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Expanded Program of Economic Analysis

An Evaluation

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SUMMARY

In general the Expanded Program deserves high marks as an approach that helps AID to focus resources and attention on regional and rural sector planning, and to mobilize U.S. based capacity to deal with LDC problems in this field, as well as in terms of the consistency of initial projects to program objectives, in terms of initial experimentation with the cooperative agreement, and in terms of generating favorable research/training/technical assistance expectations among university collaborators. Thus the evaluation seeks to identify issues that may improve program content, increase its rate of development, and that may reduce obstacles to long term AID/universities linkages. Suggestions are made with respect to a set of issues in substantive and procedural categories:

On the substantive aspects of the Expanded Program:

1. Interviews within the Agency and with the university community confirm the interest in and priority ranking of the objectives of the program. The Evaluation Team recommends that the Agency continue to give the program high priority.
2. Sector analysis is inadequately defined and frequently misunderstood within the Agency. Both substantive and administrative boundaries of the activity are not clearly specified. This condition should be corrected.
3. Beyond the sector analysis definition a problem is the lack of a jointly designed mosaic or matrix of program components. Without such a matrix university involvement in project design is minimal and the ARSP lacks project selection and approval criteria. A joint AID-university task force should be assembled by TA/AG/ESP as soon as possible to prepare a program matrix and establish a priority ranking of activities.
4. Early program activities are oriented towards the technical assistance function. This limits the interest of US universities, many of whom are waiting to see if the promise of the innovative approaches incorporated in the Expanded Program will be realized. A basic need is to expand the basic and adaptive research and graduate training activities which will attract and maintain the interest of the best agricultural economists and which will provide the universities with the flexibility required for making their staffs available on a quick response basis.

5. The importance of sector analysis as a process to integrate social and economic aspects of sector and sub-sector planning persists. At the same time, within TAB there exists an administrative segregation of capacity and interest in the various aspects of agricultural/rural sector planning and policy analysis. Rural Development, Nutrition, Development Administration and AG/ESP personnel should jointly seek an administrative solution to this segregation

6. TA/AG/ESP should continue to seek opportunities for greater collaboration and develop additional mechanisms to assure greater involvement by all participants in activity identification, exploration and development in order to exploit the collaborative arrangements required by the cooperative agreement.

On the procedural aspects of the Expanded Program

1. The Cooperative Agreement is potentially an important instrument for AID-university interfacing. However, its utility is still to be demonstrated. The collaborative planning function has only been partially implemented. The Agency should move as rapidly as possible to establish a clear definition of its content and intent. Priority should be given to the development of a statement of the conditions under which the Cooperative Agreement may be used.

2. Institutional selection criteria were well developed and effectively used in the screening process.

3. The creation of the ARSP with broad Agency participation and significant program responsibility was a positive innovation. However, the ARSP process still requires development of a set of criteria for project selection, a means for benefitting from external expertise, and a way to assure policy level review of significant issues and program components.

4. Some management problems exist: The differential of management responsibility among ESP, Regional Bureaus and Missions has not been effectively addressed; the monitoring files of the Expanded Program are incomplete; and some developing problems traceable to a lack of continuity in monitoring are evident. Some actions, e.g., completing files to improve monitoring memory, appear obvious, but purposeful experimentation on alternative management options is encouraged.

I. THE EXPANDED PROGRAM

A. PROGRAM GOALS AND PROCEDURES

The Expanded Program of Economic Analysis focuses on agricultural and rural sector planning. The immediate purpose of the program is to strengthen planning capacities in the LDCs. The ultimate purpose is to improve the contribution of the agricultural and rural sector in achieving economic and social development objectives. To achieve the ultimate goal the Expanded Program seeks to improve decision making regarding agricultural and rural sector projects and programs. The basic idea is that improvement in agricultural and rural sector planning capability brought about through the Expanded Program will serve decision makers by developing capacity and methods to more accurately estimate the consequences over time of alternate policies, projects and programs as related to multiple economic and social objectives.

To realize the capacity to analyze the consequences of development alternatives involves an array of sector analytical processes. The most simple process is short-term policy or project analysis usually involving limited data and a high degree of subjectivity. An intermediate form with a sub-sector emphasis involves analyzing quantitative relationships particular to subsector policy questions. A final form is a quantitative model building activity involving within and between sector linkages. The Expanded Program seeks to develop methodologies at all three levels to fit different levels of need and capacity among LDCs..

The content of the Expanded Program is designed to support activities on data systems, partial and aggregative analytical methodologies, specification of agricultural policy options, specification of rural development project alternatives and the analysis of alternative means of linking planning capacities with political decision makers. The Expanded Program is being developed through implementing a series of activities or subprojects that operationalize existing knowledge; pursuing applied, adaptive and basic

research; structuring training and information exchange activities; and developing technical assistance activities on specified policies. In their formulation, these activities will incorporate an array of social science disciplines into the planning systems, primarily to help specify the options available and to provide guidance on their feasible limits and coefficients.

The capacity to undertake the range of research, technical assistance and training activities required is not available entirely within AID and the host countries. Consequently, the major operations strategy is to link rural social scientists located in U.S.-based universities and government agencies with host country planning agencies.

Through the Expanded Program AID has pioneered in the development of procedures and mechanisms designed to effectively link LDC planning specialists with their colleagues in U.S. universities. The major elements of the process are a Basic Memorandum of Agreement between AID and selected U.S. institutions which have expressed a desire to cooperate in activities related to agricultural and rural sector planning: Cooperative Agreements specifying a set of activities; and broad based advice, review and approval authority through a multi-office, multi-regional committee.

The Basic Memorandum of Agreement and the Cooperative Agreement are important procedural mechanisms which appear destined for much broader usage in Agency-university relationships. In the April, 1977, report to the Congress on Title XII it was noted that the BIFAD had reviewed and endorsed the Expanded Program. The implication was that this experimental effort should be carefully reviewed and evaluated as an approach to involving universities in the U.S. assistance effort.

