bear on AID policy.

Because the new policy proposed such a significant shift towards efficiency and user financing some method of assisting missions implement the new directions is essential if we are to see any shifts in AID health projects.

In particular, this project would assist missions:

- cost out alternative PHC programs;
- generate information for cost effectiveness studies for PHC;
- measure household demand for, utilization of, and expenditures on health services and drugs;
- assess the financial and economic feasibility of various user financing options;
- document experiences with and measured effectiveness of various health financing schemes, and;
- more systematically consider the role and potential for private sector providers in health.

THE PROBLEM: The dominant theme in AID's health services delivery program over the past decade and a half has been testing and experimenting with the primary health care approach.

That effort has succeeded in showing that PHC is a workable, lower cost approach to delivering health care and raising health status, than is the alternative: hospital care. However, in the process important financial and economic issues have been overlooked, which has served to compromise some of the achievements in improved service delivery. The Rethinking AID's Health Sector Assistance and the Draft Health Policy Paper discuss this in greater depth. This research strategy is aimed at improving AID's approach to PHC, and, more specifically, the analytic processes underlying health program design. In addition the research program will include activities which improve our information on the effectiveness of alternative health investments, and the range of complementary inputs required to raise health status and increase the effectiveness of AID health programs.

Health policy research gaps of greatest priority, and those sorely lacking in PHC project development include the following topics:

- the extent and nature of the demand for health, including the underlying issues of costs, health care utilization, and resource allocation;
- the impact and role of the private health sector, particularly as it relates to public health investments; and
- health care financing options.

Despite the range and complexity of the topics in both categories, they are just a small segment of the outstanding issues in international health; however, this list emphasizes the major economic issues which need to be addressed. And, it should be noted, that these topics represent areas of research concentration, as well as areas where the current analytic methodology needs to be advanced to improve the policy relevance of the research.

MEANS OF IMPLEMENTATION: The project will support a number of different kinds of studies, ranging from simple compilations of information, to indepth assessments of the effectiveness of various health financing options, to the collection and analysis of relationships which draw on sophisticated econometric techniques. The projects will help to incorporate economic analysis into health projects as outlined in the health policy.

TARGET GROUP: The project will provide PPC with better information on the costs and financing of PHC, and allow collection and analysis of information not generally available in health, but essential to efficient resource allocation. Moreover, the project will work to directly implement the health policy by working with project design staff.

NEW PROJECT NARRATIVE

Number: 930-0068.3 Title: Measuring Demand for Family Planning Services

Funding: FY 85 \$200 FY 86 \$100 LOP: \$300

1. Purpose: To assess the utility of current measures of demand for family planning services and examine possible new means of measuring demand.
2. Background: Current measures of demand for family planning services have been based on demographic projections of the number of couples "at risk" of pregnancy, or on surveys asking whether the respondents desire any more children. These measures of demand have not been good indicators of the potential use of services. There is a need to carry out careful studies to assess the utility of current measures of demand and to develop new measures.
4. Project Description: A literature review will be conducted to identify the sources of information upon which measures of demand are based and to select several countries for studies of demand in comparison to the commonly accepted demand figures used for those countries. Then, studies in 3-4 countries will be conducted to determine whether existing indicators of demand resulting from the WFS, for instance are actually borne out by use of services and by focussed interviews with individuals concerning their intentions to use family planning services. Finally, suggestions for new measures of demand will be developed.
5. Relationship of Proposal to Office Objectives: AID has a strong policy interest in allocating family planning resources where there is the greatest need and demand. The next step is for PPC to support studies to improve currently used measures of demand.
6. Relationship of Proposal to Mission and Other AID Activities: Demand for family planning services varies from country to country and within countries. Where there is real

demand and no services, priority should be given to the establishment of service delivery systems. The selection of sites for services as well as the allocation of resources to services must be based on information about the demand for services. Studies to refine our current measures of where services are most needed would be of benefit to the Agency as a whole.

7. Major Outputs: Studies and a seminar.

8. Beneficiaries: AID population and family planning projects and host country population programs because both will have a better idea of the extent of the demand for services.

Project No. 930-0089.7

Functional Account: EHR

Title: Communications Development Policy Implementation

Funding: FY 84: \$200 FY 85: \$200 FY 86: \$300 LOP:
\$700

Purpose: To promote AID's communications policy in all sectors to achieve increasing project impact, extending services or achieving new project objectives.

Background: A.I.D. is now developing a policy determination on development communications. 1983 is World Communications Year; furthermore, it is widely believed that there is substantial unachieved potential for the application of communications technologies and methodologies in development. While the state-of-the-art in communications technology is advancing rapidly, and there is substantial field experience with the use of these technologies in some sectors (particularly education, health, population), there remain other sectors in which little use has been made of modern communications methods. Further, in most applications there has been inadequate attention to economic analysis, to problems of maintenance and recurrent finance, and to the role of the private sector in providing technical and material support.

Beneficiaries: Direct beneficiaries will be AID project planners and evaluation specialists in all sectors. Ultimate beneficiaries will be clients of projects who will benefit from improved communications and more effective extension services.

This project will be used to stimulate activities in development communication which implement the new policy

initiative now in preparation. Funds will be blended with resources from other bureaus and missions to finance projects which are particularly illustrative examples of the new policies. These will be models for dissemination to the rest of the agency.

Proj. No: 930-0091(.1) Functional Acct: Section 103 (ARDN)
(FY 84/85)

Title: Effective Technology Development, Transfer and Information Feedback Systems in Agriculture

New or Ongoing: Ongoing (Initiated FY-83)

Funding: FY 84: \$150,000
FY 85: \$275,000
Life of Project: \$1,066,000

Purpose: To develop and test an integrated systems operational model of technology development, transfer, and information feedback.

Background: Continuing expressed concern over the multiple failings of current research-extension mechanisms to effectively transfer technology and get it properly utilized, and the notable absence of adaptive research components, has led to a search for more effective ways of developing and transferring agricultural technology. Development in this sense means filling in knowledge gaps identified at the farm level or by means of adaptive research. This proposal is a follow-up to an international workshop on how to more effectively link research, extension and small farmers, held in Paris, May 1981.

Project Description: Components necessary to a systems agricultural technology development and transfer model, together with linkages and inter-active information and input flows, have been identified. The objective of this project is to develop and test from this schematic system an appropriate and feasible operational model as a means of determining: (1) the strengths and weaknesses of the LDC information development and transfer models in place, and (2) therefrom to determine whether the weaknesses are correctable within existing contexts, or whether an entirely new system must be substituted.

