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Agricultural Institutions for Integrated
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by

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AGRICULTURAL INSTITUTIONS FOR INTEGRATED RURAL DEVELOPMENT

J. C. Abbott, FAO, Rome

Interest in the integrated institutions approach to agricultural and rural development has mounted steadily over the past two decades. This approach holds that before traditional, subsistence agriculture can be modernized, a number of external supporting elements, services, facilities, conditions and incentives must be present and accessible. Only then will the mass of small farmers find it both possible and attractive to adopt modern technology or to change their traditional customs and attitudes. For this reason, expenditure on any one service, e.g. extension, or provision of credit, is likely to bring less than expected returns unless for example, marketing systems are also improved at the same time and fertilizers and other essential supplies for more efficient production are brought within easy reach of the farmer. Conceptually, there exists for any given agricultural area a minimum complementary institutional framework which governments must help to provide in cooperation with local people and cooperatives and private business. These facilities and services might include among others:

- 1) An agency or agencies to help farmers and their families to become aware of and trained in modern agriculture and modern rural living i.e. agricultural extension and programs for rural women and youth.
- 2) An agency or agencies to provide rural lending, savings, and other banking services, farm supply services and primary storage, marketing and processing services.
- 3) An agency or agencies to provide for organization of farmer self-help groups to give "voice" to farmers and assist in the mobilization of farm people for participation in agricultural development.

- 4) Other specific government agencies required such as animal health, water regulation and use, soil and water conservation, plant protection, etc.
- 5) Where land reform is required, land reform services such as cadastral survey, land registration, tenure reform enforcement and support, etc.

These services--with others according to the conditions--coordinated and tailored to fit the needs of the individual community, must be considered as a minimum combination for the promotion of rapid agricultural progress. Moreover, it is essential that they work effectively at the local level--which calls for much decentralization of decision making, and in most countries some strengthening of central support also.

To attempt this all at once on a nationwide basis generally involves such an increase in the application of money, trained staff and administrative effort, as to be beyond the reach of most developing countries. Projects to achieve such a coordinated and simultaneous improvement in services have therefore been confined to limited areas. These are expected to provide a basis of experience and training that would constitute a sound foundation for effective application gradually over wider areas. They also provide an opportunity for developing new financing institutions that will generate from the rural economy itself most of the money needed to support extension of the integrated system on a nationwide basis.

The 1969 Conference of Member Governments of FAO endorsed strongly the emphasis now placed on the integrated approach in the establishment of rural institutions. It criticized the continued dependence of many governments on systems which are slow and wasteful in accelerating development and stressed the need for building institutions specifically adapted to the requirements of developing countries. The need for much more attention to this area has been emphasized at regional conferences also and many delegates have asked

for a detailed discussion of the principles behind it, the methods that are being used and the results obtained.

In accordance with these requests and with the financial support of the Swedish International Development Authority (SIDA) a major symposium on the subject was held in Rome 21 to 27 June, 1971. Twenty-one developing countries that have expressed interest in the integrated institutions approach to development were invited to send two representatives each. Various international and bilateral agencies providing technical assistance to the developing countries also participated. Team leaders and national spokesmen from projects where the principle of integrated institutional development are being tried out were also present including the FAO/SIDA projects in Afghanistan and Kenya, the SIDA (CADU) project Ethiopia, the Intensive Agricultural District Program, India, Comilla in Pakistan, the Lachish region, Israel, the Fucino and Naremma development zones in Italy, and the LBRD Lilongwe project in Malawi. Authors of significant publications treating this subject and consultants with special experiences were also present.¹

The purpose of the symposium was to provide a forum for an exchange of views and experience on the essential elements in a strategy for implementing