B. PROGRAM DEVELOPMENT AND CURRENT STATUS

The Expanded Program is not the first AID attempt to develop agricultural sector capacity abroad through the support and cooperation of U.S. scholars. In 1970 an agricultural sector analysis program was initiated with a methodological project in general systems modeling along with policy oriented projects in agricultural credit, land tenure and alternative sources of income for rural residents. At the same time a number of 211(d) grants were made to develop an internationally oriented staff capability in agricultural economics in U.S. universities. Also the A/D/C Research

Training Network was established with one of its objectives that of linking individuals with interest in agricultural policy/sector analysis. During the period 1971-1973 additional projects were developed in rural employment, agricultural trade and in alternative methodologies for substantive agricultural/rural sector modeling.

In late 1975 the present format for the Expanded Program was approved. Over the last year and one-half, activities have been initiated to establish a planning capability in Lesotho, further develop planning capacities and sector analysis methodologies in Tunisia, develop a Latin American Planning Network, and design and test data gathering processes and analytical modes in Costa Rica, Nicaragua and the Dominican Republic. In addition a set of activities are being prepared that include a S.E. Asian Planning Network and the selection and testing of rural development progress indicators.*

Throughout the period since 1970, agricultural and rural sector analysis efforts have faced a number of persistent problems. First is the continued lack of agreement on the definition of agricultural and rural sector analyses -- particularly the concept of a continuum from simple project and program analysis to mathematical models constructed to serve as a continuous planning tool. The lack of an adequate definition of agreed program content creates an impression of a set of uncoordinated projects rather than that of a coherent program. This problem has been confounded by the image of ESP as only supportive of highly quantitative modeling research projects which attempted to enhance the theory and methodology for a set of planning approaches.

A second major problem is that mechanisms have not been developed to assure the linkage of productivity (efficiency of resource use) and equity (quality of life) considerations into agricultural and rural sector analyses, which in turn limits the policy impact of the work. Third is the lack of agile administrative arrangements to effectively link university and AID personnel for project development and evaluation efforts.

* Summary descriptions of the four major project activities are included in Appendix A.

The evaluation of the Expanded Program, viewed against the legacy of past efforts, points up the persistence of some problems that have plagued early efforts, as well as progress which is being made in dealing with these issues.

C. EVALUATION FOCUS AND PROCEDURES

This evaluation was undertaken shortly after initiation of the first three major subproject activities (Lesotho, CRIES and LASAN). Consequently little output or even input data were available, and field progress did not yet warrant site visits. However, the project approval documentation required an early evaluation to assess the effectiveness of program and procedural processes. The evaluation therefore focuses on the Expanded Program as a combination of concepts, processes and procedures directed toward improving the agricultural/rural sector decision process by developing techniques and capabilities for various levels of sector analysis complexity.

The evaluation utilized information available in project documents and records regarding the development and operation of the Expanded Program. More important, however, were interviews conducted during the period June 6-15 within AID and by telephone with university faculty. Within AID the evaluation was guided and reviewed by a Senior Review Advisory Panel composed of Robert Culbertson, Roger Ernst and Edmond Hutchinson.

At a substantive level the review focused first on obtaining an understanding of the justification for the program within the Agency and the university community. That is, does an adequate sense of urgency and need provide the base of commonality of interest required to justify the Expanded Program and its special procedural arrangements? Next, a number of persistent issues were examined:

1. How well is the program specified?
2. Is the composition of the initial set of activities consistent with program goals and participant interests?
3. Does the program to date give evidence of providing the Agency and LDC institutions access to U.S.-based agricultural and rural sector analysis capacity?
4. Does the program provide a timely collaborative input into the design of Cooperative Agreement activities?

5. Are the projects under the Expanded Program integrated with other Agency activities related to economic and social planning objectives?

Finally, we reviewed the pace of development of the Program and the effectiveness of the operating mechanisms being used to implement it. This aspect of the evaluation concentrated on:

1. the state of development and effectiveness of the Basic Memorandum of agreement - Cooperative Agreement as a procurement device;
2. the ARSP committee review procedures;
3. the procedures used to select universities for inclusion in the program;
4. program management.

Before proceeding to more specific comments, a general caveat is necessary. The Expanded Program was approved in December 1975. The three major sub-projects were approved for implementation in mid to late 1976. Consequently, there are no definitive results to display, and only limited evidence to support the judgments derived from documents, reports and interviews with a wide array of participants in the Agency, universities and USDA.

II. PROGRAM EVALUATION

A. PROGRAM PERSPECTIVES AND IMPORTANCE

The increasing size of agricultural budgets in AID and other international assistance agencies reflects the importance agriculture is receiving in development activities. More important, LDC governments are investing large amounts of their own scarce development resources and energy in agricultural and rural development. The product of the Expanded Program provides an important input into the efficient utilization of funds allocated to meet agricultural and rural sector program objectives. The Expanded Program is not the only source of U.S. or international support for rural sector policy-planning capacity. But funds directed to assist LDCs to more effectively use their own development funds as well as those available from the international community have a high potential return.

Within the Agency, increasing concern was reported by all Regional Bureaus for more systematic policy and program analysis of the type associated with agricultural and rural sector analyses. At the same time, Agency capacity to provide agricultural economics input for either AID programming efforts or longer term technical assistance in the host countries, while improving, has not kept pace with the increasing demand for such expertise. Consequently, within AID there is considerable interest in mechanisms for recruiting agricultural economists from the university community and other government agencies to increase the Agency's ability to respond to these needs.

The Regional Bureaus and, by implication, the missions have concerns which are both immediate and longer term. The immediate needs relate to the AID programming process -- assistance in preparing sector assessments, performing project analyses, participating in evaluations. The longer term concern is to build local capacity to perform agricultural and rural sector analyses. The short term programming demands are recognized by TAB, but their primary interest and responsibility is to develop procedures

and approaches for agricultural and rural sector planning that are applicable to a range of LDC conditions. The Expanded Program functions as a mechanism to merge Agency concerns. Thus, ESP can provide technical backstopping and facilitate access to the community of university agricultural economists while cooperating with missions on selected activities to build local capacity and develop and test improved approaches to agricultural and rural sector analysis.

From the university perspective, the Expanded Program appears to offer a partial solution to the problem of obtaining support for faculty research and graduate training on international agricultural development problems. University faculties recognize their potential contribution to the problems of the LDCs and feel that involvement with those problems is an important component of a high quality agricultural economics program. Currently, opportunities for faculty involvement center on technical assistance -- consulting activities in agricultural and rural development which provide little support for the related research and graduate training which are also integral parts of the university economists' careers. Thus, the faculty interviews reveal widespread support for the Expanded Program, which is viewed as a mechanism to provide long term flexible support for activities to be jointly identified. More specifically, from the university perspective, the Expanded Program provides a framework for designing programs that will meet AID's programming needs and their need for research and graduate training support.