Specific objectives are development of:

a) a comprehensive and inclusive conceptual framework of agricultural technology development and transfer;

b) identification and definition of the interaction of all of the necessary components of the system;

c) specification of the elements within each component and their interactions;

d) a testing procedure to evaluate alternative, "real-world" agricultural technology development and transfer systems by means of case studies of the range of types;

e) an analytical procedure to adjust the conceptual model based upon the findings of the evaluation in (d) above;

f) an international review and critique process on the derived working model involving individuals expert in technology development and transfer systems; and

g) a procedure to synthesize the above, and thereafter to prepare and publish a technical manual entitled (tentatively) "Technology Development, Transfer, and Information Feedback Systems in Agriculture: An Operational Systems Analysis."

Relation of proposal to Office Objectives: The activity directly contributes to improvements in our understanding of how best to create, adapt and extend new agricultural technologies for increased small farm production, and builds upon the research and institution building objectives of the June 1978, and May 1982, Food and Agricultural Development Assistance Policy Papers.

Relationship of Proposal to Mission and Other AID Activities: Improving small farm agricultural production and productivity lies at the heart of all Mission and AID/W development efforts in food and agriculture. A major constraint to this effort involves the inadequacy of existing systems of linkages (possibly both in concept and in operation) among agricultural research technology development, transfer, and feedback mechanisms.

Major Outputs: A technical manual on establishing technology development, transfer, and feedback systems. Subsequently, PDPR would prepare a policy paper on institutional development of technology development and transfer systems in agriculture.

Beneficiaries: AID planners, LDCs and their rural populations, other donors, and the international research-extension community.

Proj. No: 930-0091(.10)

Functional Acct: Section 103

Title: Improved Management of Rural Development Projects.

New or Ongoing: New (FY 84)

Purpose: The purpose of this activity is to assess, from a representative sample of agricultural and rural development projects, whether, how and why those projects did or did not anticipate and adequately provide for the management systems and resources necessary for their successful project execution, and to identify those factors which explain such performance.

Background: Concerns have been recently been voiced by several sources---The Congress, The Administrator, independent observers and some AID officers also---that many AID agriculture and rural development projects, particularly those known generically as "integrated" or "area development", are too complex and difficult for either AID or, particularly, host country personnel to execute and manage. Such comments generally cite the relative or actual poor performance of integrated or area development projects---particularly those which for various reasons have been highly visible---as justification for the logical extension of those concerns: that AID should not undertake multiple component agriculture and rural development projects. Instead, single purpose/single focus projects, undertaken sequentially, are among the alternative approaches suggested.

However, it remains undocumented and controversial whether management and implementation problems are caused by project complexities or other factors. It is possible that project design simply does not emphasize managerial and administrative arrangements sufficiently. That this is more likely than not to have been the case is reasonable to assume in view of the absence of management or systems analysis capability/expertise relating to rural and agricultural projects within the Agency's roster of technical and support personnel. With appropriate emphasis during design, perhaps even more complex projects would perform better. Although particular project design efforts may have utilized management experts and incorporated their advice during project preparation, such cases would appear to be exceptional rather than common. With appropriate emphasis during design, perhaps even complex projects would be satisfactorily managed and perform as projected.

If, then, inadequate attention and resources may have been provided to the particular managerial requirements of specific projects, that finding would be of significant relevance to the

Agency in respect of: a) the merits/disadvantages of integrated or area development projects especially and other multiple component, large scale or more complex projects of any nature as well; and b) the importance for all our project development/execution activities of strengthening our attention to management requirements.

It is assumed---principally because it has not been shown (only asserted) to the contrary---that management requirements of even the more complex project types, the integrated rural or area development category, should not be beyond the capacity of the average LDC human/institutional infrastructure to handle if the management needs have been adequately assessed and planned/provided for at the design (PP) stage. */

Project Description: Based on desk reviews and consultation with Missions, a representative list will be developed of rural and agricultural development projects authorized within the last ten years which appear to be characterized by management difficulties or lack of management problems. More detailed examination ("case studies") will then be made of the past and current implementation history of each project to determine the nature of the required management arrangements indicated by the project design, those proposed in the Project Paper, and those subsequently established as the project was implemented; and to identify and explain how and why required management arrangements were or were not adequately anticipated and/or implemented whether at the time of project design or later.

Involved and otherwise experienced Mission, Host Country and AID/W personnel will be interviewed, and relevant project documents and records will be reviewed. Emphasis will be placed on field review/assessment.

The findings and conclusions of this review will be submitted to and considered by PDPR for appropriate follow-up which could include development of supplemental project design and implementation guidance for AID's Handbook Three and/or a specific background paper on the management element in AID agriculture and rural development projects.

Relationship of Proposal to Office Objectives: Understanding how the Agency can improve the management aspects of its agriculture and rural development projects is a basic priority and continuing concern of PDPR.

Relationship of Proposal to Mission and Other AID Activities. Clearly, since management/execution of approved projects is the responsibility of the Missions, all Missions have keen interests in measures which could identify and recommend how to anticipate or prevent management problems in project execution. Also, The Administrator is keenly interested in both the question of "complex" or "complicated" project designs, and also more generally in overall project/program implementation performance as manifested most recently in the formation of the Task Force to review the latter.

Major Outputs: A report by a qualified consultant firm, leading to either special guidance on this subject, and/or supplemental guidance for Handbook Three (Project Assistance).

Beneficiaries: AID project managers principally; subsequently and indirectly, target groups of AID projects as these deliver more expeditiously and effectively the intended outputs.

1/ See, Managing Induced Rural Development, Jon R Morris; and Designing and Managing Basic Agricultural Programs, Earl M. Kulp, both published by the PASITAM program at Indiana University, for two examples of guidance on these issues.

PASITAM (Program of Advanced Studies in Institution Building and Technical Assistance Methodology) was a program of the Midwest Universities Consortium for International Activities (MUCIA). AID provided support to PASITAM under a DS/RAD grant (now terminated). The PASITAM documents represent a rich lode of advice and guidance---which unfortunately has not been utilized to the maximum by AID itself--- on the range of tasks and problems covered by the term management. A management consulting firm with experience in agriculture and rural development projects and problems will be selected for this work.

Subproject No. 930-0089.1

Functional Account: EHR

Title: Demographic Factors in Education Planning

Purpose: To refine the demographic methodologies used in estimating projected rates of growth, total size and distribution of school-age cohorts.

Background: Projections of additional school capacity required over the next decade or two commonly reflect assumptions that school age cohorts are increasing rapidly. Preliminary research and modelling (AID/OTR-0089-C-00-2266-00) suggests that these cohorts are likely to grow at rates significantly lower and with different spatial distribution than commonly assumed. In several countries cohort growth may stabilize or even decline in the next decade. In some countries the decline has already begun. This suggests major changes in planning and strategic responses for A.I.D. and for developing countries.