¹Including Professor A. H. Ballendux, Head, Department of Agrarian Law of Non-Western Countries, Agricultural University, Wageningen; Professor Chi-wen Chang, UPCA/SEARCA Social Laboratory Los Baños, Philippines, author of "Rural Asia Marches Forward"; Mr. Azizul Haq, Director, Academy for Rural Development, Comilla; Mr. G. Hunter, Director, Joint Research Program on Agricultural Development Overseas, Overseas Development Institute, London, author of "Modernizing Peasant Societies" and the "Administration of Agricultural Development", London 1969 and 1970; Mr. J. C. Mathur, Secretary, Agricultural Development and Co-operation, Government of India; Professor B. Milosavljević, Agricultural Planning Advisor, Government of Ethiopia; Mr. A. T. Mosher, President, Agricultural Development Council, New York, author of "Creating a Progressive Rural Structure"; Mr. Lucien Schmandt, Assistant Director, Caisse Centrale de Cooperation Economique, Paris; and Mr. Yu-kun Yang, Chief, Farmers' Service Division, Joint Commission on Rural Reconstruction, Taipei, Taiwan.

zonal integrated development projects, on the problems that have been encountered and on means of their solution.

The symposium also set out to attempt an appraisal of requirements in terms of resources, skills and organizational inputs for successful implementation. This was intended to give guidance to governments and aid-giving agencies on the policies and programs required for the achievement of the objectives of the integrated approach.

In addition to economic development based on agriculture, the symposium also considered the human and social aspects of rural living. This is in line with the goal of mobilizing human resources for development and with improving the environment in which we live. Attention to means of assuring the greater participation of farmers, their wives and youth in all phases of development, and in decision making behind it was a main recommendation of the Second World Food Congress held at the Hague last year.

The procedure followed was for FAO to present papers introducing each agenda item. These were followed by statements from a few leading participants and then by general discussion. Working groups were appointed to carry these discussions further and formulate conclusions. It may be of interest to review these conclusions in light of the presentations to which they may be fairly seen as a response.

The intent of the opening FAO paper on The Conceptual Framework was to establish clearly the basic framework of the approach in order that strategic aspects might be examined in context. It stressed that there have been many programs to increase the output of special crops such as coffee or bananas, or to help a special class of producers, but in many countries the general agricultural producer and especially the small farmer has received very little assistance.

The emphasis in policy formation and planning is now shifting in favor of support to the general body of farmers who have traditionally produced mainly for domestic consumption. However, few countries have the resources to do this all at once all over the country. To obtain guidance as to the most effective combination of effort many are putting together and testing out a model integrated agricultural support system in a selected small project area. Here it is hoped that it can be developed into an economic and effective system and then used for training staff and as a springboard for establishing similar project areas across the country. In this way techniques and trained staff can be built up to provide integrated services all over a country within a foreseeable period of time.

Integrated agricultural development includes those elements of integrated rural development which are associated with farm production, productivity and income, as well as other elements which directly support these, or otherwise

enhance the welfare of farm people. In most developing countries, agricultural development is the predominant element of rural development in that it usually provides the main economic and population bases. This is why agricultural and related economic institutions are so important in the whole rural development process.

The FAO introduction stressed the critical importance of timely and coordinated provision of agricultural services. For a progressive agriculture, the off-the-farm elements which support those on the farm, such as availability of production credit, production supplies, technical information and services and marketing and processing facilities and services are equally vital. A major task is to insure that those elements of production are all present in the right quantities and qualities to match the demands of the weather-season timetable. In practice this sequence can rarely be maintained in a developing country without a very great amount of effort by the government at every step, whether it is government itself or private business or a cooperative which actually provides the service. It is usually necessary to tie the provision of production credit to the provision of farm supplies such as fertilizers to assure that a farmer will have the money to buy the fertilizers, and that when he has the money in hand, he will, in fact, buy fertilizer. Likewise, it is usually necessary to associate credit, marketing, and storage together in a package, in order to assure repayment of production credit and to enable farmers to wait for seasonally higher prices.