B. PROGRAM DEFINITION AND BOUNDARIES

Activity in the area of agricultural and rural sector analysis has generated widespread support within the Agency and the university community for the objectives of the Expanded Program. Similarly, it is evident from discussion with participants that the Expanded Program is viewed as a vehicle to obtain a number of outputs, ranging from short term technical assistance to basic research. However, the participants are less clear regarding which activities should be (or will be) given priority and/or incorporated into the program. There appears to be a lack of understanding of which activities, beyond the more sophisticated large scale models of the

Thailand and Korea type, should be included in the definition of agricultural and rural sector analysis, and hence are eligible for support under the Expanded Program.

The lack of a clear understanding of the concept of agricultural and rural sector analysis and of the boundaries of the Expanded Program is at the root of a number of practical concerns expressed by both AID and university interviewees. The criteria which members of the ARSP use for judging the relevance of a particular activity to the goals of the program are unspecified. The basis for allocating responsibility and project costs between missions and the Expanded Program is unclear. University people felt they were unable to aggressively develop program suggestions because the range of topical areas and activities that would qualify for funding under the Expanded Program were unclear.

It is noteworthy that a major limitation of the 211(d) effort was the lack of a clearly understood long term program. A sharper specification of what is included in sector analysis and the range of activities that are to receive priority is essential for the identification and approval of activities and will likely facilitate a more aggressive university participation in the Expanded Program.

The design to which we refer is not a rigidly detailed instrument, but a mosaic or matrix of the categories of information to be developed by the Expanded Program, together with a priority ranking based on the importance of the activity and the present state of knowledge about it. Such a design, developed in collaboration with the participating institutions can provide the stimulus for developing proposed solutions, and would provide the ARSP committee with an important guide to selection among competing proposals.

ESP staff recognize the issues and have initiated some work on a program mosaic that will provide a sharper program definition. However, it is essential that both Agency, university and host country personnel be included in the development of the program matrix to assure that a timely collaborative program results.

C. PROGRAM COMPONENTS

The Expanded Program provides a mechanism and a philosophical orientation for technical assistance activities by university faculty members and support of research on problems of agricultural and rural sector analysis by faculty and graduate students. To date the focus of activities has been technical assistance with only minimal support for research activities designed to increase the knowledge base regarding sector analysis, and graduate training other than host country nationals. A fuller range of activities is important from the perspective of both the universities and AID. Research is essential to development of a range of data systems, partial and aggregative analytic methodologies, specification of policy options, specification of program alternatives, and means for linking analysis with decision making which can be adjusted to a range of LDC situations, all of which are essential to effective technical assistance to develop capacities within host countries. Attraction and retention of the best university scholars require support beyond the stipend derived from technical assistance and, at best, very applied research. Without such support, the better university-based scholars will turn to those areas where resources are available for activities of greater academic interest and be lost to the Agency and to international development activities in general.

ESP staff are aware of the need to incorporate sector analysis research which has a less country specific and immediate programmatic orientation if the Expanded Program is to meet its goals. The problem may be the stage of program development. Basic Memoranda of Agreement and Cooperative Agreements are under discussion with Michigan State and Oklahoma State. These agreements will provide support for applied research directed at specific problems such as food reserve systems and data requirements for small farmer problems. Similarly, it is expected that existing cooperative agreements will be revised through annual work plans to incorporate more research into methodology and comparative analysis and that additional Cooperative Agreements with less immediate technical assistance orientation will be signed with universities participating in the initial program activities.

The lack of support for graduate assistants beyond host country student training reflects the technical assistance nature of initial program activities and the reluctance of AID missions to use graduate students in that role. As the research component of the Expanded Program develops, it will be important to incorporate graduate student assistants more fully as a complement to the research effort. Within the Agricultural Experiment Station System graduate research assistants undertaking thesis research play a major role in research projects. Graduate assistants working under faculty supervision have contributed significantly to AID's university contract activities overseas. Many of these former assistants are now among the corps of experts most sought by AID missions.

D. ACCESS TO AGRICULTURAL ECONOMISTS

From AID's perspective the use of the Expanded Program to gain access to university-based agricultural economists is of critical interest. In that connection it is important to note that AID does gain access to agricultural economists. The problem faced by bureaus and missions is access to quality people on a timely basis with the prospect of a continuing relationship with economists who have an understanding of a particular set of issues and/or geographic focus.

The Regional Bureaus' demand for agricultural economists is primarily for university-based people for short term technical assistance and programming purposes, and ESP staff for TDY and technical backstopping of country sector studies and contracts. The Expanded Program has provided Regional Bureaus and missions access to technical assistance oriented agricultural economists under the Expanded Program funds and, through use of the Cooperative Agreement mechanism, with mission funds. ESP staff are functioning as an in-house technical resource base and a connecting link with the professional community in other institutions.

The selection of universities for inclusion in the programs augurs well for the potential of the Expanded Program to provide access to university-based agricultural economists. The universities which have signed memoranda of understanding and those which are slated for inclusion in a second round of such memoranda contain the major concentrations of

internationally experienced agricultural economists. With one or two exceptions, it would be difficult to improve upon the list.

The aggressive institutional recruitment effort which preceded the screening process did not, however, increase the number of institutions providing advisory services to AID in agricultural economics. Some institutions are not interested in or able to undertake international involvement, and others are waiting to see how the new approach turns out before acting. The most significant reason perhaps is that AID has already tapped the most willing and most capable of these institutions -- and probably helped develop them through earlier relationships.

To realize the potential of the Expanded Program, it is important that the Agency recognize that the agility sought by coupling on-campus research under the Cooperative Agreement mechanism with quick response availability of faculty members for overseas TDY assignments will not develop automatically. It will require development of procedures at least as agile as those used under technical service contracts, basic ordering agreements and indefinite quantity contracts.

Three additional issues associated with the selection process were identified. First, by using as a major selection criterion the existence of a corps of qualified economists, the process excludes highly qualified individuals located at small universities which lack a major concentration of scholars with international experience. Other mechanisms will have to be used to gain access to that group.

