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An Evaluation of Local Revenue Administration Project

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Contents

Introduction	1
SUMMARY	3
Adequacy of Project Design	8
Staffing	17
Organization and Management	20
Reporting	23
Overall Performance	38
Adequacy of Project Strategy	40
Resource Inputs	42
Implementation Plan	42
Status of Critical Assumptions	43
Impact of Unplanned Events	44
Utilization of Results	44
Recommendations for Change	47
Appendices	
1. People Interviewed as Part of Evaluation	49
2. List of Project Reports	51
3. Syracuse Project Staff, Time Overseas and Vitae	62
4. Some Questions Arising from IR-10 Intergovernmental Grants in Bangladesh	122
Addendum	
Evaluation of Bangladesh Interim Reports by Bangladesh National Institute for Local Government	

Introduction

The purpose of this interim evaluation is to assess: 1) the development of the LRA Project with respect to its past, current and possible future objectives and, 2) the approach and performance of the LRAP in meeting project objectives. The evaluation covers completed long-term work in the Philippines and Upper Volta (Phase I), the nearly completed long-term work in Bangladesh, and short-term work in the Philippines, Tanzania, Morocco and Lebanon. As agreed beforehand, this evaluation does not cover LRAP work in Peru, which is qualitatively different from the other projects, and which has been evaluated elsewhere by AID/S&T/MD.

In carrying out this evaluation, we have interviewed all senior Syracuse staff involved in LRAP, AID Washington officials, and AID Mission and host country personnel in the Philippines and Bangladesh (See Appendix 1). In addition, we have read project analytical reports, past and current plans of work, and other related documents furnished to us. We have discussed between ourselves our perceptions and are in basic agreement on what follows. As in any evaluation, much of what we say must be subjective. We apologize for any misstatements concerning specific minor details. We, however, believe our evaluation to well describe the Project's strengths and weaknesses.

In writing this report, we have attempted to answer, in order, the specific questions included in the Statement of Work under the heading, "Problems and Issues to be Addressed." While we have answered all questions, some have been given more attention than

others, depending on the importance of the questions, their overlap with earlier questions, their clarity, and our knowledge. Major points and recommendations are included in the summary section below.

We have taken a critical stance in this evaluation, tending, therefore, to focus on what we feel are Project weaknesses rather than accomplishments. On reading over the report, we feel that the criticism may give the impression that we have had a very negative reaction to Syracuse work. This is not the case. Although we feel there are definite project weaknesses, we were generally impressed with the work that Syracuse has done and the efforts they have put into the Project.

This evaluation has benefitted from a high level of cooperation by Syracuse and AID. We would especially like to thank Gene George and Manir Uzzaman of AID/B and Larry Schroeder of Syracuse for their assistance in the field visit to Bangladesh.

Summary

1. We see two purposes to the project: a) to develop and provide technical assistance expertise in local revenue generation in rural areas of LDC's, and b) to develop and disseminate new theoretical and operational approaches in this field. We feel that the former has been the strongpoint of the project.
2. Overall, the technical assistance has been very creditable. The LRAP team has analyzed local revenue systems, pointed out weaknesses and suggested means of increasing local revenue. They are adept at gaining access to necessary government records. Their reports are for the most part thorough constructive and clear, if wordy. Their work has thus far been generally well-received by missions. They work extremely well with host-country personnel, which is essential in this kind of work.
3. While existing approaches, with their underlying assumptions, have been well applied, the development of new theoretical and operational approaches has not been a notable product of the project. One disturbing sign is that, in spite of the strong publications records of some of the LRAP team, and their own belief in the value of journal articles, the only research accepted for journal publication thus far has been a tangential piece on decentralization in Northern Africa.
4. The research model may be partially responsible for the lack of theoretical development. We feel that the tendency to ignore expenditures, or to treat them as a completely separate issue, is a serious weakness in the country studies. With respect to recurrent costs, for instance, it is not clear if proposed reforms would raise sufficient revenues to cover recurrent costs, or if there might be

more efficient ways of recovering costs than using general revenue funds. More generally, such questions as what is to be provided locally, the patterns of local demand for these goods and services and the distribution of willingness to pay across income and need groups would seem to be of great importance. While there is value in examining tax issues in isolation, we do not believe that well-reasoned, innovative policies can be made in the absence of related expenditure information and analysis.

5. A second, related reason for the lack of theoretical development may lie in the research methodology. We feel that, although skillful in the analysis of government records, the research teams have not been notably effective in the generation and use of survey or case study data. For instance, 200 people were interviewed in rural Upper Volta in Phase I, a considerable undertaking, yet few results are reported and there is no evidence of hypothesis testing. Two years of field research in Bangladesh yielded apparently good financial data, but little information on local economic and social contexts has shown up in the reports, even though the questionnaires attempted to elicit such information. More thought on the data collection outside of official records could enrich the studies considerably. One possibility would be village case studies of the relationships between residents/farmers/businessmen and local/national government in terms of both taxes paid and services received.

6. A third reason for the lack of theoretical development may be the isolation in which the Syracuse team has worked. As originally designed, the project was to be developed by a multidisciplinary team based in Syracuse. Because discipline lines are not easily crossed,

there was a rationale for confining the work largely to one University--communication would presumably be facilitated. While the multidisciplinary thrust was largely abandoned, the confinement of the work to Syracuse staff was not. One result, especially in the absence of the workshops and seminars envisaged in the original project design, has been that the project has become somewhat inbred. A second result is that plans of work sometimes seem to be guided more by the question of what various Syracuse Maxwell school faculty might contribute than by the question of what research needs to be done and who would be the best people to do it.

7. The project generated less Mission-funded short- and long-term work than anticipated, and less than the LRAP project director and AID/S&T/MD felt could have been accomplished. Although a country project in Egypt is now a strong possibility, it is not clear that other LT projects will be forthcoming. There does not seem to be any lack of need for public finance type work. Perhaps one reason for the low demand is the project's lack of visibility in the field. Another may be Mission preference both for consulting firms over universities and for projects over which they have more direct control. A third possibility is that the package offered by Syracuse, which consists of an analysis of all current forms of local and property tax generation, and stresses changes that should be made at the national level to raise general local revenues, does not fit well with the divisions of responsibilities in AID missions, which seem to be largely along sectoral lines (agriculture, public works, forestry, health, etc.).

In light of the above, we feel the following should be considered:

(1) A workshop/seminar for which SOAPS are prepared on several topics relating to local finances, recurrent costs and decentralization.

While most might be prepared by the Syracuse team, some, in areas such as financing recurrent costs in agriculture and other sectors, should be prepared by those with experience and expertise in those areas.

This would serve:

- (a) to acquaint other professionals, donor agencies, etc. with the Syracuse project;
- (b) to provide project and other papers which could usefully be disseminated in the field (Project reports do not seem succinct enough for this purpose.);
- (c) to broaden the scope of interest to include sectoral interventions, part of the original project design;
- (d) to acquaint AID and Syracuse more fully with other research and research designs, especially research tying revenues with expenditures.

2. The justification for the continuation of the Project would appear to lie in:

- a. The interest in AID/S&T/MD in promoting revisions in local revenue administration in LDC's, and in promoting mission efforts in this area.
- b. The ability of the project to consolidate and expand on knowledge in this area.

We cannot comment on the first, but the second indicates a necessity for developing a long-term research plan for the core

money (e.g. in comparative work) and the use of researchers outside of the Syracuse faculty for both country projects and other work. These should be people with an interest in rural development, skills in survey/case study research, knowledge of sectoral interventions (e.g. in agriculture, public works) and other areas not emphasized by Syracuse, as the situations may require. These should be people on a university faculty, or otherwise of a status equal to the Syracuse team.