The paper then elaborated on the minimum complementary institutional framework, set out in the opening paragraph of this review. It stressed that there must be an organizational and administrative structure which unites all of the elements in such a way as to insure timely and coordinated availability

at the farm level. To the extent all of these institutions are administratively placed under one ministry or authority, the task is greatly facilitated. Even if administrative responsibility for the various essential institutions is dispersed, an effective mechanism for their coordination must be devised. At the rural community administrative level, the minimum complementary institutional framework can best be accommodated at an agricultural development center where all the governmental, quasi-governmental, or farmer self-help organizations or agencies working directly with farm people are headquartered. Such a center would normally be situated in a rural market town within easy reach of the farm people to be served.

This approach of establishing all elements of the total system in one small area and replicating this in other areas until the whole country is covered is in clear contrast to that of systematically building toward the complete system by establishing one part at a time on a country-wide basis. The thesis of its proponents is that it can save a great amount of money. By the time the system is perfected and it is ready to replicate in other areas, personnel can be trained in the pilot area to administer the expanded program. This was the method used in the Comilla project in East Pakistan. Comilla is the only example to date of the detailed planned working of this sequence. After ten years of trial and development its approach has been endorsed for extension to cover the whole of East Pakistan. The Taiwan system is another much quoted example for other countries to follow.

This presentation of the concept was endorsed by the symposium subject to the common sense observation that the problems and state of preparedness for integrated agricultural and rural development differ from country to country. No standard solution was, therefore, possible. The mix of measures

to be taken and the mechanism of implementing them would differ from situation to situation.

It was recognized that most developing countries did not have the requisite material, institutional and trained personnel resources to start countrywide programs, on their own, all at once. Similarly, international organizations and aid-giving countries could not be persuaded to support countrywide schemes without proof of their viability in the field. The need for carefully planned pilot projects was evident therefore. There was a general consensus that such pilot projects should have precisely defined objectives, a manageable area of operation and aim at serving all the people in the project area.

The importance of political commitment at the highest level to programs of agrarian reconstruction so as to enable all rural people to share the sacrifices and benefits of development was stressed. Integrated area projects provide an opportunity to try out new agricultural techniques for increased production and a better life particularly for smaller farmers and laborers, and for backward and neglected areas. While the initial thrust of any integrated rural development program will in most cases be on agricultural productivity it must take care of social, economic and human aspects of life.

The introduction to agenda item two, Coverage of Institutions and Services Needed to Achieve an Impact, was a more controversial paper based on a manuscript by S. Barraclough. It took the view that integrated development approaches based on limited project areas may achieve their objectives fully but still fail to promote a countrywide improvement in the conditions of the bulk of the rural population. His thesis was that area projects have no chance of doing this unless the dominant policies of the country are favorable.

In the face of long established interests this may only come about through a radical change of government and the effect in the countryside would only be significant if associated with deep structural change. Direct management of advisory services, credit and marketing institutions, etc. by organizations of the small peasantry would be necessary to insure that these services were operated in their interest.

Ironically, while the previous more conventional presentation had provoked substantial concern for the interests of the very small farmer and landless peasant, this more thoroughgoing pursuit of their interests attracted little interest. Again the Working Group concluded that there are no standard answers to the problems of rural development strategy. Specific answers must be found to meet the requirements and situations in each country. Integrated rural development can be achieved in some countries by a gradual evolutionary process based on existing institutions, and in other countries, more radical and revolutionary changes may be required before integrated rural development can be effectively implemented. It then went on to stress the critical importance of training in management skills for the effectiveness of any program whatever its policy goals.

The introductory paper for item three "Consideration in the selection of an area in which to initiate a demonstration project", in the light of economic and social needs, chances of success and the provision of guidance on the scope for replication elsewhere attempted a blend of economic, rural administration and sociological expertise. It achieved the goal of attracting contributions on the basis of project experience towards the refinement of project area selection considerations. Clearly the area to be selected should be representative or typical of the region where new agricultural technology is to be introduced in a coordinated manner or where a set of

problems are to be tackled.