Second, agricultural economics sector analysis capacity is not always correlated with university capacity to contribute individuals with other rural social science skills required for agricultural and rural sector analysis. The subsequent addition of Cornell and Ohio State to the list of initial universities reflects this situation.

The third issue, raised by university faculty, is the need for Agency support to maintain a flow of trained U.S. agricultural economists with international research experience and an interest in agricultural and rural sector analysis. Under the 211(d) grants, funding for graduate student training and research supported that objective. University expectations that the Expanded Program would provide an alternative source of support

for graduate training have not yet materialized. In their view, the availability of such support is essential if the cadre of internationally oriented agricultural economists is to be maintained.

E. COLLABORATIVE ACTIVITY DEVELOPMENT

The prospect of participation in the design of activities under the Expanded Program is welcomed by the university interviewees. The record of collaborative design to date is mixed. The Lesotho project was developed by AID and host country people with a fairly clearly specified set of initial activities. The second stage of the project is much less tightly defined and it is expected that Colorado State will play a major role in specifying tasks to be included in that phase. A similar mode prevailed in the Latin American Sector Analysis Network. On the other hand, USDA personnel performed a major role in planning the CRIES activity. Discussion currently underway regarding other Cooperative Agreements follows a more collaborative procedure. For example, the mission funded a pre-planning TDY to Mauritania to involve the University of Minnesota in initial feasibility studies.

The Cooperative Agreement instrument requires intimate collaboration between AID and the cooperating institution in project design and execution. ESP needs to devote more attention to seeking opportunities for assuring greater involvement by all participants in early stages of project identification and development. Some of the mechanisms which might be used include:

1. Collaboration in establishing the definition of agricultural and rural sector analysis activities supportable under the Expanded Program.
2. Joint design of a program matrix and establishment of priorities for the included activities.
3. Site visits by prospective cooperators at the earliest possible stage of program design.
4. Solicitation from prospective cooperators of concept papers on approaches to priority sector analysis activities.
5. Periodic seminars among cooperating institutions and AID staff.

F. PROGRAM INTEGRATION

Agricultural and rural sector analysis is a multidisciplinary process which includes consideration of both efficiency and equity policy goals -- the latter having come more into prominence with the "new initiatives." A critical part of sector analysis is the specification of interdependent program goals and the identification of unintended effects (positive and negative) of policies developed and evaluated through partial analysis. Within TAB, the Rural Development and Nutrition Offices are supporting problem-oriented partial analysis and the Development Administration Office has a functional interest in assuring the effective introduction and management of a wide range of programs and policies directed at the rural sector.

The team considered the question of whether the potential complementarities of the activities of the various divisions of TAB are being obtained. For example: Is the selection of specific problem-oriented activities of Rural Development and Nutrition Offices benefitting from the insights gained through the sectoral approach of ESP? Is the partial analysis approach of Rural Development and Nutrition Offices being formulated so as to be consistent with a holistic view of the sector and the need to consider alternate policies? Are the activities of ESP, Rural Development and Nutrition being effectively linked with decision making and management considerations?

A definitive answer to these questions could not be found at this stage of program development. But the issues are important and the Agency needs to assure adequate integration of the activities of the groups involved in various aspects of agricultural and rural sector analysis. We suggest that Rural Development, Nutrition and ESP Offices jointly address these issues.

III. MANAGEMENT AND IMPLEMENTATION

At this point it is necessary to repeat the caveat stated at the end of Chapter I: Project activities and specialized procedures are so recent that there is little concrete evidence to support judgment. The comments which follow therefore reflect concerns rather than suggesting a consistent pattern of weakness.

A. THE PACE OF PROGRAM DEVELOPMENT

In the early stages of the Expanded Program, project development has been hindered by an initial cumbersomeness of new project development and approval processes and by the fact that the Cooperative Agreement procurement process is being developed on a case-by-case trial basis. As experience is gained, both the project approval process and the Cooperative Agreement mechanism will be less time consuming. At the same time, the joint design feature and the flexibility of specific work activities inherent in the collaborative design process will require increasing staff time as the portfolio of activities grows.

It is not likely that in the near future ESP staff available to the Expanded Program will increase significantly beyond the current level. Thus, it is important that ESP consider alternatives to increase staff efficiency and design projects under the Expanded Program in such a way as to be consistent with current staff capacity.

In the area of project design it will be important that ESP staff focus their participation in joint Bureau-TAB project management on substantive matters rather than operations. Similarly, ESP should minimize involvement in training by continuing to encourage mission responsibility for arranging and funding programs to train host country nationals in agricultural and rural sector analysis as in other areas. Finally, the development of a sharper definition of the activities to be pursued under the Expanded Program will facilitate use of university-based scholars in

program development and the incorporation of IBRD, IDB and other international agency sector analysis experience.

IPAs provide an important technical input and with experience have demonstrated ability to deal effectively with AID procedures and bureaucracy. However, they lack comparative advantage in the latter area, which limits their ability to perform effectively in the adversary relationships characteristic of the Agency. This weakness should be recognized and countered by establishing a strong administrative support mechanism to expedite day-to-day administrative processes and reduce both friction and frustration. ESP should continue to use as consultants IPAs who have gained experience by previous service in the office. In addition, staff capacity could be augmented by use of IDIs and student aides.

B. THE COOPERATIVE AGREEMENT

The Cooperative Agreement is a U.S. Government obligating document which fills a niche between a contract and a grant. It provides the Agency with greater control than does a grant, but assures the cooperator of greater participation in planning and implementation than a contract. A Cooperative Agreement is intended for use when the cooperating entities -- the Agency and a university or other organization -- seek to achieve a joint objective, the attainment of which will benefit both, and where the methods to be used are somewhat uncertain, so that planning and execution require a step-by-step collaborative effort.

The Cooperative Agreement is developed in a two stage process. In the first stage, a significant area of need is delimited, prospective cooperators are identified and screened (see Section C. Institutional Screening and Selection Process, below) and a Basic Memorandum of Agreement is issued. The screening process is intended to provide an open, competitive and objective approach to procurement. The Basic Memorandum of Agreement establishes the framework within which the cooperative work will be performed without specifying the particular effort or obligating funds for its implementation. It establishes the long term mutuality of interests and the implication of a continuing relationships.