1. Adequacy of Project Design

- A. What was the original concept of the Project and how has it been modified in practice?
- B. What factors were involved in this modification?
- C. How appropriate were the originally-stated outputs:

In-depth consulting
 Short-term consulting
 State-of-the art work
 Information dissemination
 Networking.

The aim of the project, as presented in the original project paper (PP) and the Cooperative Agreement (CA) with Syracuse was to develop innovative approaches to financing rural development through the generation of local resources, approaches which would encourage local initiative and control. There appears to have been an implicit assumption that local effort and overall efficiency would increase with local control. Local government could be a vehicle for rural development.

The substantive concerns were to be quite broad, including: 1) sectoral interventions in agriculture, health, education, etc.; 2) general revenue generation for local use; 3) capital markets; 4) management of community resources such as water, forest and land; 5) commercial activities such as markets and utilities; and 6) voluntary contributions. The project was to be concerned with everything from project planning to evaluation to training.

The development of the project in a university setting was meant to permit: 1) the development of the theory of local finance, not just its application; 2) the involvement of specialists from a broad

range of disciplines; and 3) the development of a base of expertise at the university, which, with the theory, would serve AID and others after the life of the project itself.

There appear to have been three stages built into the design of the project. The first was to assess the state of the art. This was to involve SOAPs on each of the four AID regions, a workshop, a SOAP to bring local finance theory up to date, and a final SOAP on institutional aspects of local revenue generation in light of the regional experiences and current development theories and strategies. The second stage was to conduct long-term field studies, especially in countries which were experimenting with decentralization, and to do short-term work which would not only provide advice but also yield some comparative analyses. The third stage was to incorporate the experiences of the project into overall theoretical and operational frameworks, and to disseminate this information to all concerned. This follows a general model that RAD used for several projects.

The first stage was never implemented. Seven SOAPs were issued in November 1980, but judging from their titles (See Appendix 2), they have little relationship to the described six papers. Rather, the SOAPs tended to be topical, dealing with cadastres, evaluation and the roles of values and perceptions. These papers have rarely if ever been referred to since. It seems doubtful that the original design was entirely realistic, since the knowledge required to produce the SOAPs would have entailed a depth and breadth of experience that the project was designed to engender. Nevertheless, if some pieces could have been written which formulated the local revenue problem, indicating the reasons that the question was important, and outlining

the possible means of dealing with it, then not only would Syracuse have learned from the experience, but the resulting SOAPs could have served to sell the project to the Missions and the host governments. As it is, only recently have reports been written which truly indicate what the project is about and the expertise of Syracuse.

In mid-1981, after one long-term consulting project was underway in Peru, the project leadership at Syracuse and the management at AID were both changed. Roy Bahl, a finance economist, took over the project from anthropologists and moved it into the Maxwell School. Another finance economist became AID Project Manager. The change was accompanied by a considerable narrowing of purpose. The original goal of "developing theoretical and operational approaches to the financing of rural development" (CA,p.3) became one of seeking "to devise improved theoretical and operational approaches to the improvement of local government finance and financial administration as part of the rural development process." (PD FY82, p.1). The dependent variable was no longer rural development but local government fiscal affairs. Sectoral interventions, community resource management, and voluntary contributions were effectively excluded.

This narrowing of purpose was accompanied by an almost complete abandonment of the multi-disciplinary approach. Although there are non-economists in subordinate, temporary positions, all but one of the permanent faculty currently involved in the project outside Peru are finance economists. The exception is a political scientist with one month of input. Barbara Miller is now the sole anthropologist involved, but she does not have faculty status. None of the senior staff (with the possible exception of Roy Bahl) seem to have had

experience in rural or agricultural development prior to this project (and outside of Miller none seem highly interested in rural development). Never having confronted rural finance issues either directly or through SOAPs, the group's research approach may have been overly influenced by previous urban experiences. One criticism of their Bangladesh work, for instance, was that it never considered agriculture as a source of revenue.

In addition to the narrowing of the knowledge base, there was a change in the nature of the in-depth involvement. The long-term staff involvement that occurred in the Peru project was not repeated in the Philippines, Upper Volta or Bangladesh. Where people have been put in the field for a length of time, they have tended to be graduate students or ABD's gathering data, not consultants/faculty involved in and learning from decentralization efforts. The narrowing of focus and shift in LT project design may together have reflected the general lack of suitable projects in host countries. AID has closed down two similar projects that focused on integrated rural development and long-term research work, indicating that there was a rather broad misunderstanding about what AID needed and what these projects could do. At the same time, it is not clear that the new Syracuse team was willing or able to become involved in countries for long periods of residence. In any case, the longer country studies resemble less "in-depth" research than a series of short-term studies of various types of taxes and government revenue raising activities based on data collected either on ST visits or by RAs. The project structure, with intermittent visits by faculty members and a focus on taxes, does not seem conducive to innovation in the theory of local finance and local

development.

The original plan called for many short-term projects, up to 10 per year. Our TR suggests that this was not promoted either by Syracuse or by AID Washington, but the reasons are not given. We believe that short-term projects are important. Experiences in the Philippines and Tanzania show that the Syracuse people are adept at this work. Short term work could have served as a vehicle for bringing non-Syracuse people into contact with the project. Finally, insofar as this entailed comparative analyses, such as the current study of municipal banks in several Latin American countries, important knowledge of the appropriate contexts and guidelines for the successful use of different revenue instruments could have been gained.

The purpose of the planned information dissemination was to provide LDC governments, AID field staff, donor agencies, professionals, etc., information on "tested successful approaches to resource mobilization through improved local revenue administration." The objective remains but outside the publication of the Philippines study little has been done. Syracuse is now at a point where information dissemination makes sense, and some efforts are in the planning stage. We do not feel that the country reports provide a succinct enough format to be widely disseminated.

The original agreement listed a set of workshops, at least one a year, "to review progress under the project and to subject performance to scrutiny and critical analysis by professionals in the field," and one annually in an AID geographic region, "to review training materials, evaluate pilot efforts, and evaluate information systems in

conjunction with the project." No such workshops have been held and none are planned. Because the project has not developed training materials, pilot efforts, or information systems, AID regional workshops would not have been worthwhile. The output of the project has probably not been sufficient for the annual progress workshops. Nevertheless, workshops, possibly held in conjunction with professional association meetings, would have been useful at some points not only for "professional scrutiny" but also for information exchange. The Syracuse team has been working in considerable professional isolation, probably to the detriment of Syracuse as well as others interested in LDC local revenue generation and administration.

Networking was stated as a major objective of the project as originally conceived, and is still stressed. It is not obvious, however, that a great deal of time has been spent on this objective recently. A "Directory of Experts" working on Local Finance in Developing Countries was issued in July, 1982, and project working papers have been sent to a subset of the roster. The directory should be updated. A newsletter has been under consideration, and this would seem to be a worthwhile means of advertising the project, learning about new entrants into this area of work, and informing public finance economists not in this area about the many questions that need to be answered.

Finally, the role of AID, itself, needs to be considered, since the original plans called for intensive AID involvement in the project. Although it is not mentioned in the CA, the original PP indicates that the AID project manager was to devote 3P/M per year to

managing, acting as liason between AID missions, regional and other offices and the contracting university, and participating substantively in the project. Moreover, there was to be broadly based AID project committee both to oversee the project and, in effect, to make evident to the University what AID's needs were. This close integration of the Syracuse project with the various offices and divisions AID clearly never developed. There is no mention anywhere else of a project committee. While Firestine has been enthusiastic about the project, he has not really been able to devote the time that the PP suggested.