The following criteria, it would appear, provided a convenient measure for initially judging if the area is representative and if it provides the potential for effective integrated operations:

1. Natural and geographical conditions;
2. Common infra-structure, services and facilities that might stimulate agricultural development;
3. Administrative unit and institutions that would make management easier;
4. The people, their condition and interest and attitude toward a cohesive and intensive development program;
5. Convenient location for demonstration purposes within the region represented.

It also became clear that while some of the project leaders present were satisfied with the area selected in their case some were not--which added point to these conclusions.

The consensus of opinion on the size of the area was that it should be manageable. This would depend on such factors as (a) the number of participants or beneficiaries who can be effectively covered by an extension officer; (b) the distance of the villages or settlement groups from the operational base of the project; (c) distances from the market centers by foot or by carts; (d) the size of the area covered by such infra-structures as commands of irrigation projects and land reclamation and soil conservation, afforestation, etc.; (e) density of population and number of holdings.

The view was expressed that a project involving a rural integration component may be able to handle numbers varying from 50,000 to 100,000 people or 10,000 to 20,000 households, or an area of 250 to 500 square miles, depending upon local factors. The size could well be smaller, but then the ratio

between investment and returns and overhead costs of personnel and services would require careful consideration. The size of the area will also depend upon the resources that the government, the credit agencies and technical assistance, if any, are in a position to provide.

The size of a problem oriented project may be determined by the problem itself be it technical, economic or social.

Administrative systems for integrated agricultural development-- The purpose of the introductory paper was to discuss the type of organizational structure and managerial arrangements which would be required to achieve integrated agricultural development at the farm level, i.e. at a level which is close enough to the farmer to assure him an effective service. It suggested a priority that any organizational structure provided must be linked with the civil administrative system at all levels, so as to insure that agricultural development would be closely linked to the overall effort for rural development, taking other important sectors such as health, education, communications, etc. into account. The importance of insuring support at the national level through good coordinating links at the top, and well defined and established vertical links between the national and project levels was also emphasized. The symposium's discussion reflected a consensus in favor of flexibility, but this could be interpreted as reluctance to grapple with the specific problem of achieving an effective management system, in practice. Inadequate reflection of public administration interests in the symposium may have been responsible for this.

FAO took the position that there was a certain minimum set of complementary services which must be available on a coordinated basis--confirmed by the symposium as advisory and technical services for which adaptive

research is a vital component, commercial services (supply, credit, marketing) essential physical infra-structure; and, at the appropriate time, assistance to farmer organization and training. There may be instances where certain social needs are critical to the success of a project and must be included in the minimum package. They might be provided by government, semi-government, cooperative or private organizations or by contributions of all four. Especially highlighted was the need, in circumstances of intensive agricultural development programs, to create an organizational structure sufficiently close to the farming community that it could reach, and be reached, by all the people living in the project area. This was conceptualized by "the local agricultural development center;" on the grounds that in many cases intensive integrated programs could not be mounted and controlled from existing administrative centers. The paper placed particular emphasis on the need for strong coordination of government services, and on the leadership required, to insure that all other development agencies--semi-government, people's associations and the private sector--can be drawn together to play their part.

Few speakers went into the organizational questions raised by the FAO paper. In particular, no view was expressed as to whether a local agricultural development center which was not an extension downwards of regular government services and yet had direct lines of communication to the national level was a valid concept. The Working Group noted, however, the tendency for ministries and organizations concerned with various aspects of agricultural development to proliferate. This increased the difficulties of coordination. The Group considered that services to farmers forming part of a "package" should be coordinated at an appropriate local level by a senior officer of the predominant agricultural agency who should be given the

necessary rank, status, authority and staff. This coordinator should be able to carry out his activities independent of the local civil administration and should have direct access to higher authorities. However, close links should be maintained with the local civil administration. The Group went on to recommend that civil administrators should receive better training in social and economic development.