Project Description: In FY 1983, The Futures Group developed methodology for simulation of school cohort change patterns using Apple II Plus microcomputers. Projections were developed for 6 countries (Egypt, Sri Lanka, Kenya, Swaziland, Ecuador and Jamaica) illustrating different demographic possibilities and reported in 4 workshops for AID staff. In FY 1984 the methodology will be refined to include additional education variables and new projections will be made for at least 15 additional countries. In 3 countries, the contractor will work with local demographers and education planners to adapt the model to local planning requirements and to test the feasibility of making reliable sub-national projections. These activities will be reported in a series of workshops for AID, LDC and other assistance agency education planners .

Relationship of proposal to office objectives: Accurate estimation of cohort size is essential for assessment of the feasibility of increasing enrollment, for targetting of assistance, for spatial planning of schooling capacity and for efficient allocation of local resources.

Major Outputs Over Life of Project: demographic models and computer software; detailed projections for 21 countries; series of technical papers and workshops on the projection methodology and the potential for application in national and sub-national education planning and assessment .

Beneficiaries: Ultimate beneficiaries are the children who will benefit from more efficient allocation of resources and more accurate assessment of the feasibility of increasing enrollment.

Funding: FY 1983 \$90,000 LOP: \$120
FY 1984 \$30,000

INSTITUTIONAL DEVELOPMENT AND HUMAN RESOURCES STRATEGIES

Statement of Continuing Activity: FY 1984 and 1985

930-0097 - Human Resources Strategies: Continuing Project
(SDA) (Social and Institutional Profiles)

Funding: FY 84 \$250 FY 85 \$300

Narrative

1. Purpose. To allow PPC, in conjunction and collaboration with the regional bureaus, to conduct an experiment in social and institutional appraisals; to improve the Agency's ability to identify, analyze, and frame responses to issues of a socio-economic, political, and institutional nature; and to improve the content of Agency policies and strategies in the areas of institutional development and social analysis.

2. Background. There is recognition within missions and within AID/Washington that present methods of incorporating country-level socio-economic and institutional data into the project and program development process is largely inadequate. Additionally, it is recognized that project-level social and institutional analyses are encumbered by the necessity to reiterate regional and country-level social and institutional information, and are therefore more expensive and less immediately relevant to projects than is desirable. Further, A.I.D. needs to improve its capacity to assess patterns of institutional performance in key sectors (and across sectors) in host countries, and needs to evolve policies and strategies that are conducive to effective institutional development.

A.I.D.'s newly-published policy paper on institutional development notes that our understanding of how institutional development may be effectively promoted is very weak, and recommends field-relevant, policy-oriented research in this area. This project follows upon that recommendation.

3. Project Description. This project is designed to improve our understanding of key variables affecting populations in A.I.D.'s host countries, including social, economic, political, and institutional considerations, and to do so in a way that makes the information immediately useful for country development strategy formulation and project identification.

The project allows, on a collaborative and cost-sharing basis between PPC and the regional bureaus, the conducting of an experiment in social and institutional profiles (or appraisals)

in each regional bureau. Beginning in FY 1984, the project will also provide for policy-relevant operational research, conferences, and the preparation of state-of-the-art papers

addressing the policy dimensions of social and institutional issues identified in the ongoing appraisal program. The project is expected to have implications for changes in the content of CDSS analyses, and for the way in which A.I.D. undertakes project level social and institutional analyses. It will also facilitate the planning of programs and the development of strategies at the country/mission level which will be more responsive to ongoing indigenous patterns of production and investment, and which can successfully address issues of an institutional nature.

Profiles are carried out in countries where missions have volunteered to undertake them, after scopes of work have been reviewed by an AID/Washington inter-bureau working group and approved by PPC. Teams to carry out profiles are comprised of AID/Washington social scientists, mission personnel, and U.S. and host country topical experts. The estimated timeframe for each profile in terms of in-country work is two months. In the first year of project activity (FY 1982), PPC supported 80%-90% of the costs of each profile. During FY 1983, PPC is sharing the costs of profiles equally with regional bureaus and/or missions. In FY 1984 and subsequent years this equal allocation of financial responsibility will be maintained to ensure that work done reflects genuine field interest.

In addition, a portion of FY 1984 funds will be used to fund a conference at which participating missions, senior A.I.D. managers, and Agency social scientists will review the first two years of activity and identify lessons learned and directions to follow in subsequent efforts to consolidate the results of the profiling experience.

4. Progress and Activity to Date. In FY 1982, the first year of project activity, seven appraisals were done in the Philippines, Honduras, Yemen, Somalia, Kenya, Oman, and Niger. In FY 1983, appraisals are being done in Uganda, Tanzania, Ecuador, Jamaica, and elsewhere as funds permit.

5. Major Outputs Over Life of Project. 20-25 country/regional social and institutional appraisals; a series of papers assessing social and institutional aspects of development issues in a number of key A.I.D. sectors; a series of papers exploring strategies in institutional and social development from a variety of disciplinary and inter-disciplinary perspectives; and the generation of policy guidance on Agency approaches to social and institutional analysis.

6. Beneficiaries. The field missions and their host country planning counterparts will be the direct beneficiaries of the outputs of the project. However, since the project is

specifically designed to improve the Agency's ability to identify and more accurately and adequately reach target groups in host countries, the anticipated beneficiaries of A.I.D. strategies and projects in host countries around the world constitute the ultimate, indirect beneficiaries of this project.7. Current Program, FY 1984 and 1985. In these years we expect to provide additional support to the appraisal program, which will be altered somewhat, consolidated, and formalized as a result of the planned FY 1984 evaluation conference. The cost-sharing basis will continue to be 50% from PPC and 50% from participating missions/bureaus. Probably four to six missions will continue to commission appraisals each year. In addition, we expect to undertake a series of supplementary activities to deepen the Agency's understanding of social and institutional issues in development. Below are outlined the various activities planned in FY 1984 and 1985, together with preliminary estimates of costs involved.

FY 1984 Program Cost

930-0097.1 Social and Institutional Appraisals.

There should be four to six of these, which tend to cost about \$60,000 to \$80,000 each. PPC's 50% share will come to about \$150,000. However, only \$50,000 has been budgetted, and the program will be seriously curtailed if an additional \$100,000 in SDA cannot be found.

930-0097.2 Evaluation Conference.

This will be done late in the fiscal year when about 12 country appraisals will have been published in final form. The conference will require the services of a contractor for logistical and administrative support, and will also entail travel expenses to bring AID mission staff in from the field to participate. PPC/E allows about \$100,000 to finance similar efforts in their evaluation series and so the preliminary estimate for the Appraisal Evaluation Conference is set at \$100,000

FY 1985 Institutional Development Program

930-0097.1 Social and Institutional Appraisals. There will be about four to six of these, at a cost of \$150,000 as in the FY 1983 and FY 1984 programs.