In general, the original concept of the project was remarkable in its scope and ambition. It called for the almost instantaneous establishment of a project handling an enormous complexity of tasks, with channels of communication to Missions and AID/Washington, knowledge of local finance problems in all AID regions, a grasp on evaluation, training, and research in various disciplines and subdisciplines, and an ability to coordinate this multiplicity of activities. An underlying assumption was that AID Missions were going to be devoting considerable energy and resources to the question of local revenue mobilization, and that AID/Washington and AID Missions had common priorities. In retrospect, at least, it is not surprising that the project and others like it went through severe shakedowns.

- D. How was field experience reflected upon project design strictly from the local finance perspective (e.g. in the Philippines, Upper Volta and Bangladesh)?

We are not exactly sure what this question means, so we have some difficulty in answering it. It is not obvious that previous experience in

the field affects the design to any great extent. Each county has had a different project director and has been treated as more or less unique. Syracuse project staff indicated that they did not really see any need to change their approach in the future, except perhaps to include training. It is nevertheless possible that, as these directors move to their second and third long term studies, more of a "building on past experience" will become evident.

E. What does Project experience suggest regarding implementation of recommendations in the AID policy paper entitled, "Recurrent Costs"?

We feel that this is more a question that Syracuse should be answering. While current plans for Volta Phase II include studies of recurrent cost problems for two AID projects, the emphasis of Syracuse has been on determining how to increase local revenue through changes in a country's tax system. It is generally presumed that people will be willing to pay more taxes if funds are used locally. More work needs to be done on whether projects leading to recurrent costs are valued locally and whether the amounts people would be willing to pay would be sufficient to cover costs. (In Bangladesh, a socioeconomic impact study of Zilla roads is to be conducted separately by a local consulting firm, and may address this question. However, the Syracuse project has not addressed to the Mission's satisfaction the question of impact of the proposed reforms on local revenues, especially given the small amounts of taxes currently collected and the major problems that exist in infrastructure maintenance.)

F. How might the project design be modified to meet emerging Agency needs in the local finance area?

The project as it has evolved gives little emphasis to basic research, and focuses instead on an evaluation of total tax systems. Since little basic research work has been done in LDC's, much of what is assumed about the effects of changes in taxes (for instance, that progressive taxation leads to reduced earnings effort) is based on conventional wisdom, extrapolated from US empirical studies and sometimes out of date even for the U.S. Where country projects do have room for basic research, e.g. in the 200 person survey in Upper Volta, results have not been very fruitful.

In the analysis of local tax systems, Syracuse is probably unsurpassed, and Syracuse seems to have wisely chosen to emphasize what it does best. This suggests the need to involve other researchers in the Syracuse project (or in a separate project), people with a primary interest, and preferably previous experience, in doing basic research in LDC's on local finance. It also suggests that a greater emphasis be put on networking and workshops, so that Syracuse and researchers with other emphases may become more acquainted with and provide input to each others work.

The project has also given little emphasis to expenditure analysis or to linking revenues and expenditures in various sectors (agriculture, health, and so on). Work must be done to determine what services residents want and will pay for, how much they can pay, and which income groups would be doing the paying. Finally, the project has emphasized changes at the national level. Given the national perspective, little has been done on the changes that can be made locally to increase general or project specific revenues. Again, this

lack suggests the need for involvement of people outside Syracuse, and for increased networking workshops.

In summary, because of management and other problems, the project was cut back severely in content and scope. We feel the sufficient control has now been established so that some expansion can be made in the scope of the project. This expansion should entail the involvement or at least close coordination with outsiders, more expenditure analysis, more sectoral intervention studies and more basic LDC public finance research.

2. Staffing

- A. Were personnel who contributed to the project activities adequately qualified? In particular, were those assigned to long-term field activities well-matched to the tasks as initially perceived? How effectively did they perform their functions?

Appendix 3 has sheets showing the organizational chart of LRAP, a chart showing the amount of time spent in each project site by each person and the curriculum vitae of the major Syracuse participants. The people are well qualified and seem to have been suited to their assignments (although we would note that to some extent in the short-term core funded work, some suggested assignments appear to have been adapted to suit the people). Of the current major participants, however, only Bahl had significant experience working in LDC's prior to the project, and none had any previous experience in rural development. Miller, the Project's one anthropologist, had done previous archival work in India.

Unlike the Peru project, which entailed intensive involvement in ongoing decentralization projects, none of the three recent long-term

projects in the Philippines, Upper Volta and Bangladesh have relied on long-term field work by senior or even junior Syracuse faculty. The Philippines study was basically done on the basis of field visits by several senior faculty. Phase I Upper Volta essentially relied on 3 man-years of field work by hirees, led by Bob Hall, an ABD in rural sociology. The Syracuse Project Director has spent only one month on field visits. Bangladesh relied on several visits by Syracuse staff along with 2 man-years of field work by Syracuse Bangladesh graduate students.

Up to the present, with the exception of Hall, none of the field staff in either UV or Bangladesh has been sole or even senior author of a research report. This may indicate a generally low calibre of field staff or an unwillingness on the part of country project directors to give field staff responsibility. Although there are few grounds for complaint about the staffing, and the research experience was an important opportunity for the Bangladesh students, one suspects that the results of the project might have been more constructive to public finance theory if any of a number of conditions had been met: 1) junior faculty or prospective research economists had been involved in long-term field work; 2) senior researchers with extensive rural experience had been integral to the project; or 3) host country nationals had been more involved as professionals.

In conjunction with this last point, it must be noted that country Work Plans have indicated an intention to work in conjunction with host-country counterpart organizations. This approach appears to have worked in Upper Volta and the Philipines. It has not worked at all in Bangladesh, although Syracuse Staff did initially give seminars at the

counterpart Natl Inst. for Local Gov't (NILG) on field visits. It is clear from interviews with the former and present Directors of the NILG that their lack of any substantive role in the design and implementation of the project led to some resentment. The first Director, Faizullah, felt the project had been "written in stone" by the time the NILG was assigned as a counterpart. Faizullah said he tried to make the best of the situation. Given the NILG's lack of resources--only \$2,000 per year for research for 30 staff -- it is not clear that they could really have participated in the research. The current Director, a political economist, feels the NILG was asked to serve as "office boy" for the project, and more generally resents the high pay and high living of consultants when Bangladeshi could have done much of the work. The problem does not appear to be due to any inability of the Syracuse team to deal with host country nationals. Syracuse was almost universally praised in that regard. One wonders, however, if the situation might have been different if Syracuse had had long-term staff in the country, as it has in Upper Volta. The problem is a serious one as the antagonism of the NILG has meant that the project has become isolated.

- B. What generalization, if any, can be made concerning the performance of long-term field research personnel who were recruited as faculty or students of Syracuse versus those who were recruited externally.

As indicated above, outside of Peru, no long-term field staff have been faculty. Hall, the UV team leader, was clearly more visible in UV than were the graduate students in Bangladesh, and he has served to maintain a presence for the project which was lacking in Bangladesh.

We do not have any bases for comparing performances, however.

- C. What is the evaluation of performance of Syracuse faculty members who have directed long-term country studies through intermittent field visits rather than through continuous residence in the field.

The only two faculty members who have worked on long-term studies while in continuous residence are Robinson and Bromley (not on the Syracuse faculty) in Peru. Neither is an economist, and the Peru project is very different from the later projects. We, therefore, can do little to answer this question.

We believe that more time spent in the country is better than less, but we do not necessarily believe it feasible for Syracuse to find high quality public finance economists who will be able or willing to spend long periods of time in each country evaluated. It certainly would be worthwhile for Syracuse to attempt to recruit inside or outside persons to take a year or more off from their university duties (leaves are certainly feasible in some cases) and direct a project while in residence. If sufficient lead times for projects were available this would almost certainly be feasible; it may rarely be possible to find someone able to go away for that long on short notice. Perhaps AID could come up with ways to guarantee funding for professionals far enough ahead of time for leaves to be obtained, then help to find a country desiring a long-term analysis during the period of availability.