While the Group did not feel that any single organization structure could be recommended for widespread adoption, they recognized fully the need for a unified approach to the farmer, whether this was achieved by a coordination of government services, by a public corporation, by a major cooperative, or by the integration of private commercial services with public or semi-public authorities. The organograms illustrating desirable linkages between an agricultural development center and central and local government were criticized as too complicated. However, those maintained on a work-a-day basis for the farmers' associations in Taiwan would look much the same. The Group endorsed the need for local centers, within reasonable access, giving a comprehensive service of help and advice to farmers, possibly combined with a training and information program. Special emphasis was placed on the need to adapt modern techniques of management to the needs of such systems as opposed to trying to continue with the traditional administrative procedures of the ministries concerned.

A number of speakers came down strongly against "excessive coordination" and stressed the need for leadership qualities in the coordinator. These favored the view that the coordinator should be an administrator rather than a technical man. There was, however, general support for putting a technically qualified and experienced officer in charge of agricultural development programs.

The final part of the paper concentrated on the need for vertical links between the local agricultural development center and the national level, and the need for strong horizontal coordinating links at the national level to bring together all the agencies concerned with agricultural development. The vertical linkage was stressed to insure that the project received political, economic and administrative support. The case for horizontal coordination was made to obtain a concerted effort, avoidance of duplication of services, etc. The organizational arrangements by which these vertical and horizontal linkages were to be achieved attracted little discussion and no answers were given to the two relevant questions put at the end of the paper: What kind of organizational structure is needed to insure vertical integration between the national level and the local level, and between the local level and people's organizations? How can coordination of government departments and agencies at the national level best be achieved?

The final concern of the Working Group was the danger of perpetuating excessive bureaucratic control. They emphasized the primacy of farmers' initiative and decisions as the long-run dynamic of development and the foundation for a self-reliant and vigorous farm community. The Group endorsed the importance of spontaneous, if assisted, farmers' organizations. Clearly, in the earliest stages of development, when the farmer is socially isolated from the economic environment and has little knowledge, resources or power, government assistance must be at a maximum. But this situation should change progressively, as farmers, individually or in organized groups, are better able to handle the commercial and technical elements of their task, and, simultaneously, become attractive customers to banks, suppliers of requisites and purchasers of their produce be they private or public. In

the long run, integrated administration itself becomes less necessary, since the farmer himself integrates his affairs by choice between services and opportunities which the outside economy offers to him and which he at last has the power and knowledge to grasp.

This principle was endorsed by another Working Group examining independently the generation of popular participation in programs to establish agricultural institutions for integrated rural development. While governments in developing countries must actively initiate and promote integrated agricultural development in early stages, they should gradually withdraw from the scene as the rural institutions gain strength and leadership is built up. Progressive de-officialization of the effort should be a built-in feature of any such plan.

Increased agricultural production was not an end in itself; the principle of social justice involving a majority of the rural population was equally important. The uneven sharing of gains from improved technology and the consequent widening of the gulf between the bigger landholders and the mass of peasantry should be reduced by deliberately planned efforts. The overall economic and social policy of every government should, therefore, create conditions where big and small farmers alike can participate in and benefit from agricultural development. To provide both possibilities and incentives for active involvement in the development process, all possible steps should be taken to build up dynamic rural institutions including federations of farmers' groups, maintaining as far as possible, important traditional values of rural society. Cooperatives and other farmers' organizations are not only expected to perform economic functions but should also become a source of people's representatives in government and quasi-government

bodies such as marketing boards and planning authorities where they can act as a countervailing force to privileged interest. Association of various institutional agencies at decision making levels would enhance people's sense of involvement, and promote participation.