930-0097.3 Operational Research. There will be two or three case studies to appraise on-going, successful institutional development efforts in sectors or geographical areas where A.I.D. has an interest, so that emerging lessons learned about successful operational strategies can be quickly incorporated into Agency policies. Potential studies include the East Africa Institute of Management and Administration, which is

still a viable entity some years after the demise of the East African Community, the parent organization; INCAP in Central America; the agricultural cooperative movement in Uganda; and small farmer credit institutions in Latin America. Cost of each operational research effort is expected to be similar to the cost of single Social and Institutional Appraisals, and we also expect to continue the cost-sharing approach to ensure the work done is relevant to missions/bureaus. Hence, the total funding required for the operational research studies will be about \$100,000.

930-0097.4 Special Issues in Institutional Development.

Institutional development has been defined as a major A.I.D. priority for the 1980's, but much basic groundwork remains to be done in fleshing out the concept operationally. Over time, the S&T Bureau can be expected to generate support services in this area, but there is a need for flexible, timely, precisely-focused investigations of policy-related issues in institutional development that can be conceived, initiated, and inserted into on-going Agency policy and program development processes with some rapidity. Hence, we expect to fund three to six short state-of-the-art assessments of institutional issues such as:

-- a comparison of the value and application of institutional development approaches developed by leading representatives of appropriate disciplines, such as business management, political economy, institutional economics, public administration, and rural sociology. The purpose would be to formulate an AID operationally-oriented synthesis of the best thinking emerging in these complementary areas of emphasis.

Proj. No: 930-0091(.8) Functional Acct: Section 103
(ARDN)
(FY-84)

Title: Refining Food Aid Allocation Criteria

New or Ongoing: New (FY 84)

Funding: FY-84: \$75,000
LOP: \$75,000

Purpose: The purpose of this activity is to refine and expand the criteria for allocating U.S. PL 480 Title I food aid among countries.

Background: At least three studies have recently been completed

that develop criteria against which countries can be ranked for the purposes of allocating Title I food aid. These studies are: (a) "An Integrated Information Reporting and Analysis System to Improve the Allocation of PL 480 Title I Resources for Development Purposes" (July 20, 1981) by Fred Welz; (b) "Food for Development: Priorities in Sub-Saharan Africa" (1981) by Edward B. Hogan; and (c) "Food for Development in Sub-Saharan Africa" (March 1980) by Paul Russell et. al. The methodologies developed in all three studies recommend two basic criteria: (a) need for food aid; and (b) development performance. The USDA publishes a semi-annual report entitled Food Aid Needs and Availabilities that provides the data necessary to rank countries in terms of the need criterion. The CDSS is typically recommended as the best source for assessing development performance.

In fact, the single most important criterion for allocating Title I food aid is neither need nor development performance. Instead, it is the food aid allocation received by each country the year before. This is a legitimate criterion for allocating food aid because it recognizes the traditional relationships that have been established between various donors and developing countries. However, the U.S. is currently unable to judge the likelihood that countries which do not receive U.S. food aid will have their food aid needs met by other donors. This is because data are not now systematically compiled to show how the food aid needs of developing countries have been met by specific donors over time. The need for this information is especially important for those countries where both "need" and "development performance" call for U.S. food aid but such food aid is not forthcoming.

Project Description: This project will develop a methodology for compiling data to supplement those already provided in the semi-annual USDA publication, Food Aid Needs and Availabilities. These data will indicate average annual inter-country food aid transactions over the past, say, five years. These data will be updated, as a matter of course, each time the publication is revised.

Relation of Proposal to Office Objectives: The Administrator has expressed his desire to enhance the developmental impact of food aid. Several methodologies already exist for ranking potential food aid recipients in terms of their need for food aid and their development performance. They need to be refined by incorporating a third criterion, average annual food aid allocations by each donor country to each recipient country over the past five or so years. Thus, if a particular country which qualified for food aid on the basis of need and development performance did not receive food aid from the U.S. or other donors, AID would be on firm grounds in recommending to the inter-Agency committee that food aid be allocated to

such a country. This would also provide a check to see the extent to which U.S. food aid, allocated on the basis of the previous year's allocation, was flowing to those countries with both a need for and reasonably good development performance.

Relationship of Proposal to Mission and Other AID Activities:

It is very difficult for a Mission to develop a comprehensive development strategy without a knowledge of the magnitude of resources likely to be available to implement that strategy. AID/W now provides an "approved assistance planning level" (AAPL) for PL-480 food aid as well as for Development Assistance. Since PL 480 food aid constitutes over one-quarter of the total U.S. economic assistance program, AID/W should have better criteria for providing AAPLs for PL 480, thereby assisting the Missions develop their CDSS. Also, PL 480 food aid should be better integrated with other forms of economic assistance, and the results of this project will help achieve that objective.

Major Outputs: A short report describing the methodology used to compile the additional data for publication in Food Aid Needs and Availabilities, and an actual compilation of such data.

Beneficiaries: AID policy makers initially then LDC populations which might receive food aid.

Proj. No: 930-0091(.11) Functional Acct: Section 103 (ARDN)
(FY 84)

Title: Technology Choice in Agricultural Production:
Mechanization.

New or Ongoing: New

Funding: FY 84, \$75,000
 Life of Subproject: \$150,000

Purpose: To explore the employment implications of mechanizations (including animal traction) in agricultural production.

Background: The possibility of mechanization displacing labor in agricultural production has been raised repeatedly in the last two decades. The issue has been largely debated in the context of the generally believed labor-surplus situation in Asia, although recently concern with the labor implications of both tractors and animal traction in West Africa has been

raised. While the labor issue is central, mechanization has also significant environmental impacts (e.g. Tunisia---negative; Sudan---positive) and energy implications. These and other concerns must also be taken into account.

Additionally, with the likelihood that Missions in some regions (Africa, e.g.) will consider new or increased support for programs of simple mechanization-animal traction, it is important that experiences with such programs to date be summarized and assess for policy design implications.

Project Description: A literature review of findings from studies and examinations of mechanization from all regions would be undertaken, particularly looking at the empirical literature from mechanization programs in which AID has been involved. "Lessons Learned" would be drawn from these experiences as the basis for policy guidance on the employment implications of mechanization in agricultural production.

Relationship of Proposal To Office Objectives: Increasing rural incomes and employment is a critical objective of AID's food and agricultural policy. There has never been a coherent cross-national comparison of mechanization which effectively lays out the conditions under which mechanization is an appropriate avenue for increasing labor productivity. The effort would also tie together the related environmental and energy aspects.