The second stage begins with the identification of a particular objective and the issuance of an initial Cooperative Agreement under the Basic Memorandum of Agreement. The Cooperative Agreement is a financial obligation document, specifying the responsibilities and contributions of the parties. The initial Cooperative Agreement ideally involves the cooperator in detailed planning (and negotiations with the host country for overseas work), which may be limited to preplanning activities. It is expected to lead to an amended or new Cooperative Agreement to continue the work agreed to during this planning activity. Additional Cooperative Agreements and/or amendments may be issued as needed during the life of the Basic Memorandum of Agreement.

The primary characteristics which appear to distinguish the Cooperative Agreement from either a contract or a grant are:

1. Mutuality of Interests. Both partners expect to benefit (not necessarily in the same way or to the same extent) by achievement of the objectives. Both must therefore contribute to the effort. Federal Procurement Regulations require a minimum contribution of one percent -- the only aspect of the Cooperative Agreement specified in the FPRs.*

2. Resource Complementarity. A Cooperative Agreement recognizes (overtly or by implication) that the partners have interests beyond a trading transaction, that each has resources to help the other, and that a combined effort will have synergistic effects.

3. Joint Planning and Execution. The uncertainty of the method for achieving the objectives requires a collaborative mode. In essence, since neither party can fully anticipate the resource and knowledge requirements of the complete process, periodic planning is the way in which step-by-step advances are agreed. A contract is a more appropriate mechanism when the Agency can specify both the objective and the method for attaining it.

The Cooperative Agreement has the potential for effectively linking AID needs for university talent in that:

* In fact, universities are currently contributing up to 21 percent. Universities have severe problems in cost sharing since their primary source of non-federal funds directs their use to intra-state activities.

1. It establishes a truly collaborative mode of operation, something long sought after by the universities, some other contractors and many AID personnel, and specified in Policy Determination 65 (Circular No. 1 to Handbook 14).

2. It provides a vehicle for effective recruitment of university resources through recognition of the restrictions imposed on foreign involvement of the university by its primary role and source of funding.*

3. It provides a procurement mechanism which is more appropriate for many AID activities than either the contract or the grant. The contract is intended for a commercial trading transaction and becomes distorted when adjusted to the conditions described in 1 and 2. The grant transfers both responsibility and methodology with the resources.

Currently the use of the Cooperative Agreement is constrained by the need to document precisely the conditions under which it may be used. The Office of Contract Management is taking a careful case approach to this new procurement method, examining each case on its merits with the intent of codifying the experience gained in a chapter of the Handbook. This is a slow process, as each case is judged against the established guidance for contracts and grants, issues are identified and argued, and a judgment made as to suitability for use of a Cooperative Agreement. The procedure has delayed development of the Expanded Program. However, the case-by-case approach should ultimately result in a form of Cooperative Agreement suited to Agency needs and conditions.**

* Universities are funded primarily by state legislatures to carry out teaching and research functions directly related to the needs of the state. University personnel are employed by the state to carry out these functions. They do not constitute a shelf item for procurement, but an element of a complex system which includes, besides the staff member's salary and teaching assignments, his relationship with graduate students and other research resources, committee work and tenure-promotion considerations.

** USDA has used the Cooperative Agreement for years as a preferred mechanism for collaborative agricultural and economic research with land grant colleges and state universities. Their experience may be useful for refining AID guidance, once the general framework has been established. However, the USDA situation is quite different from AID's: The universities and USDA are both required to conduct research on agriculture within the U.S. and joint efforts are naturally beneficial to both and to their respective clienteles. AID's focus is international, and although universities may have a strong international interest, their primary non-federal source of funding is the state legislature whose primary concern is intra-state activity.

Cooperative Agreements have been signed under the Expanded Program with three universities and several others are in process. Proposals for Cooperative Agreements with other institutions are being prepared by TA/RD, TA/Nutrition, and PHA/POP.¹ The people interviewed in universities, TA, PPC, GC, the Regional Bureaus, and Contract Management felt that the Cooperative Agreement would provide a useful tool. However, at this point in time, much is speculation and uncertainty, and the promise which this mechanism appears to hold may not be fully realized. The universities and many AID staff see the Cooperative Agreement as the embodiment of the Collaborative Mode of PD-65; this expectation should be achieved. However, experience to date indicates that the universities' desire for a reduction in project approval documentation and time delays and the Regional Bureaus' wish for a simple mechanism for recruitment of experts have not been achieved and are likely to be attained only with considerable additional experience.

The primary limitation placed on the use of the Cooperative Agreement by Contract Management is that it shall not be used where a contract or grant is appropriate. In the absence of such an instrument in the past, both contracts and grants were skewed to fill the gap. For example, laymen who compare the wording of a Cooperative Agreement with that of a typical university contract or some of the more tightly drawn 211(d) grants will not be impressed by the differences. But there are differences in the new Standard Provisions, the Basic Memorandum of Agreement and in the substance as well as the format of the Cooperative Agreement Schedule.

Some arbitrary limitations applied initially, e.g., requiring country specificity, will be examined on a case-by-case basis and eliminated if unreasonable. This open-ended approach helps, but does not eliminate the need for painstaking examination of issues as they arise. For example, there appears to be no obstacle to funding on-campus applied and adaptive research relevant to agricultural and rural sector analysis under the Cooperative Agreement, and to couple this research with assuring the availability of university personnel for temporary assignments in an unassociated situation if these services are paid for by other funds. However, the mechanisms whereby such services are made available may require a separate contract, which might reduce the agility of the Cooperative Agreement as a service mechanism.

* Four cooperative agreements ²⁰ outside the Expanded Program

The above example also illustrates a more general observation of the Evaluation Team that the obstacles to wider use of the Cooperative Agreement are practical rather than philosophical. Nearly everyone interviewed appears to understand and agree with the basic principles involved, and all desire to realize the promise of the Cooperative Agreement. Despite this consensus, the Cooperative Agreement still faces great difficulties in implementation. Examples include the following:

1. While the Cooperative Agreement provides for greater collaboration in planning and implementation, and, at least philosophically, for a longer term relationship, it does not automatically reduce the delays and general cumbersome nature associated by universities with AID procurement.