3. Organization and Management

- A. Has the project been well organized to achieve its purpose?

The information that we were able to obtain suggests that organization has been good. As we have suggested elsewhere, we believe that it could be redirected to some extent, especially toward more interaction with outside researchers and more involvement of outside professionals in project work.

There were a number of complaints that reports had been submitted late. The UV Phase I report took a full year instead of the anticipated 5 months, and the AID/UV Project Director's tour of duty ended in that interim. The AID Mission in Bangladesh went so far as to send a telegram last spring inquiring about the remaining project reports. It was also indicated that the Tanzania ST report had been late. Better estimations of the length of time reports require could probably be made.

B. Were Project resources properly and efficiently managed in keeping with the objectives of the Cooperative Agreement?

We are probably not the best qualified respondents to this question. No gross waste is apparent. We would note, however, that the problems that arose in Peru with respect to reimbursement by Syracuse administration also rose in Upper Volta, and according to Willie Saultiers, the UV project was initially disrupted by disagreements between the Mission and the University about what the funds paid to Syracuse were to provide in the field. LRAP, itself, feels that overhead paid to the University has been somewhat excessive given the benefits received.

The budget seems generous by most academic research standards. Both in Washington and Syracuse there seemed to be a notion that at

any given time sufficient people had to be free both of all university duties and of any long-term directorship duties so that quick responses could be made for visits to missions. Since senior faculty members rarely take longer than three week trips and are in fact often on funding for long-term projects while in residence at Syracuse this would seem to a minor problem. We cannot rationalize the need for someone on purely core money to make such responses, especially given the deemphasis on short-term consulting. With a reasonable size portfolio of country projects someone could be kept available who is physically in Syracuse writing or designing analysis plans.

Given our personal knowledge of the levels of funding for similar research efforts and of the fact that portfolios of projects help to create flexibility, our strong intuition is that a significant reduction in core funding would be possible. We also note the validity of the argument that, "Dr. X may be committed to another project if I do not have sufficient core money to guarantee him support on this project", but we also note that essentially all academic research groups work under these constraints (and few have the kind of guarantees available to Syracuse personnel working on this project), write separate proposals for pieces of research, and are able to respond flexibly to needs of agencies (especially in writing proposals), because they must in order to obtain funding. The Syracuse group is freed of much of the onerous task of proposal writing and is supported by several long-term projects. Serious thought should be given by those at AID with experience in these funding matters to the possibility of some reasonable adjustments in core support now that the project is established and ongoing.

Finally, while we did not attempt to analyze budgets line by line, we did note that the project administration section of the core budget is nearly \$100,000 higher this year than last. It was suggested in Syracuse that the increase was largely on paper, resulting from a reallocation of items under the various headings, but this is not obvious from the budgets themselves.

4. Reporting

How well did the written and oral reports of the Project serve the operational needs of the various audiences (USAID missions, S&T/MD, regional bureaus and other AID/W offices, other donor, other practitioners, interested scholars, etc.)

In attempting to answer this question, we have talked to AID mission and national government officials in the Philippines and Bangladesh, and AID/W staff who knew of the project in the field or who were otherwise related to the project. In addition, we have reviewed the work ourselves, largely as interested scholars.

Most of the effort Project has been devoted to issuing country and ST reports aimed primarily at audiences within the respective countries. A general paper on intergovernmental grants in LDC's was scheduled for FY 83, and other intercountry comparisons have been scheduled in the current Plan of Work, but none have been issued. The Philippines report was published this year by Praeger, but, aside from the tangential piece on North African decentralization, which is forthcoming, there have been no scholarly publications and only a few submissions. Those most heavily involved in the project had a strong publications record prior to project inception, suggesting either a lag due to project involvement or a lack of project results suitable

for publication. Probably both are to some extent true.

The pattern of work done by Syracuse seems to be to go into the country, examine its laws and institutions, analyze what is done and what could be done using basic public finance ideas concerning intergovernmental grants, various tax instruments, etc, and suggest how available tax instruments could be better used and their administration improved. The Syracuse groups' research and recommendations emphasize changes that could be made at the national level (rather than for instance, changes that could be made locally, within the context of national laws and policies). There is little attempt to bring the experiences of other countries to bear.

Although the principles and assumptions used can be transported to other countries (they generally originate from US based work), and the studies' products can be used as examples of the types of research that can be done, the results themselves are country specific and probably not very useful outside the countries in which they were done. There appears to be some disagreement between Syracuse and AID/W on how the results of the project should be disseminated, but the country project reports themselves do not seem to be suitable products for wide dissemination, especially given their length. Comparative analyses, either from explicitly comparative research, as in Greytak's core-funded multi-county study of municipal credit institutions, or based on the country studies, should yield reports of more general interest.

The research approach taken by Syracuse, which draws on but does not really test public finance principals and assumptions, is not conducive to theory building either, especially given that the

countries studied are not experimenting with tax reform.

This is not to say that the research is not solid and constructive to the countries and missions concerned, a question to which we now turn. In the sections below we discuss each of the country projects separately, presenting the known reactions of the Missions and of the Philippines and Bangladesh host country government officials, as well as our own reactions as interested scholars. While some reports receive more attention than others, it is not the aim of this evaluation to carefully criticize each piece of work. Rather, we are concerned with the specific reports' more general academic and scientific merit.

Philippines

We will base our discussion of the work resulting from the Philippine project on the book Local Government Finance in the Third World: A Case Study of the Philippines published by Praeger Publishers in 1983. It is our understanding that this book contains the essence of all work done for the long-term project by the Syracuse economists.

The book does more or less exactly what it suggests in the Preface; first, examines ... "present performance by local governments in revenue mobilization, capital project activity and efficient management of local development", and second, suggests ... "given the current structure of the Philippine government, ... the potentials for improving fiscal and administrative roles of local governments". The six chapters include an introductory chapter describing structure, management and conditions; two on specific types of taxes - the property tax and the business license tax, one on another local way of

raising revenues - public enterprises; two on ways of obtaining money from outside the jurisdiction - from other level of government (inter-governmental fiscal relations), and from credit; and a concluding chapter on strengthening fiscal performance.

Much of our reaction to the book relates more to an important omission than to what is there. There is no emphasis and little attention paid to what the money will be spent for.

A continued verbal emphasis of the Syracuse group is on providing incentives to localities to raise revenues yet the work done on the projects appears to imply that individuals will as willingly pay taxes to build a monument as they will pay user charges for important medical services. These reviewers find it difficult to conceptualize a thorough analysis of amounts of revenue that can be raised that only considers the possible tax instruments, almost ignoring what will be done with the revenues raised. At the interviews in Syracuse on October 25, 1983 the researchers were queried as to how money is spent by local governments in the Philippines. The inquiry was broadened to simply asking for which categories of services are provided by which level of government. The best answer from the Syracuse researchers was to refer to a table entitled "Per Capita General Fund Expenditures, Selected Jurisdictions, 1977" which broke down local expenditures in four municipalities into the extremely broad categories:

- 1) General Government,
- 2) Public Welfare and Safety, and
- 3) Economic Development.

It could also be suggested that the attempt by the authors to

suggest reforms that are both administratively and fiscally possible may greatly reduce possibility of innovative suggestions. The book does suggest that a new type of local credit organization be formed, but it does not even analyze the revenue possibilities from the introduction of types of taxes and user services not presently used. Discussion of the feasibility of types of taxes used in other countries and some estimates of the revenues they could raise would be very useful for Filipino officials who might be considering more widespread reforms. Also especially helpful would be analyses of the possibility that user charges could be instituted in such areas as education and health, and of the effects they would have on who would use the services. If much of what is provided locally could be paid for by user fees without extreme adverse effects, a large revenue-raising burden could be removed from local government. This study does not look into this possibility.