Relationship of Proposal to Mission and Other AID Activities: All Missions share a concern and program priority for increasing agricultural productivity and rural employment. In many countries, in Africa for example, experiences to date seem to suggest expansion of programs of animal traction offer potential to impact favorably on these objectives. In the absence of a survey and assessment of AID and other donor agencies experiences with such programs, however, the Agency is not in a position to offer guidance to Missions concerning our policy towards such mechanization nor to be able to assess Missions' initiatives in this area against both policy and technical aspects.

Major Outputs: A Review Paper which would serve as the basis for a policy paper.

Beneficiaries: Direct beneficiaries would be AID's policy makers and AID and host country project designers who concerned about maximizing employment opportunities in agriculture as well as production/productivity growth.

Statement of Continuing Activity FY 85 and FY 86

930-0096 Nutrition and Development

Purpose: To improve the nutritional impact of policy dialogue and program development

Background: Poor nutritional status has been shown to be a significant drag on the development process. It reduces work productivity, jeopardizes achievement of health and population goals, incurs losses of human resource investments, and reduces the capacity of the population to withstand exogenous shocks (e.g. rising prices of essential imported commodities, global recession, adverse weather patterns). There is a growing concern among policy makers and technical advisors about the external costs and benefits, including nutritional effects, of economic policies, agricultural and rural development strategies, and human resource investments. There are a number of major policy issues which have arisen and require clarification before policy directions can be set. For instance,

- what are the tradeoffs between commercialization of agriculture and nutritional self-reliance?
- how can food assistance be most effectively used as a preventive nutritional measure?
- what is the most practical way to diagnose national nutrition problems for the purpose of program development?
- what are the most effective ways of improving on-farm food security?
- how should target beneficiaries be identified for different kinds of development programs.
- what measures of nutrition, food consumption, or household food security are most relevant for national policy making and for monitoring nutritional impacts of programs?

3. Project Description

This project is designed to improve our understanding of the impact of nutritional status on development and the impact of development programs on nutrition and food consumption.

4. Progress and activity to date

In FY 80 and FY 81 a series of papers on issues broadly relating to nutrition and agriculture concerns were commissioned. Subjects included were the social and nutritional impacts of resettlement, nutritional implications of declining fuelwood availability, nutritional impact of

livestock development schemes among pastoral populations, nutrition and labor migration, and the potential role of edible wild plants in agricultural development. These papers have been distributed within the Agency and outside, and have led to improvements in the state-of-the-art on these topics. In FY 82, several analyses were commissioned examining the impact of development projects on resource allocation within the household, particularly consumption of food. Case studies from Panama and Cameroon were complemented by a thorough review of the literature on methods of measuring intrahousehold allocation of resources. A method for rapid assessment of nutritional impacts of agricultural projects was also developed and tested.

In FY 84 our attention will be focussed on the means by which agricultural and rural development affects nutrition and food consumption and on how nutrition should best be incorporated into policy dialogue and institutional development.

5. Major outputs over life of project. We anticipate developing a number of case studies, generating state-of-the-art field methods, and improving analytical methods for policy development.

6. Beneficiaries. The immediate beneficiaries are the Agency staff working in the fields of nutrition, agriculture, rural development, health, population, and Food-for-Peace. The ultimate beneficiaries will be the populations affected by policies and projects reflecting improved Agency efforts in the nutrition area.

7. Current Program, FY 84 and FY 85

930-0096.1: Impact of cash crops on nutrition and food consumption.

One of the key nutritional issues arising is the impact of increasingly export oriented agriculture on national food security and on nutrition food consumption. Two or three primary data collection efforts will be undertaken in Africa and Latin America to develop case studies and develop field methods appropriate to the project design context.

Proposed funding and duration of subactivity:

FY 83 - \$200,000 for two-year study

FY 84 - \$200,000 for two-year study

930-0096.2 Improving household food security.

Throughout the world, preharvest hunger is a fact of life. For adults the hunger merely reduces their work capacity temporarily but for very young children and pregnant and lactating women, permanent damage or death can result. The causes of household food insecurity and the relationship between national level and household level food security are poorly understood. "Postharvest food losses" is a catch all phrase that fails to acknowledge the spectrum of activities (and actors) involved in food transformation and marketing. This subproject will commission some background papers on different aspects of household food security and will identify the key policy issues requiring further analyses.

Proposed funding and duration of subactivity:

FY 84 \$50,000 (if funds are available)

FY 85 \$100,000

930-0068.4 - Case Studies of AID's experience in 104(d)

Narrative

Funding: FY 1984: \$50,000

1. Purpose: To carry out several case studies of experience in interpreting and implementing Section 104(d) of the Foreign Assistance Act in selected AID recipient countries.

2. Background: In 1977 the Foreign Assistance Act was amended to direct AID to give greater attention to the interaction between social and economic change and fertility patterns in all of its programs. PPC was given responsibility for implementation of this Congressional mandate.

3. Project Description: A consultant/s will carry out case studies in several selected countries to document and analyse

4. Relationship of Proposal to Office Objectives: An important objective of PPC/PDPR/HR is to interpret and translate general policies and mandates into relevant and useful field guidance. A second objective is to assure that the Agency's programs conform with Agency policies and priorities.

5. Relationship of Proposal to Mission and Other AID Offices:

104(d) is an important, but complex subject. It requires Missions to make sure that the entire portfolio is one in which projects are complementary and reinforcing, and that projects are not working at cross-purposes with the country efforts to make voluntary family planning widely available and accepted.

6. Major Outputs Over Life of Project: Case study reports on experience from several selected countries.

Project No

Title: Refugees

New or Ongoing: Ongoing

Funding: LOP \$295,000 total cost
FY 84 - \$40
FY 85 - \$100

Purpose: Develop much needed information for policy and program guidance.

Background: Large refugee flows are expected to continue in the Third World (and these exoduses) have a major impact on the economies of countries of first asylum. Refugees are staying longer in the host countries and should be incorporated into the development plans of the host country and AID. AID is trying to come to an agreement with the U.S. Coordinator for Refugees on what AID's role should be with refugees in developing countries. The AID Administrator wants AID to have the responsibility for refugees in developing countries. Congress is interested in the subject, and \$15 million was added by the House to the AID budget for refugees in Africa in FY 1985. This is in addition to the \$30 million in no year funds from FY 1982 AID is currently obligating for self-sufficiency and resettlement activities for African refugees. An international conference for Africa on refugees and development is proposed for 1984.

Project Description: To evaluate past efforts by others including international agencies, governments, and private organizations on medium and long term resettlement activities and to develop ways to promote increased self-sufficiency and productivity among refugees.

Relationship of Proposal to Mission and Other AID Activities: Projects would provide guidance to Missions in countries with refugees would become productive and integrated into development programs.

Major Output: Useful and constructive policy guidance.