2. The flexibility sought in use of the Cooperative Agreement to adapt AID procurement to the natural research mode of the universities will not be realized until AID operating personnel accept the use of graduate students as primary implementors (under faculty supervision) of much of the development work.

3. The aggressive institutional identification and screening process has not expanded the base of available expertise -- institutions with strong economic analysis staffs who wanted an international involvement with AID were already recognized and working -- nor has a method been worked out to tap exceptional individuals in smaller, or less internationally oriented agricultural economics departments.

4. The longer term liaison implicit in the Expanded Program and the Basic Memorandum of Agreement (despite its finite term) does not in any way extend AID's obligational authority or alter the underlying causes for shifts in allocation of AID funds. Long term liaison could be maintained if AID funding were reduced, only by limiting other outlays. Such preferences have been strongly resisted

C. INSTITUTIONAL SCREENING AND SELECTION PROCESS

A critical element in the procedures of the Expanded Program is the selection of universities to participate in the program. The process that was developed under the Expanded Program received high marks from all interviewees.

In January, 1976, a meeting was held in Washington with 60 institutions, universities, private counselling firms, and government agencies to explain the purposes of the Expanded Program. In response to a request to that group for proposals, 28 were received. The proposals were reviewed by the ARSP and 14 institutions were selected for on-site visits. On-site visits were conducted by four teams of three to four persons. Again all Regional Bureaus, PPC, TAB and the Contract Office participated in the site visits but no IDA personnel participated. On the basis of site visits, Memoranda of Understanding were signed with five universities: University of Minnesota, Iowa State University, Michigan State University, Oklahoma State University, and the Research Triangle Institute. Subsequently, Ohio State, Cornell University and Colorado State were added.

The criteria used in the selection process were: (1) the organization's professional capability in agricultural and rural sector planning and analysis; (2) the organization's commitment to programs in international development and interest in collaborative modes of operation; and (3) the availability of experienced staff to participate on a timely basis in the program. A comparison of the reports of individual site visit team members with the criteria indicates that with the exception of Colorado State, which was a late addition for which rankings could not be located, the rankings were consistent with the universities selected.

In the course of the evaluation, interviews were conducted with universities that were both successful and unsuccessful in obtaining Cooperative Agreements. In each case the procedures used were judged fair and open, the only criticism being a relative lack of well known, established agricultural economists on the teams.

D. THE AGRICULTURAL AND RURAL SECTOR PLANNING ADVISORY COMMITTEE (ARSP)

Under the Expanded Program of Economic Analysis, flexibility in development of activities under the broad project approval is combined with a tight control over approval of individual activities. Each activity is documented with an Activity Paper (comparable to a Project Paper), which must be approved by the Agricultural and Rural Sector Planning Advisory Committee (ARSP) created for that purpose.

The ARSP was originally proposed as a 13-member advisory committee with both AID and non-AID membership. The committee was never chartered as a full advisory committee because of an administrative directive to reduce the number of outside advisory committees. However, it has functioned as an ad hoc internal committee with AID membership alone, acting as a staff review committee of the Research and Development Committee to recommend approval of new activities and modification of on-going activities, receive progress reports, review the screening process, and provide a forum for discussion of emerging issues. ARSP is composed of representatives from TA/AGR/ESP, the four Regional Bureaus, PPC, TA/RD, TA/PPU and CM. Through the broad participation, it provides a relatively flexible instrument for communication and reconciliation as well as decision making.

The elimination of non-AID representation on the ARSP is unfortunate. Besides providing an outside point of view, the proposed membership included individuals whose professional skills, experience and judgment might have made significant contributions to Agency thought in the sector analysis field. The Agency should consider alternative procedures to assure a continued outside input into the activities of the Expanded Program. For example, personnel from institutions participating in the Expanded Program should be invited to participate in developing the necessary program mosaic or matrix.

The ARSP does not have a set of agreed criteria with which to judge the suitability and priority of subprojects to be included in the Expanded Program. The broad base of the committee assures that pertinent office interests are represented, but does not insure that the activities chosen will comprise a coherent set of activities which advance the objectives of the program. In establishing these criteria, it is important to define the components of agricultural/rural sector analysis, develop a program matrix and establish activity priorities, and set administrative guidelines for use of Expanded Program funds, instead of other ESP, TA, or Regional Bureau funds.

The ARSP, being composed of individuals of similar administrative hierarchy, functions through compromise and concurrence. A review of the minutes suggests that all significant issues may not be raised. It also

appears possible that significant issues may be decided at this level without policy level review. At the same time, the Expanded Program needs a continuous and flexible review and approval process which involves the broad participation of the offices represented on the ARSP. Thus, the Agency should consider the desirability of segregating Expanded Program activities requiring heavy funding to a full review by the Research and Development Committee, after the ARSP has ventilated (but not resolved) the issues.

A review of the attendance of 15 ARSP meetings between December 17, 1976, and March 11, 1977 (Table 1), reveals a frequency of attendance of two-thirds of the meetings by the Regional Bureaus and seven-eighths by CM and PPC -- indicating appreciation of the value of the ARSP. Many individuals represented their offices at these meetings, but only ESP, TA/AGR and PPC sent the same representatives to more than half the meetings. This lack of continuity undoubtedly reduces the effectiveness of individual representatives and may slow the work of the group.

Table 1
ARSP FREQUENCY AND CONSISTENCY OF ATTENDANCE AT 15 MEETINGS

Office	Meetings at which represented	Different individuals representing	Maximum attendance by a single representative
TA/AGR/ESP	15	11	15
TA/AGR	11	4	11
TA/PPU	5	2	5
TA/RD	4	3	2
PPC	13	5	9
CM	13	3	6
AFR	10	5	6
NE	11	3	7
ASIA	10	2	7
LA	8	5	3

II. PROJECT MANAGEMENT AND MONITORING

The principal activities of the Expanded Program are still in an early stage of operation, with little accumulated experience. However, the monitoring management function of ESP is critical and it is important that the accumulated experience being gained is recorded.

Individual TA/AGR/ESP project monitors are well informed about the origins, intent and current operations of their activities. They understand the technical issues and are professionally qualified for the "participatory control" role which the Cooperative Agreement requires. Relationships with the cooperating institutions are good.