Perhaps, however, to expect examination of what might be and of expenditures as well as taxes is unreasonable given the time and data constraints under which the Syracuse group operated in the Philippines. The work did thoroughly analyze the system with respect to tax instruments used and ways to use them better, to the grants system of the nation, to a few basic case studies of specific enterprises, and to the system of credit financing. As was earlier suggested, we doubt that much if anything from this research will be suitable for academic journals, but on the other hand we also doubt that the parts of the system scrutinized could be examined much more thoroughly within a basically descriptive format.

On a visit to Manila a member of the evaluation team was able to

discuss the Syracuse team's work with both George Flores of the AID mission and Raol de Gusman from the Institute of Local Government of the University of the Philippines.

Flores, who was the Project Officer, indicated that the local government finance project going on in the Philippines when he arrived at AID had been floundering, and that he had asked for help from the Syracuse Group, partly because he knew about Roy Bahl's past work there.

Flores stated that Bahl had been useful partly because of his contacts and entry to the government at relatively high levels. He said that even though some of the Syracuse proposals had called for difficult actions to be taken by the Philippine government, the suggestions had been made in ways that showed sensitivity to the impacts on the Philippines. Flores said the final report was good work, carefully done and well written, and that it paved the way for fruitful discussions between the mission and the government.

The actual change that resulted from the Syracuse work was a movement of a whole department from the Ministry of Local Government to the Ministry of Finance. Flores suggested that this such a shift has happened only twice in the history of the Philippines. He said the decision went all the way to the President, and that accomplishing this reform was an extremely important achievement.

Also in Manila, the Syracuse project was discussed with Dr. Raol de Gusman, of the Institute of Local Government, who collaborated with Roy Bahl and the Syracuse team on the Philippine project. De Gusman's response was also a very positive evaluation of the work that was done. He said the effort had been mutually beneficial and that the

Syracuse people had been cooperative, helpful and easy to deal with. He stated that such work as that done by Syracuse in the Philippines was a very useful type for USAID to sponsor. But he adamantly stated that local groups must be used to do the work (in cooperation with Syracuse). He said that the Syracuse people (or other AID consultants on similar projects) should give reactions and help, but the local researchers should decide what needs to be done. He continued that the "outsiders" have a better view of "what is happening elsewhere." De Gusman also stated that he hopes Roy Bahl returns to the Philippines because he wishes to discuss further local finance issues with h'm.

Bangladesh

Rather than submitting one large final report, the Syracuse team has produced a series of ten topical Interim Reports (IRS) over the past 15 months, to be followed by Final Report drawing together recommendations of the IRS and the results of the more salient earlier analyses. It was felt that this procedure would serve to maintain a continuing awareness of the project in Bangladesh, provide the results in a more digestible format and, presumably, allow for some feedback and discussion before the issuance of the Final Report. The last IR was completed in November, and the Final Report is now in draft form.

The reports include an overview of local government structure, studies of local government finances based on field research, a case study of the few toll roads in Bangladesh, analyses of the property transfer tax and the land development tax, a study relating land-holding patterns to actual and proposed land taxes, a piece on voluntarism, a discussion of problems in data collection, and a large

study on the intergovernmental grants system. Although somewhat greater attention is given to expenditures, the study resembles the Philippines Work in that the emphasis is on changes that could be made at the national level to encourage greater local revenue collection.

In general the reports seem to be thorough in their descriptions and an attempt has been made to take into account and provide recommendations for recent GOB plans to restructure and decentralize local government. While strong on financial data and description, the attempts at comparative analysis seem to have been hampered by a lack of information on variation in economic, social and administrative contexts and are generally not very fruitful. The questionnaire administered to local finance officials contained a number of items relating to the local economy and the budget process, but the results tend to show up only as anecdotal evidence. Also, the results of an extended village stay by an R.A. might have been more productive. A paper on voluntarism was written, but this is somewhat disjoint from the rest of the project. Our impression is that better questionnaires and a more carefully designed village study might have yielded considerably more evidence and insight.

While most of the reports seem considered and careful, the report on intergovernmental grants (IR-10) does not. Appendix 4 lists a number of questions that arose in reading the report. Our impression is that the author had a few good points he wished to make, but that the bulk of the analysis was done largely as an exercise. Perhaps the author felt that the situation in Bangladesh in such a state of flux that much of the analysis might already be inapplicable. Nevertheless, given that the estimated cost of this work was \$73,000.

(prorating the unallocated country project budgeted expenses) and that the report was a year late, a much more polished and refined piece of work might have been expected.

Paul O'Farrell, the original AID/B project officer, Paul Thorn, who succeeded him, and Gene George, the current Officer, all feel that the Syracuse project has identified areas where movement can be made. George and others in AID/B expressed some concern, however, that while the project indicated how local revenue generation might be increased, too little attention was given to the question of whether, even with reforms, sufficient local revenue would be generated and devoted to covering recurrent costs. Neither people in AID/B nor in the Bangladesh government felt that the project had generated particularly new recommendations or ideas. Rather, the project had served to bring together a great deal of disparate information, thus giving some of these recommendations more weight.

The major concern of practically everyone interviewed in Bangladesh was whether this research was going to serve as much more than a reference work. Everyone agreed that the topic was important but, in the words of one Bangladesh official favorable toward the project, the project has "not found a place in the imagination of any circle" in the Bangladesh government.

One reason for the project's isolation is that the Current Director of the Nat'l Inst. for Local Gov't. (NILG), the counterpart agency, is largely antagonistic towards the project and does not see any advantage to his involvement. A GOB project review committee that he heads is inoperative and in any case contains no people of substantial influence. Some suggested, however, that even with NILG

support, the project would not have had much visibility. The NILG is a peripheral agency in a peripheral ministry. (This may be a basic source of the Director's resentment). He seems no more content with the role of NILG in the GOB than with its role in the local revenue project.) Schroeder, the Syracuse study director, has developed and maintained contacts with some higher level officials during his periodic visits and has sent them copies of the reports. However, when we went with Schroeder on some of his visits to these people no discussions developed around the reports, and, based on other interviews, our impression is that, in general, there has been little feedback from GOB officials. Faizullah, the former head of the NILG, now in a higher position, indicated during the most recent Bangladesh visit that he would help to give the project a "face lifting", in part by organizing a high level seminar, hopefully to be followed by the formation of an implementation committee.

It is not Syracuse's formal responsibility to sell the product. At the same time, seems to us that as the project has evolved away from its origin in the Zilla Roads Project, and become more concerned with current national issues, e.g., how to finance new units of government, it has become less directly related to the central concerns and expertise of Gene George, and more difficult for him to sell in the course of or as an extension of his own work. The general situation might have been better if the Project had paid more attention to whether the proposed reforms would result in the covering of recurrent costs in public works or if Syracuse had maintained a staff person in Bangladesh during a major portion of the study to act as liason.

The reactions of the Bangladesh officials to the project reports varied widely. Q.I. Siddiqui, the engineer counterpart for the Zilla Roads Project, suggested that it was "valuable work" that would help the government to "pin-point policy issues." However, another person involved at the inception wrote to the Director of NILG that he agreed that "the outcome was far from desired", and felt that "the reports are likely to be of little practical use." Several people indicated that they felt that much of the research could have been done by local people, with perhaps some help from Syracuse.

The Director of NILG had this staff review the Interim Reports and mimeographed the results. A copy is being submitted along with this report (Addendum). In keeping with the Directors attitude towards the project, the reviews are quite negative. In ignoring the findings of the project and trying to find fault wherever they can, the reviews show their biases. It seems unlikely that this document will carry much weight in the GOB, given that the Director's biases are already well-known. This is not to say, however, that the criticisms are all invalid and could not possibly be used by some to dismiss the Project.