Beneficiaries: Ultimately the refugees who will become self-sufficient rather than dependent on relief assistance.

Title of New Population Activity: FY 1984

930-0068.4 - Case Studies of AID's experience in 104(d)

Narrative

Funding: FY 1984: \$50,000

1. Purpose: To carry out several case studies of experience in interpreting and implementing Section 104(d) of the Foreign Assistance Act in selected AID recipient countries.
2. Background: In 1977 the Foreign Assistance Act was amended to direct AID to give greater attention to the interaction between social and economic change and fertility patterns in all of its programs. PPC was given responsibility for implementation of this Congressional mandate.
3. Project Description: A consultant/s will carry out case studies in several selected countries to document and analyze successful efforts to integrate policies and programs in all development sectors with policies and programs to deliver family planning services - in other words, to document experience with the integration of the supply and demand sides of population policy. There will be a report for each country and these will be presented at a workshop in AID/Washington. It is intended that these experiences will lead to further policy implementation guidance for the field.
4. Relationship of Proposal to Office Objectives: An important objective of PPC/PDPR/HR is to interpret and translate general policies and mandates into relevant and

useful field guidance. A second objective is to assure that the Agency's programs conform with Agency policies and priorities.

5. Relationship of Proposal to Mission and Other AID Offices:

104(d) is an important, but complex subject. It requires Missions to make sure that the entire portfolio is one in which projects are complementary and reinforcing, and that projects are not working at cross-purposes with the country efforts to make voluntary family planning widely available and accepted.

6. Major Outputs Over Life of Project: Case study reports on experience from several selected countries.

Title: Human Rights

Project No.: 930-0086

New or Ongoing: The ongoing project continues to support regional human rights initiatives by transferring funds to the Regional Bureaus and supporting activities involving more than one geographic area.

Purpose: To encourage or promote increased adherence to civil and political rights as set forth in the Universal Declaration of Human Rights, in countries eligible for US economic assistance. (See attached revised guidelines)

Background: Section 116(e) of the Foreign Assistance Act authorizes AID to use not less than \$1.5 million to promote human rights. Since FY 1978, AID has been encouraged by Congress to support a positive approach to human rights. PPC has the key role in assuring that the Agency meets its minimum target. A basic policy tenet is to utilize the funds to the greatest extent possible in less developed countries themselves, and in activities which directly benefit the peoples in their countries.

Project Description: Please see attached guidelines for full description.

The principal strategy is to strengthen the host country's legal system, focussing such efforts in establishing the fundamental principles of law. The program also supports activities which educate their rights and take advantage of the protections offered under such systems. Another strategy is electoral reform. While Section 116(e) prohibits the use of

funds to influence the outcome of any election, this does not affect the use of funds for election reform and related projects in FY 1983 funds from this project were used for improved judicial administration in Nepal, a regional human rights education program in Latin America and the Caribbean, a return to constitutional democracy in Liberia.

Relationship of Proposal to Mission and Other AID Activities:
Project supports initiatives by Missions and Regional Bureaus.
To the greatest extent possible, project funds are to be used in less developed countries themselves and often funds are transferred to the Regional Bureaus for country specific activities.

Major Outputs: A strong and independent legal system that protects all the civil and political rights of its citizens.

Beneficiaries: All the citizens of a nation

Proposed Funding: \$400,000 per year from FY 1983 through FY 1987.*

Life of Subproject: Ongoing

*If a proposed amendment on Section 116(e) is approved, the Agency's minimum annual target will be raised from \$1.5 million to \$3 million. If this occurs, then the funding for this project should be increased to \$600,000 per year.

Economic Analyses. Under this research category, the ED Division conducts and commissions research designed to improve AID's capacity to analyze the economic viability of projects and programs. Research studies in this category:

- contribute to the development of economic models that will assist missions identify and resolve problems identified in AID's policy papers and policy determinations (e.g., the proposed \$80,000 FY 83 project to develop a computer model of the recurrent cost implications of specific projects);
- provide missions with models of "typical" AID projects that illustrate the appropriate use of economic analysis at the project level (e.g., the compendium of cases on economic analysis to be collected by the ED Division); and
- develop computer software to facilitate the adoption of sound techniques of economic analysis by missions on both the macroeconomic policy (econometric) level and the project (cost-benefit) level (e.g., the proposed study for FY 84 for which one additional staff position is requested).

NEW PROJECT NARRATIVE

NUMBER: 930-0092

TITLE: Technology Diffusion Paradigms

FUNDING: FY 1984: \$100,000; FY 1985: \$300,000; FY 1986:
\$235,000; LCP Grant, \$635,000

APPROPRIATIONS ACCOUNT: Section 106, FAA

PURPOSE: To support original research into alternatives to the dominant centralized, authoritative, and formal paradigm of the technology diffusion process. Almost all of the research on technology diffusion is organized in terms of the so-called "classical" (see Everett M. Rogers, 1982) diffusion paradigm. The most common model of this paradigm is the agricultural extension system. Although variations exist, this model typically is centralized and authoritative (governmental); the sources of its innovation are formal research and development programs. Alternatives include one, the "commercial" diffusion paradigm which is decentralized and market oriented (private) and the sources of its innovations also are formal research and development programs, and two, the "institutional" diffusion paradigm which is decentralized and authoritative and the sources of its innovations are local experiments. Very little research on these alternatives to the "classical" paradigm has been conducted.

Ultimately, the research would serve the broader interests of the development community and the interests of AID in designing projects in which technologies are diffused through systems in which governments are not intimately involved.

THE PROBLEM: The commercial paradigm links those who generate technologies and those who acquire them through markets. Profit incentives dominate. The institutional paradigm links these through formal and informal, modern and traditional institutions. Examples of these linking institutions are kinship networks (especially important in the Chinese business community in Southeast Asia), business associations (typically organized along product lines), social service groups (especially important in health care and education), neighborhood associations (and other spatially defined groups), special interest groups (such as women's organizations), and cooperative societies.

It is clear from inter alia AID's impact evaluation studies that the classical paradigm does not work well in all settings.

In particular, it does not work well in diffusing simple technologies useful to small scale farmers and to small scale non-farm microentrepreneurs, two major AID target groups. By researching alternatives to this paradigm, PDPR would greatly expand AID's perception of the technology diffusion process.

The project will be a multidisciplinary effort and will involve the preparation of:

- a summary view of the literature on technology diffusion, emphasizing the commercial and institutional paradigms;
- an analysis of that literature focussing on the diffusion of technology to small farm operators and microentrepreneurs;
- a proposal generating testable hypotheses on how best to build and to strengthen critical components of diffusion systems to encourage the acquisition of appropriate technologies by the poor;
- field tests of those hypotheses; and
- a final report useful to AID missions.