The principal weaknesses noted in monitoring are bureaucratic and procedural:

1. Turnover. A number of individuals have had primary responsibility for the planning and initial monitoring of each of the major activities of the Expanded Program, both in ESP and the Regional Bureaus. A number of reasons account for the variation, but a primary reason is the turnover of IPAs and rotation or transfer of Agency personnel in both TAB and the Bureaus. A lack of continuity of project monitors will prove to be particularly troublesome in truly collaborative participatory arrangements such as those being developed under the Expanded Program.

2. Files. TA/AGR/ESP monitoring files^{*} do not include a complete record of each project. File materials are loose in the folders, frequently undated, and not in chronological or hierarchical order. Important working documents and reports are missing, as are significant correspondence, and there is virtually no record of communications. Files take on increasing importance as time passes and staff changes. A strong effort should be made to reconstruct each of these activity files, obtaining copies of relevant material as needed from other AID offices as well as from the cooperating institutions. They will certainly be needed to maintain continuity in the face of the turnover mentioned above.

*The TA/AGR/ESP monitoring files are working files, rather than files of record; more complete documentation is available in TA/PPU, CM and CONT. However, the project monitor is the first person to turn to for project data and background, and he should have recorded the entire project history in documents, correspondence and reports.

3. Financial Status. The flow of funds through a project is an important indicator of general project health. When combined with indicators of physical accomplishment over time, it is a vital management tool, signalling problems early enough to permit selection of suitable alternatives. Project monitors should become more conscious of the importance of the financial progress of their activities and obtain the reports needed to follow funding flows at the project level.

CONCLUSION

Our overall judgment is that the objectives of the Expanded Program warrant a high priority among AID research and development efforts. The major subproject activities are each worthwhile efforts consistent with these objectives, within an unspecified mosaic of sector analysis requirements; until this mosaic becomes clearer, however, the relative priority of each subproject cannot be determined.

The two year project approval period (indicating the complexity of the topic within AID) and the history of AID-university relations (indicating the difficulty of coupling the expertise of U.S. institutions with LDC problems) both warrant the innovative procedures incorporated in subproject approval, development and implementation. It is still too soon to be certain that procedures developed will resolve persistent problems associated with past efforts to link universities and the Agency. However, persistent attention to the issues identified in the Summary (page 1) may improve the prospects.

Project Description1. Lesotho Agricultural Sector Analysis

A. Objectives

The Lesotho Agricultural Sector Analysis (LASA) is a three year project with two objectives.

1) To develop the capacity of the Government of Lesotho to implement, update, and utilize sector analysis as a planning tool in evaluating alternative strategies for economic and social development in the agricultural sector.

2) The establishment of a long term institutional relationship between a U.S. university department and its personnel, and Lesotho's Ministry of Agriculture, Cooperatives and Marketing and the Central Planning and Développement Office in the Ministry of Finance.

B. Summary Description

Colorado State University was selected as the University to participate in a long term institutional relationship with the Government of Lesotho. The project is being implemented in two phases. During the first phase (7 months) Colorado State faculty and GOL personnel will: (1) prepare a curriculum for the training of 10-12 Basotho which will result in M.S. degrees; (2) undertake an agricultural sector review; and (3) prepare a detailed scope of work for a subsequent agricultural sector analysis. At the end of Phase I a seminar will be held among interested participants to review, evaluate and approve recommendations of the Phase I report.

From the perspective of the Expanded Program there are two unique features of the LASA activity. First, the curriculum being developed in Phase I will be designed to minimize the time spent in the U.S. and

maximize its relevance to GOL problems. To achieve those goals Colorado State faculty in Lesotho will present formal courses for graduate credit that will emphasize applications to Lesotho problems.

The second unique feature of the LASA is the focus on a nation with problems associated with very low levels of income and local capacity. Much of the early work of ESP focused on more developed countries such as Thailand and Korea. The LASA is an attempt to broaden the base of experience with agricultural and rural sector planning to include a wider range of development circumstances.

C. Project Composition

The activities of Phase I of the project are primarily technical assistance in preparing a sector review from existing data and curriculum development for Lesothian students. There are provisions in Phase I for research on campus by three faculty on a one-third time basis and $\frac{1}{2}$ time support for training of two U.S. graduate students. These items are subject to negotiation and in Phase II Colorado State anticipates greater support for both items.

D. Cost Sharing

The LASA is budgeted at \$2,060,800 of which 69 percent is being carried by the Agency. Colorado State's contribution of \$259,900 consists of a reduction in the on campus overhead rate from 71 percent to 30 percent, a portion of the time of the project director, and library support.

Lesotho Project Summary Budget

FY 1977 - FY 1980

	(\$000)	%
<u>AID</u>	1424.2	69.1
TAB 1136.9		
AFR 287.3		
 <u>GOL</u>	 376.7	 18.3
 <u>Colorado State</u>	 259.9	 12.6
 TOTAL	 <u>\$20,060.8</u>	 <u>100.0</u>

E. Level of Cooperation

The initial project paper was prepared entirely by AID and GOL personnel. CSU however, made subsequent changes in the timing of the project and in the addition of support for on campus research and graduate training. There was considerable input by the GOL in the selection of Colorado State as the cooperating U.S. university. Phase II of the project is quite unspecified, with the design to grow out of the work in Phase I. Thus, it is expected that Colorado State will have full participation in the design of subsequent activities.

F. Source of Idea

The project resulted from an initial inquiry from the AID mission and the African Bureau.

G. Other

The LASA project in many respects is a model of the philosophy of the Expanded Program. Colorado State faculty feel that they have had ample

opportunity to participate in the design of project activities and view the LASA as an initial activity in a long term CSU-Lesotho relationship. Similarly, AID has gained access to senior professors at CSU through an arrangement based on real cost sharing.

II. Latin American Agricultural and Rural Sector Planning and Policy Analysis Network Activity

A. Objective

To improve and expand institutional capacities for agricultural and rural sector planning and policy analysis in Latin America. The

cooperative activity would involve the Inter-American Institute of Agricultural Sciences (IICA), Iowa State University, Michigan State University and possibly personnel from 23 Latin American countries where IIAAC has cooperative relationships.

B. Program Description and Composition

The project has not been finalized but the major components are likely to be:

1) Implementing a two stage survey to assess the capacity and constraints in agricultural and rural sector planning and policy analysis.