One underlying criticism is that the analyses are superficial in that they attempt to study the tax system in isolation and pay too little attention to the distribution of tax burdens and project benefits. The Scope of Work does seem to recognize the need for this type of work, suggesting that an analysis of project beneficiaries will be done because of the need to know, "who might be willing to pay higher taxes for road maintenance." (p.6) The Scope of Work also states, "Of course, taxation and increased benefit charges cannot be studied apart from study of the local economy" (p.7). Neither of

these subjects receives much attention in the reports, probably from lack of data. It would be helpful if Syracuse could figure out how to acquire this type of information within the constraints of its country projects.

An interesting question raised indirectly the NILG review is whether local level corruption in Bangladesh negates or at least qualifies the assumption that revenue generation and administration are increased and made more efficient through decentralization. One official interviewed called corruption, with the wealthy escaping taxes, the central problem of the Bangladesh tax system. The study might have considered whether local units are more susceptible than national units.

The reports should be of use to donor agencies, most of which are beginning to focus on maintenance rather than new infrastructure. A world Bank official who had read the reports while on mission to Bangladesh said that they were very useful in that they compiled a great deal of information which had previously been scattered. He wondered why the project had not developed any implementation plans, however. He feels that in the area of land taxes, especially, this is the crucial question.

Upper Volta

The Upper Volta Phase I Final Report was issued only in August, 1983, and AID/UV has not responded as to the value of the Report, in part because there is now a new Project Officer. Willie Saultiers reported that AID/UV apparently liked an earlier oral report by Hall, the resident team leader but felt that an early draft of the UV

Report, which was quite short, was insufficient. Phase II of the project, to focus on another region, has been signed but awaits the approval of the GOUV.

Basically, the Phase I report is divided into two discrete sections, one aimed toward describing the allocation of funds among various regions and departments, and the other looking at taxes and tax collection in one region. The former seems to be a major accomplishment, since apparently no one had previously looked at the spatial allocation of expenditures. The analysis appears to have been carefully done and should prove useful for donor agencies as well as the GOUV. Unfortunately, although the sources are stated, the documentation of the procedures used in making the calculations is not quite complete enough to ensure that a fully comparable replication could be done. It might also have been useful to present in an appendix the departmental breakdowns by type of local service expenditure since this was readily available. Some services may be more unequally distributed than others. (Also, there is a large calculating error in the culminating Table E-15 for Sud-Ouest per capita expenditures, one which gives a very misleading impression.)

The second section of the report focuses on taxes and tax collection and gives a very informative if somewhat anecdotal picture of the actual operation of the tax system, along with information on tax revenues for selected units of government. It also reports on a field study survey of attitudes about taxes. While the information is important as far as it goes, this section is nonetheless somewhat dissatisfying. There is no systematic discussion of voluntary contributions, for instance. The last page of the report asserts

that, "communities across UV are demonstrating laudable ingenuity in mobilizing resources and in establishing collective organizations to supplement the service activities of government." This is not a summary of the results of the research; the topic is not covered except perfunctorily.

There is no indication of any current or past AID or other donor projects in the area which may have maintenance costs. There is no real discussion of the services received by people, which surely must shape their attitudes about taxes. The survey of individual attitudes is never fully described - where it was done, what the instrument was like, what the village(s) was like in terms of services, whether these people made other types of contributions. It is also somewhat disconcerting that the report notes on the one hand that many times taxes are not paid by individuals but by compound chiefs, yet the survey is of individuals, many of whom may not have paid taxes. Apparently contradictory results are not rationalized. A large percentage report that paying taxes is difficult, yet almost everyone surveyed indicates that they would be willing to pay more taxes if they went for local projects. What can we ascertain about willingness to pay on the basis of these findings?

This section would have been much more satisfactory if it had followed the first section, and looked at the ways that expenditures affected people in the study villages, as well as the taxes they paid. There is a complaint that local village groups build schools and dispensaries which they then expect the central government to staff. But if people are barely touched by the government, and the tax collector is their main link with the outside, is there any other way

for them to generate local infrastructure or to attract government services than by building a school or dispensary?

One of the dissatisfying aspects of this report is that it never really takes the perspective of the locality (compare it, for example, with the Tanzania research). It is therefore unclear what donors should do locally, or what local groups should do, for that matter. This study would have benefited from the incorporation of a case study approach focusing on one or more localities, outlining the ways in which government and donor services reached them, the voluntary contributions and organizations they used, and the tax collection system. This might have provided more coherence to this section of the report.

Short-term Projects

Syracuse has received only three contracts for short-term consulting work - in Tanzania, Lebanon and the Philippines. The Tanzania work was generally well received. Tom Luche, who was at AID/Tanania during the Syracuse project, sent a telegram praising Schroeder's work there. His impression was that Schroeder had worked hard and accomplished a great deal given the data and time constraints. We were impressed with his report, and feel that it is a good example of the work that Syracuse can do. The Philippines work also appears to have accomplished its task and to have been well worth doing. It is not clear that the Lebanon ST, which involved an outside consultant and a Syracuse graduate student, was especially helpful. The main recommendation is the formation of an interdepartmental task force to study the problems. Other recommendations are a better data

keeping and retrieval system, and technical assistance from AID. It is difficult for us to evaluate these suggestions, but they do not appear to provide a very concrete plan for reform. Perhaps this is the best that could be done, given the circumstances.

All in all, the short-term work seems to have been relatively well done and of some value to the countries involved. It seems unfortunate that this type of work has received little emphasis in the project.

5. Overall Performance

- A. In general, how well did Syracuse University serve toward achieving the target of the Project, at all levels?

In general, Syracuse has done well in providing to countries analyses of various local tax revenue sources and recommendations for increasing tax revenues of local governments. It has done less well in developing new theoretical and operational approaches to local finance in the rural LDC context. The Missions appear generally to have been pleased, but there has been little in the way of dissemination and networking. Thus far the Syracuse work seems somewhat isolated.

- B. In general, what have been the significant outputs, products and accomplishments of the project, and how might this record be improved in the future?

One major accomplishment is a set of country studies which the respective AID mission and host-country officials can use as a basis for promoting reform in local government finances. Important changes

have been made in the Philippines on Syracuse recommendations. In part because the projects are not yet complete, it is difficult to tell whether the Bangladesh and UV projects will also result in significant reforms.

Another accomplishment has been to create at Syracuse a team of people experienced in gathering and analyzing data on local finances who can produce a known product. There is now some anticipation of a country project in Egypt, and everyone can be reasonably sure what the product will look like if the work is undertaken.

The Project has not produced new theoretical and empirical generalizations about local revenue generation in rural/agricultural settings of LDC's, nor have there been methodological breakthroughs. In part, this may be a question of time. Current core fund plans call for intercountry comparisons. However, this lack also seems to reflect the basic descriptive approach taken by Syracuse and the inattention to and inexperience in generating non-financial socioeconomic information in LDC contexts. The project might be more fruitful in this regard if people outside of Syracuse with interest and experience in more basic research, including survey research and case study approaches, could be involved in those aspects of the projects which attempt to relate tax and other revenues to socioeconomic context. Alternatively, a separate project might be developed to focus more specifically on basic issues.

We have made suggestions elsewhere on workshops, networking and dissemination. In addition, we have suggested that more attention be given to sectoral studies, which might generate more interest from Missions.

6. Adequacy of Project Strategy

- A. Has the original Project strategy been adequate to the need thus far?

We do not really see a difference between this question and the question on the adequacy of the Project design (Q.1). The original strategy was highly ambitious and optimistic. The subsequent scaling down the project appears to be the result of a series of compromises made between AID Syracuse. Some needs have not been met, others have, as we indicated earlier.