MEANS OF IMPLEMENTATION: PDPR will develop a cooperative agreement with a major university to cover three years. The grant should become the focal point of academic efforts to develop meaningful alternatives to the classical technology diffusion paradigm.

TARGET GROUP: The development community, AID in general, and ultimately USAIDs will be the target group. It is anticipated that the research will encourage missions to develop projects which emphasize decentralized and market oriented diffusion systems concerned with technologies generated both in local user based experiments as well as in formal research and development programs.

NEW PROJECT NARRATIVE

NUMBER: 930-0092

TITLE: Modelling the Policy Reform Process

FUNDING: FY 1985 and LOP Grant, \$85,000

APPROPRIATIONS ACCOUNT: Section 106, FAA

PURPOSE: To prepare a computer model of the macroeconomic structure of an abstract developing country economy. The model, designed to represent a set of similar economies, would permit closer analysis of the interaction and effects of select policy changes.

The project would increase the understanding of key missions in pressing for policy reforms (see also the proposed Macroeconomic Policy Profiles project).

THE PROBLEM: It is extremely difficult to engage a host country government in a meaningful policy dialogue process. That process can be initiated in a partial equilibrium setting; however, advice based on a partial equilibrium framework is not always convincing. The full range of direct and indirect effects of a policy change must be reasonably well understood if useful advice is to be persuasively offered.

This project is based on the policy profiles prepared in the proposed Macroeconomic Policy Profiles project. This project will result in a relatively simple computer model that can stimulate meaningful policy changes in variables of particular interest to AID. This economic policy model would be instrumental in structuring policy dialogue with host country governments and in assessing the likely outcomes, the economic costs, and the distributional effects of proposed policy changes.

MEANS OF IMPLEMENTATION: PDPR will prepare a contract with a suitable economic consulting or forecasting firm. Field work is likely. The consultants and PDPR staff will work closely with appropriate mission staff. The developing country or countries selected as the basis for the model will be the same as those selected in the proposed Macroeconomic Policy Profiles project.

TARGET GROUP: USAIDs (three)

Project No. 930-0089.6

Functional Account: EHR

Title: Education and Rural Development

Purpose: To examine the role of schools and other education institutions in rural development programs

Background: Most research has concentrated on the impact that raising levels of educational attainment has on overall development. The role of schools per se, and the financial and community arrangements to support schools has been rather neglected as a significant factor in community development and rural transformation. In addition, it is increasingly clear that education expansion is difficult where aspects of rural development are lacking -- such as housing for teachers, electrification, water and transportation.

Project Description: Two activities are proposed. One is a study of the factors which influence the degree to which qualified teachers can be recruited, retained and enabled to teach effectively in rural schools. Of particular relevance is investigation of whether the emphasis should be on providing additional training for teachers or on improving teaching conditions and administrative/logistic support for rural teachers. A second activity will be a review of the considerable literature on rural development to examine the role of school expansion in the rural development process. Of particular relevance is testing the degree to which school expansion precedes, accompanies or follows successful rural development efforts.

Relationship to office objectives: AID's education policy stresses the relationship of education systems to other important sectoral objectives. Guidance on how best to integrate support for schooling systems with other aspects of rural development programs is needed. A key policy issue is whether rural development programs are likely to be effective in the absence of measures to increase schooling opportunities in the targetted areas.

Major Outputs: a series of technical papers and case studies on factors related to rural teacher effectiveness; a review of the literature on rural development and schooling; two or more workshops on the above, leading to recommendations for CDSS and sector strategy guidance.

Beneficiaries: Direct beneficiaries are AID program planners and design teams both in education and in rural development. Ultimate beneficiaries are children and adults in rural areas who will benefit from more effective and successful rural development efforts.

Proposed Funding:

~~FY 1984 \$80,000~~ x
FY 1985 \$60,000 90,000

Life of Subproject: 24 months

Project No: 930-0090

Title: Migration

New or Ongoing: Ongoing

Funding: FY 84 \$50,000
FY 85 \$75,000

Purpose: To analysis and disseminate within AID the latest research on migration for policy and program guidance

Background: Throughout history men and women have moved across national boundaries to seek better opportunities. In the last two decades, voluntary labor migration has increased the pace of income growth for the sending LDCs. Rising demand for labor in general or for particular skills in high wage, labor scarce countries has attracted migrants, and around 20 million voluntary migrants now work outside their native lands. Many have come to the United States and Western Europe, but international migrants are found throughout the developing world. The role migration plays in development and the resulting benefits and costs to the LDCs vary from country to country. In some cases migration is such an important phenomenon that it needs to be explicitly taken into account in the development of AID programs. AID's own programs can only make modest contributions in enhancing the benefits or reducing the costs individual LDCs derive from migration. However, there are many ways in which our better awareness of the impact of migration on development can help improve our development program in many countries.

Project Description: To provide information on the costs and benefits of international migration and make recommendations for AID policy and programs, especially in labor sending countries.

Relationship of Proposal to Mission and Other AID Activities: Project would provide guidance to Missions in countries where there is large scale migration, both sending and receiving, and alert Missions of the various effects to be expected with large migration flows.

Major Output: Useful and constructive policy guidance.

Beneficiaries: Ultimately the host country local population who can benefit to the greatest degree possible from international migration.

Project No.: 930-0002

Title: Development Digest

New or Ongoing: Ongoing

Funding: FY 84 \$100,000
FY 85 \$140,000

Approp. Account: Section 106, FAA

Purpose: To provide an exchange of information directed toward the solution of development problems among research and development personnel and development practitioners by reporting on research results and field experience, providing analyses of development problems and new ideas or information on socio-economic development.

Background: The Development Digest is a journal which consists of excerpts, summaries and original articles on subjects related to social and economic development. Its subscribers include groups such as government officials, librarians, economists, university professors, bankers, agriculturalists, and bankers. The Digest's aim is to collect from current literature materials which will be great value to people concerned with and involved in the development process. This office has published the Digest since the 60's.

Major Output: An easy access of materials for developing countries counterparts.

Beneficiaries: Development administrators and practitioners and the many different professionals with different backgrounds and occupations who does not have access to other development journals particularly in LDC's because of costs and limited availability of such publications.