At the same time the symposium was prepared to be realistic about the practical effectiveness in the developing countries of cooperative and government services with their problems of influence and corruption. Carefully selected economic incentives could have a profound influence upon people's responses to any program of agricultural development. Favorable pricing, taxation policies and rewards to staff (both government and non-government) in recognition of efficient work, were essential. Social incentives in the shape of public recognition were also effective.

Mobilization of public opinion behind rural development programs was of paramount importance. Among various means that could be employed, depending upon the dynamics of the situation in each country, would be:

- a) small groups of people involved in and benefitting from specific production oriented activity program such as tube wells;
- b) voluntary people's organizations acting as animators or catalytic agents;
- c) field demonstrations of new technology supported by farm broadcasts with provision for feedback and a two-way channel of communication;
- d) adult education programs with special emphasis on functional literacy.

Financial considerations in the establishment of a coordinated institutional system

Over the longer run a coordinated system should cost less to operate than a set of independently managed single line activities covering the same ground. There should be substantial savings through reduction of credit

risks, and on time spent by different officers in servicing individual farmers. However, in practice many of the existing line activities--extension, credit, marketing, input supply--will need both additional capital investment and current expenditure on operations if they are to become effective elements of a system that will accelerate production significantly in a fairly short period of time. New expenditure on coordination, machinery, technical leadership, and training will also be incurred without the compensation of immediately visible savings on single line services. The pay off for all this must come in higher incomes from agriculture in the area served. A large part of this income must then be mobilized through taxation and forced and voluntary savings. This is necessary to meet increased outgoing costs and to provide resources for extension of the system over a wider area.

In a trial and demonstration project all these outlays will have to be financed by the government in the first instance. This stage will cost more than similar project areas later on because of the large initial expenditures on training of staff and for research. The relevant measure of success in the first project area will not be how little it costs, but whether or not it can achieve the goal of mobilizing new capital that must be reached before a nation-wide system can be constructed upon it. This depends on how well the mechanisms for attracting savings and investments in the project area are developed, for it is only through such savings that a country dependent mainly on agriculture can afford to expand such a system.

The Working Group accepted this basic financial framework. It assumed that in initiating integrated projects a beginning should be made with activities resulting in an increase in production and in farmers' incomes. Development of social infra-structure should come later and farmers should be

required to contribute to its development.

In the initial stages of development, and where it is to their own advantage because of specific conditions, farmers should receive credit in kind as commodities and services. In addition to production requirements there would also be some demand for consumption credit. Agriculture is fraught with such uncertainty that without such assistance farmers may not take kindly to innovation. They should be required to repay short term credit, and installments on medium and long term loans immediately after sale of their produce. In emergency situations, as in drought years, government should be prepared to alleviate the repayment burden on the farmers. However there should be arrangements to insure that increases in income should not be spent on private consumption only; part should be channelled into investment. Savings can be realized through marketing, supply and credit channels by additions or reductions in prices, or by a special development levy, and through rates charged for the use of irrigation water etc. The Comilla project added a 6 percent service charge to all institutional credit, bringing up the effective rate from 9 to 15 percent. Farmers should be requested to participate to an increasing degree in self financing of inputs as and when incomes improve. As regards long term investments in fixed assets farmers should be required to contribute either in advance or in the form of agreed reductions in their sales revenues. In addition to compulsory forms of saving, ways of inducing small farmers to make voluntary savings through savings banks and similar financial institutions should be explored.

A valuable new point made was that at the national level there should be a commitment to convert the usual sectoral and budget oriented method of economic planning into an area oriented approach. This would make national

planning far more responsive to the demands of coordination and other implementation problems. At the stage of nation-wide replication of a successful model project it would be technically difficult to allocate resources properly if the units for fixing priorities continued to be the compartmentalized schemes submitted to the planning authority by various government departments. This recommendation would be reinforced if the intention was to combine integrated rural development with regional planning and application of growth pole strategy.