- B. Has Syracuse responded appropriately to AID's needs for work under this Project? (Particular attention should be directed to the focusing of the Project upon local finance concerns per se since 1981).

The indications are that response has been good. Missions who have asked for projects have been helped, and AID/Washington, at least the project monitor, appears to be pleased with the response. As we have indicated elsewhere, perhaps too much emphasis has been placed on creating an ability always to respond immediately. Such demands seem to come rarely and the cost of keeping such flexibility is great because core project research and spending plans have been oriented to meet this need.

As indicated earlier, the focus on local financial concerns, especially upon central government reforms that need to be made in this area, has meant that little has come out of the Project with respect to changes that can be made in donor strategy and projects within the context of national tax structures (e.g. in the area of

user fees, which has been given emphasis only in Tanzania).

Four substantive matters were indicated to us as major concerns of

AID:

- 1) alternatives to centrally-imposed taxes in funding local expenditures;
- 2) kinds of local taxes and grant in-aid programs which best stimulate local action and assure expenditure patterns which are most responsive to local needs;
- 3) innovative institutional arrangements for linking revenue and expenditure decisions at the local level; and
- 4) ways to improve the raising of local revenue or in providing assistance to local financing of development activities.

Each of these topics has received some treatment in one or another of the individual country studies. None, however, have been systematically treated. Local markets, for instance, were studied in the Philippines, but not in Bangladesh, even though some of the local units of government in the study sample in Bangladesh had markets which were generating local revenue. Thus, we do not know if markets work better in some situations than others, or whether certain market revenue-raising structures work better than others. In treating these topics, the project has tended not to formulate and test hypotheses but to apply existing theory. The reasons, as suggested earlier, have to do with both the evolution of the project and Syracuse's approach.

- C. How should the Project strategy develop in the future, especially in relation to proposed ST/MD Office initiatives in this area?

Much of what we said under I.F. can be taken as a response to this question. ST/MD should attempt to fund more basic research, should see that more non-Syracuse people are involved, should push for more

networking and dissemination, and probably should put more effort into finding mission clients for the Syracuse group. We will not go into redundant detail here.

7. Resource Inputs

- A. Have Project resource inputs corresponded to needs of AID, the development community, and interested scholars and practitioners?

If we knew the definition of resource inputs we might be better able to answer this question. If it is asking if sufficient funds have gone for the most needed activities we would answer by repeating much of what we have said above. More basic research and more dissemination and communication should be funded, but the work being done by Syracuse appears to be worthwhile.

- B. Has the timing and scheduling of inputs been appropriate?

Again we have trouble interpreting the question. Work has been done in a timely fashion and in response to timing desires of the missions, although some AID mission staff indicated that they wished the country projects could spend less time between inception and completion. With a consulting firm, travel costs and project duration probably could be reduced.

8. Implementation Plan and Implementation Mangement

- A. Have work plans been clear in their presentation, accurate in their description of proposed activities, and timely in response to Office requirements?
- B. Have any required revisions been substantively responsive to Office requests and submitted in a timely manner?
- C. Have all budget and fiscal data been provided in a clear and useful manner?

- D. Has implementation been efficient, with regard both to planned developments and to unanticipated contingencies?

From reading the work plans and discussing them with the Project Officer in Washington, as well as with the Syracuse group, we have concluded that the answers are yes, yes, yes, and yes. We have suggested elsewhere that perhaps the project allows Syracuse to be wastefully flexible in meeting contingencies. Otherwise money seems to be handled well.

- E. How has the substantive management of the Project evolved since its inception, and what effects has this had on the nature and utility of the existing and anticipated future Project outcomes?

We do not feel qualified to answer this question. If it is considered important to obtain input from this evaluation on management involvement (does this mean in Syracuse or Washington or both) and its effects we can pursue the answer. We believe we have answered fully with respect to our expectations of future outputs and suggested ways they can be improved.

9. Status of Critical Assumptions

- A. Were the original assumptions as stated in the LogFrame realistic?

Probably not. This project simply could not handle doing good and important basic research, short-term consulting, long-term country studies, dissemination and networking (including holding service conferences annually) with the amounts of time and personnel available. Given the number of people involved, the initial level of knowledge and the time it takes to analyze tax systems alone, little more could be expected of this

project than what has actually done. But, what it has actually done is much less than was assumed in the Log Frame.

10. Impact of Unplanned Events

The major unanticipated events that affected the project came early in the forms of changes in personnel at both Syracuse and Washington. The shift toward a local public finance emphasis and less multi-disciplinary work probably was strongly affected by these events. With respect to in-country work, both Bangladesh and Upper Volta have experienced major changes in government during the course of the project. The GOB is changing the structure of local government, and as result some of the early reports are already out of date.

In Upper Volta, new government policies are unclear, because there has been a larger turnover in policy-making staff. One of the advantages of working with training institutes as counterpart agencies is that they are relatively immune to political events.

11. Utilization of Results

A. Have the Projects' results been technically sound?

Yes, the work is generally well done and applies well-accepted public finance methodologies to the analysis of tax systems.

B. Have results-to-date been effectively disseminated to AID, LDC Institutions, and interested specialists?

To some extent. Working papers have been sent out to those on a

mailing list, but the list needs to be updated. Results have not been effectively sent to AID missions, to LDC institutions or to interested specialists who do not happen to be on the mailing list. In part, as indicated earlier, the results are not now in a form very suitable for wide dissemination.

C. How might future dissemination be improved?

As we have stated above there are several ways. Syracuse could develop reports more suitable to wide circulation. AID/Washington could send working papers to the missions, the project officer could call and write individuals who might be interested to call their attention to the working papers, sessions at professional conferences could be set up, and workshops could be held. Bringing non-Syracuse people into this and related projects would also serve both directly and indirectly to widen the audience familiar with this work.

D. To what extent are benefits of LRGA field work likely to continue beyond the tenure of project activity in individual host countries?

Our conversations with those individuals familiar with what has happened so far and with the operations of missions and local and central governments leads us to be pessimistic. Certainly some mission personnel and some local officials can be persuaded to push for certain reforms by well documented reform proposals. It is probably much more up to the mission than to the Syracuse group to keep such interests alive.

E. What is the likelihood of improvement in host-country or AID policies as a result of the work of LRGA?

At this point improvement in host-country policies seems likely to be confined to the countries actually studied. There, it would seem to depend on both whether the recommendations are consistent with government aims and whether the study "captures the imagination" of policy-makers or receives strong pushes by AID missions. In the Philippines, some important recommendations were adopted; in Bangladesh, the potential impact is much less clear. As indicated earlier, the GOB has not been fully participative in the project, which is consequently somewhat isolated. One question is whether the GOB's current desire to decentralize goes as far as to reduce central control over local finances. It is not clear that AID/B will push terribly hard for reform at this time, given the current preoccupation with agricultural credit, the fact lack of levers to pull in terms of placing contingencies on new projects, the unsettled political situation and the fact that the Syracuse recommendations do not really indicate if recurrent costs can be recovered with the suggested reforms. On the other hand, other donor agencies have also become very concerned with infrastructure maintenance, and something could come of this common concern. One difficulty with evaluating research impacts is that they are often delayed and often take root in unanticipated ways. In a sense, one is sowing seeds.

We have very little basis for judging the situation in Upper Volta.

F. What is the likelihood that capabilities developed under LGRA will be sustained at Syracuse University after project termination so that AID and host countries may continue to draw upon them?

We believe the likelihood is very high. Researchers are gaining

experience in LDC's and are becoming familiar with the problems, with how to operate in such environments, and even how to push for reforms. We would expect that some but not all of these people will continue to work in these areas for the foreseeable future.