FY 1984 ANNUAL BUDGET SUBMISSION

RANKING

RANK	Project No.	Description	Ongoing New/Mortg.	Loan Grant	Appr Acct	Program Funding Inc.	CUM \$1000
1	930-0089	Com. Econ. Analysis of Private Schooling	M	G	EHR	30	30
2	930-0091	Tech. Transfer in Ag.: Inf. Feedback Systems	M	G	ARDN	150	180
3	930-0091	Achieving Food Security and Employment Creation Through Increased Support for Commercial Farms	O	G	ARDN	150	330
4	930-0097	Cont. of SIP and ID	M	G	SDA	250	580
5	930-0096	Impact of cash crops on Nutrition and Food Consup.	M	G	ARDN	200	780
6	930-0089	Demographic Factors in Education Planning	M	G	EHR	30	810
7	930-0086	Human Rights	N	G	SDA	400	1210
8	930-0092	Private Enterprise Develop: A Market Approach	N	G	SDA	100	1310
9	930-0092	Denationalization and Development	N	G	SDA	100	1410
10	930-0091	Pricing & Management of Surface-Waters Irrigation	N	G	ARDN	100	1510
11	930-0082	Health Demand and Financing	N	G	HE	75	1585
12	930-0091	Improved Management of Rural Development Project	N	G	ARDN	75	1660
13	930-0068	Case Studies of AID's experience in 104(d)	N	G	POP	50	1710
14	930-0077	Energy	N	G	SDA	125	1835
15	930-0090	Refugees	N	G	SDA	75	1910
16	930-0089	Communication Policy Implementation	N	G	EHR	200	2150
17	930-0089	Relation of Vocational/Technical Trq. to Employment	N	G	EHR	50	2200
18	930-0090	Migration	N	G	SDA	50	2250
19	930-0092	Economic Analysis Compendium	N	G	SDA	50	2300
20	930-0092	Macroeconomic Policy Profiles	N	G	SDA	50	2350
21	930-0092	Trade and Secc.	N	G	SDA	50	2400
22	930-0002	Development Digest	N	G	SDA	100	2500
		Total (AAPL)				2500	
<u>SHELF ITEMS</u>							
23	930-0092	Technology Defusion Paradigm	N	G	SDA	100	2600
24	930-0091	Refining Food Aid Alloc.	N	G	ARDN	75	2675
25	930-0089	Education and Rural Development	N	G	EHR	40	2715
26	930-0096	Improving Household Food Security	N	G	ARDN	50	2765
27	930-0092	Conference on Employment and Economics	N	G	SDA	240	3005

FY 84 PDPR Sector Breakdown (\$000)

1. Clarification of the Role of Private Sector and the Public (2 activities)	\$ 380	
2. Pricing, Subsidies and Recurrent Costs (2 activities)	175	
3. Institutional Development and Organization Efficiency (10 activities) (FY 84 Shelf -- 3 activities)	1,405	(165)
4. Economic Analysis (2 activities)	100	
5. Special Economic Issues (5 activities) (FY 84 Shelf -- 2 activities)	440	(340)
	<hr/>	<hr/>
Total (AAPL)	\$2,500	
Total Shelf		(505)
Total Proposed	<u>\$3,005</u>	

PPC/PDPR
Linda White
July 13, 1983

FY 1985 ANNUAL BUDGET SUBMISSION
 TABLE V - FY 85 PROPOSED PROGRAM RANKING

ANK	DESCRIPTION	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING INCR	\$1000 CUM
1. 930-0091	Technology Transfer in Ag: Information Feedback System	0	G	FN	275	275
2. 930-0092	Achieving Food Security and Employment Creation Through Increased Support for Commer- cial Farms	0	G	FN	175	450
3. 930-0097	SIP's and Institutional Development Case Studies	N	G	SDA	300	750
4. 930-0086	Human Rights	N	G	SDA	400	1150
5. 930-0092	Denationalization & Divestiture	0	G	SDA	75	1125
6. 930-0082	Health Demand and Financing	0	G	HR	75	1300

7.	930-0068	Measuring the Demand for Family Planning Services	N	G	POF	200	1500
8.	930-0077	Energy	N	G	SDA	100	1600
9.	930-0090	Refugees	N	G	SDA	100	1700
10.	930-0086	Communication Policy Implementation	0	G	EHR	200	1900
11.	930-0092	Modelling the Policy Reform Process	N	G	SDA	85	1985
12.	930-0092	Sources of Entrepreneurship	N	G	SDA	235	2220
13.	930-0092	Technology Diffusion Paradigm	N	G	SDA	100	2320
14.	930-0090	Migration	N	G	SDA	75	2395
15.	930-0002	Development Digest	N	G	SDA	140	2535
16.	930-0089	Education and Rural Development	N	G	EHR	90	2625
	TOTAL	(AAPL)				2625	

TABLE V NARRATIVE

The first six ranked activities to be funded in FY 85 are those programs which are essentially continuations of actions started in FY 83 and FY 84. The first two were started in FY 83 and FY 85 funding completes PDPR's commitment to these actions. The third and fourth ranked activities are shown as new only because discrete subactivities will be new. However both programs (SIP's/ID case studies and Human Rights) are continuations of critical Agency priorities. The programs ranked fifth and sixth (Denationalization and Divestiture and Health Demand and Financing) complete funding of these important initiatives which will be started in FY 84. Measuring the Demand for Family Planning Services is ranked seventh because of its complementary to the Health Demand and Financing study. Its design will draw on the methodology and initial findings of the Health study and will expand our understanding of the pricing, subsidy and recurrent cost theme.

Energy, Refugees and Communications Policy are ranked eighth, ninth and tenth but are in fact of equal priority. These actions are important PDPR's policy responsibility and while stated in a sector specific way, contain subactivities which reinforce the principal PDPR interests in understanding the public/private role, costing and institutional development relationships described in this ABS.

The next three ranked activities are new initiatives which seek to advance our theoretical as well as practical understanding of three key Agency policy initiatives - policy dialogue, private sector and technology transfer. These initiatives are designed to elevate our basis for refining policy in these areas from antidotal information to a more substantive theoretical and analytical foundation.

Migration has been included as the fourteenth ranked activity to follow up on the FY 84 activity and related studies of employment.

The Development Digest has been included within the AAPL because of its importance in communicating the latest development thinking to LDC readers who in most cases have no other source for obtaining this information. The Development Digest is one of the few professional journals which covers relevant development information in relatively simplified english.

Finally PDPR plans to undertake a study of the importance of education as a determinant of rural development. This activity, while small, has significant relevance to AID policy given the increased interest in shifting more of AFR's program to training.

The activities ranked above are all included in PDPR's FY 1985 AAPL and represent our agenda of priority programs. However, there are several additional activities which we will undertake should extra funds become available or if one or more of the ranked actions are unable to be carried out. The most important of these shelf items are listed below.

Refining Food AID Allocation Criteria (ARDN)	\$75
Conference on Employment and Development (SDA)	240
Improving Household Food Security (ARDN)	150
Additional funding of Sources of Entrepreneurship (SDA)	700
Technology Choice in Agricultural Production: Mechanization (ARDN)	75
Additional Energy Resources (SDA)	100
Environment and Natural Resources (SDA)	100