External assistance - Because of the many demands upon the resources of developing countries, and particularly where foreign exchange is very limited, external assistance can often play a strategic role. Technical leadership and advice, fellowships to provide training in other countries, provision of equipment and production supplies that would involve an outlay in foreign exchange can be of special value both in giving a project initial impetus and in maintaining continuity over periods of uncertainty as to the availability of supporting funds from domestic sources. Grants of an initial stock of fertilizer for sale to farmers in a project area through a new credit system can provide its nucleus working capital. Food aid provided through the World Food Program and similar sources can generate capitalization of under-employed labor resources that may replace direct expenditure on road building, for example. Nevertheless, it was recognized that external assistance will generally be small relative to the domestic input and the main focus must be on developing a system that will become self-supporting.

The symposium stressed the need for capital assistance for the creation of loan funds for medium and long term credit, and in special cases for covering the foreign exchange component of short term credit. Such capita

assistance should be given on soft terms and should be channelled to specialized lending institutions for agriculture.

It was also pointed out that experience had shown that lack of coordination between donor countries and UN agencies on one side, and these agencies and the recipient country on the other, could create serious coordination problems on the recipient side since various donor countries and organizations attached different conditions to assistance. Since the goal of such assistance is a way to support programs for better coordination on the recipient side, donors should feel encouraged to make efforts for better coordination between themselves.

Project Organization and Management - The strategic question here is what is different about organizing and managing such projects as opposed to any others that calls for special attention. The difference is in degree of organizational complexity rather than in substantial issues. Integration implies bringing together for joint action a number of governments, semi-government, private and people's organizations which normally work more or less independently. The issue in practice is how this integration can be achieved so as to leave each of the participation agencies satisfied that its own particular interests have not been eroded, and preferably have been advanced, while at the same time making progress towards achievement of common and broader goals.

The FAO introductory paper then discussed the sequence of steps to be taken in getting a project under way. They were restated by the relevant Working Group as:

1. Developing a set of ideas and inviting the participation of potentially interested organizations for the development of a program.

2. Selecting the project area or areas.
3. Planning; studies to collect data; establishment of specific and realistic objectives; definition of activities within the context of regional plans; deciding on implementation procedures in a phased but flexible sequence; assessment of economic feasibility.
4. Implementation: Gaining commitment to the program at the highest policy-making levels in order to insure continuing support from all agencies involved in the implementation of the integrated program; establishing the most appropriate and workable organizational mechanism; vesting leadership in one agency or individual; with some assurance of competence and dedication; creation of a financial structure which will insure adequate budgetary freedom of movement; establishment of administrative procedures which will permit operational flexibility; building in a mechanism for the regular review of progress and evaluation of the program.

Although the symposium agreed that integrated projects were sound in principle, it did not face up directly to the problem that they may be a less attractive line of investment to the keepers of national treasuries and international aid funds than many other of the development projects put to them. This is because they are difficult to manage in practice as they depend on the collaboration of a number of different government agencies. In its dictum:

"such projects can only be realized by foregoing other activities or programs that might otherwise be carried out by the government. In order to be able to judge between alternative possibilities it is desirable if gains and losses could be quantified. Benefit/cost analysis may be a useful instrument for making such comparisons, although there will still be unquantifiable gains and losses which cannot be included in the analysis. In principle, the critical factor in evaluating the worth of integrated projects is whether benefit/cost ratios will be higher in such projects than if the resources are less concentrated geographically. In some countries and in some situations this may be the case, in others it may not."

the Working Group on financial considerations skirted the management issue. Interpretation of statements relating to specific projects would suggest

that the complexity of issues involved was preventing one getting off the ground, and with one or two more, difficulties in securing the coordination planned might be responsible for uneven progress as between different action components. There was still confidence, however, that these projects were focussed on the key problems of a large number of developing countries and would repay extra initial effort. It was the development economist most critical of the present inadequacy of cost/benefit applications to this approach who said 'just as irrigation and settlement projects were predominant in the sixties, the integrated rural development project will be the subject of the seventies'.