12. Recommendations for Changes in Project Design or Implementation

- A. Would Agency objectives be well served by extending the project to permit continued long-term applied research work in local government finance in developing countries?

We believe the answer to this question is probably yes. It in part depends upon what alternative uses the agency has for the funds, a question we cannot answer. During this report we have suggested changes and additions to this project which we believe would make it much more valuable. To the extent that missions will fund the bulk of the cost it is almost without doubt worthwhile to continue this work in some form.

- B. What additional S&T/MD initiatives should be considered in order to pursue Agency needs for short-term technical assistance needs in areas of recurrent cost finance and local government fiscal management?

The Syracuse group has done good work on the few short-term projects it has undertaken. To the extent that it has the personnel and desire to continue these activities, it should be encouraged. It might, however, be worthwhile to add a contract with a commercial consulting firm which could carry out such activities at short notice through the use of a set of consultants. That the demand for such short-term services by the missions and countries is sufficient to support this level of short-term activity is not obvious, however. A possibly feasible approach would be for

AID/Washington to place more emphasis on such activity by Syracuse, to spend more time and effort selling such services to missions, and to push Syracuse to use more outside consultants in these activities so as to increase the flexibility of response.

Appendix 1

People Interviewed as Part of Evaluation

Washington

Robert Firestine	Project Officer, Syracuse Local Revenue Project, S&T MD
Kenneth Kornher	Chief, Dev. Adm. Div., S&T/MD
Jerome French	Director, S&T/MD
Norman Nicholson	Originator of LRAP, now Deputy Director for Human Resources, AID
Don Wadley	S&T/FA, Formerly Rural Development Office, USAID/Manila.
Tom Luche	FVA/PVC. Formerly USAID/Tanzania (Arusha)
Willie Saultiers	AFR/SWA UV Desk Officer
Morris Solomon and Patricia Wisman	Development Management Center, USDA

Syracuse

Roy Bahl	LRP A Director, Philippines Study Director
Larry Schroeder	Bangladesh Study Director, Tanzania ST Project
Dean Birkhead	Dean of Maxwell School
Barbara Miller	Senior Research Associate; Bangladesh and Jamaica Projects
Jerry Miner	Upper Volta Project Director
Richard Joseph	Graduate Student, Lebanon ST project
John Nellis	North Africa, ST core funds
David Greytak	Peru ST work; Development Banks in various L.A. countries.

Philippines

George Flores	AID Project Officer
Raol de Gusman	Institute of Local Government

Bangladesh

AID Mission
Gene George
Gene Thompson
Paul Thorn
Manir Uzzaman
H.S. Plunkett

Project Officer
Section Head
Former Project Officer
Staff
Evaluation Officer

Bangladesh Government
Dr. Kamal Siddiqui
Q.I. Siddiqui

Director, NILG - counterpart agency
Deputy Chief Engineer, Works Programming Wing. Counterpart for Zilla Roads Maintenance Project

Mohammed Faizullah	Former Director, NILG. Now joint Secretary, Cabinet Division
Dr. Masgood Ali	Director-General, National Institute for Public Administration
Dr. Lutful Chondhury	Dep't of Public Administration, Dhaka University and member of Review Committee of Local Finance Study
Abeed Hossain	NILG Staff
Jamshed Ahmed	NILG Staff
<u>Other</u>	
Henry Preudhun	DANIDA Group (Danish AID)
One Preakesh Nijhawan	World Bank/Washington, part of mission to Bangladesh this past summer.

Appendix 2

List of Project Reports and Publications

LOCAL REVENUE ADMINISTRATION PROJECT PUBLICATIONS
1980-1981Titles in the LRAP Bibliography Series

1. Charles deBurlo, "Local Government and Rural Development in the Third World: An Exploratory Bibliography." October 1980.*
2. Robert B. Kent, "Land Registration and Cadastral Mapping in Less Developed Countries: Overview and Bibliography." October 1980.
3. Alem S. Hailu, "Development in Thailand: A Bibliography With Emphasis on Local Public Administration and Local Government Finance." April 1981.
4. Elfatih Abdellatif, "Economy, Public Administration, and Development in Sudan: A Bibliography." April 1981.
5. Richard M. Joseph, "Budgeting in Third World Countries: An Annotated Bibliography." June 1981.*

Titles in the LRAP State of the Art Paper Series

1. Marta L. Dosa, "Issues of Information, Utilization and Dessimation in Local Revenue Administration Projects." November 1980.
2. Donald P. Ely, "Training for Local Revenue Administration." November 1980.
3. Robert B. Kent, "Local Revenue Generation: Property Taxes, Land Registration and Cadastral Mapping." November 1980.
4. Barbara D. Miller, "Local Social Organizations and Local Project Capacity." November 1980.
5. William Pooler and James Vedder, "Local Revenue Administration Evaluation." November 1980.
6. Dennis A. Rondinelli and Marvin B. Mandell, "Local Services for Rural Development: An Assessment of Government Capacity to Mobilize Resources for Social and Productive Services in Asia." November 1980.
7. Marshall H. Segall, "The Implications for Local Revenue Administration of Culturally-Influenced Values and Perceptions Among Persons in Developing Countries." November 1980.

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<u>Number</u>	<u>Author</u>	<u>Title</u>	<u>Date of Publication</u>
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2	Fernando Arellano and David J. Robinson	Terms of Reference for the Analysis of Community Interest Public Works	July, 1981
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11	Roy Bahl	Urban Government Financial Structure and Management in Developing Countries	April, 1982
12	Raul Ruiz Ludena	Municipal Taxes in Peru: An Annotated Compendium of Legislation	June, 1982

<u>Number</u>	<u>Author</u>	<u>Title</u>	<u>DATE OF PUBLICATION</u>
13	Ray Bromley	Market Hinterland Surveys: A Methodology and Justification	July, 1982
14	Robert B. Kent and Aldo Sandoval R.	The Geography of Municipal Finances in Junin Department	July, 1982
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18			
19			
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Number**Author****Title**

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<u>Country</u>	<u>Persons Involved</u>	<u>Time</u>	<u>Topic</u>
Thailand	Glynn Cochrane Roy Bahl	June and July 1980	Reconnaissance; Design of a Financing Structure for Local Government
Costa Rica	William Mangin David Greytak Robert Vogel	December 1979	Local Government Performance of Municipalities, Service Capacities, and Legal Basis Upon Which Such Units Operate
Bolivia	David Greytak Hans Buechler	March 1980	Ascertain Potential Involvement of LRAP in Assessment of a Loan Application Form SENDU
	Robert Kent	June and July 1980	Preparatory Work
Mali	Glynn Cochrane	March 1980	Initial Visit
	James Vedder	May 1980	Possible Rural Health Project
	Jerry Miner Marshall Segall Bob Firestine	October 1980	Follow-up on original reconnaissance
Philippines	Roy Bahl Michael Wasylenko Daniel Holland	August 1980	Evaluation of the Real Property Tax Administrative Program
Tanzania	Larry Schroeder	June and July 1980	Assessment of the Potential to Mobilize Resources in the Arusha Region.
Rwanda	Nicolas Gavrielides	June 1981	Collecting Social Economic Data to be used in Preparation of a PID and a PP for a Rural Works Project.

SHORT-TERM CONSULTANCIES (CONT.)

<u>Country</u>	<u>Persons Involved</u>	<u>Time</u>	<u>Topic</u>
Jamaica	Daniel Holland	June 1982	Assist the AID Mission in Preparing a PID Concerning Improved Taxation, Particularly Regarding the Property Tax, Income Taxes, and Custom Taxes
Lebanon	Alek Rozental and Richard Joseph	January and February 1983	Assisted AID Mission in Evaluating and Reforming the Central Government Tax System of Lebanon

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