2) Analysis of the benchmark data that can serve to structure training requirements, preparation of training materials and the design of workshops and seminars.

3) In at least two countries (possibly Cost Rica and El Salvador) assistance has been requested (research and technical assistance) to assist in specific policy analysis, sector modeling methodologies and the design/implementation of institutionalization mechanisms.

4) Developing and implementing a management/coordination capacity for the planning network.

C. Cost Sharing

The expected budget for this project totals \$697,000 for three years (IICA \$294,000 and U.S. cooperatives \$403,000) and \$872,000 over five years (IICA \$369,000 and U.S. cooperatives \$503,000). A share of the U.S. \$403,000 and additional \$100,000 will include U.S. university cost-sharing that will be negotiated as the cooperative agreement is finalized.

D. Degree of Jointness

The project has been carefully developed with personnel from all cooperating parties.

E. Source of Idea

IIAC has an operating program of seven areas for technical cooperation. The seventh area is titled, "Formulation and Administration of Agricultural Policy, Planning, Organization and Coordination of Governmental Action to Attain Rural Development." The project grew from a history of collaboration in this area with U.S. universities, IICA and ESP.

F. Other

The management of this multiple phased network activity is recognized as a major issue. The project describes a division of management labor into administrative management, coordination and operations management, and management backstopping. Subsequent evaluation of this structure and changes from the original management design could be useful to future network efforts.

III. Agricultural Sector Analysis Assistance in Tunisia

A. Objective

To further the institutionalization and analytical framework of the agricultural planning and rural sector analysis activities of the Tunisian Ministry of Agriculture.

B. Program Description and Composition

An initial developmental phase towards an analytical sector model was completed prior to the project. Presently, efforts are directed at advancing the models analytical capacities and training Tunisians to maintain and advance the model as a part of the institutionalization process. Another effort to make the model more questionable will be a systematic documentation of how the model was developed and how it can be used in the planning process. Such documentation will serve as resource material for a series of workshops and seminars.

The research components of this two year cooperative agreement relate to the analysis of producer responses to risk and subjective uncertainty along with model advancements to include risk/uncertainty relationships.

Provisions were made in the agreement for the joint designing of another sector analytical effort in a specified country. Because of conditions beyond the control of AID or the University of Minnesota this activity will not be completed.

C. Cost Sharing

The estimated total U.S. cost of the 2 year project was approximately \$114,000 with the University of Minnesota providing 21 percent of \$23,000. This cost sharing included \$16,000 in salaries and \$7,000 in reduced overhead.

D. Degree of Jointness

Sector modeling activities involving Tunisia and University of Minnesota were initiated some five years ago. At that time the effort was cooperative with FAO, funded at the mission level along with some 211d

grant support at the university level. Recognition by all parties that the task was not completed led to the present activity.

E. Source of Idea

The original modeling project was an outgrowth of some joint planning efforts by FAO and USAID at the request of the GOT.

F. Other

There are references made to succeeding stages in the agricultural sector analysis development process but at this time we do not know of any continuing activities.

IV. COMPREHENSIVE RESOURCE INVENTORY AND EVALUATION SYSTEM (CRIES)

A. -SUMMARY DESCRIPTION

CRIES is a system for assembling data on soils, water, climate, vegetation, technology options, institutional resources, and economic information into a coordinated simulation program in order to systematically explore the economic options established by a country's resources and estimate the resource use impact of policies and programs. Major components are: (1) an inventory of the quantity, quality, ecological characteristics and development potential of agricultural land; (2) an evaluation of current major land use, cropping patterns and crop production technology; (3) estimates of input costs and output response expected for each crop; (4) an assessment of alternative new crop options and production technologies; and (5) a computerized analytical system that allows all crop production possibilities to be considered simultaneously when selecting the most efficient combinations to meet alternative policies, goals and institutional changes of interest to national policy makers.

Land, topographic natural resource and ecological data from a wide variety of sources are coded and digitized on a 1 km² grid and transferred to computer tape. Land of similar production potential because of similarities of soil, climate and topography is classified into large resource production units (RPU's) whose boundaries and characteristics are also digitized and taped. Technology options are identified and priced for each RPU. A computerized simulation model permits analysis for optimum use combinations under different policy and program alternatives.

The basic CRIES system was developed, tested and used in the U.S. in two distinct models. This activity adapts the basic methodology to

foreign environments in three Latin American countries. It also tests the possibility of incorporating computerized LANDSAT data against an alternative manual photo interpretation system and attempts to design a linkage between CRIES and each nation's sector analysis model. The work is being performed by the USDA Economic Research Service, using personnel and information drawn from ERS, SCS, ARS, and (through a USDA Cooperative Agreement), from Michigan State University where the project is headquartered. The Study Leader, John Putman, is from ERS' Natural Resource Economics Division.

The Dominican Republic was chosen as the first country because USDA is already working on an agricultural sector analysis system and a sample frame data collection system. Costa Rica and Nicaragua were added after a careful survey of Central American countries revealed that these had the best combination of resource data and analytic skills.

The project proposal was completed in November, 1975, funded in June 1976, and initiated in July, 1976. Progress against the original work plan is one to two months behind schedule, which is not abnormal in a new project. Work on the Costa Rica and Nicaragua projects will get underway in the next quarter, as expected.

B. OBJECTIVES

Objectives are stated somewhat differently in different documents, but the following purposes taken from the original activity paper appear to be most expressive of intent:

1. To select and apply techniques for collecting, classifying, collating and documenting data on a country's land and water resources, land use, production inputs, and expected outputs, production costs, technology options and institutional constraints.
2. To establish a system, using existing data management techniques and analytical processes, for evaluating these data.
3. To demonstrate the analytic capabilities of this system and test the reliability and usefulness of the results.
4. To develop procedures for linking the resource data and analytical system into a sector analysis.

5. To internalize utilization of the techniques developed as part of the activity and integrate the system with sector analysis activities in the countries.

C. PROJECT COMPOSITION

The entire project may be classed as a research effort with associated technical assistance. There is no formal training and no TDY to other areas. Although internalization of the system is one of its objectives, the technical assistance as is provided consists largely of working with national professionals in developing the system so that national planners will be fully conversant with system characteristics and uses by end of project. No specific provision is made for diffusion of techniques to other situations.

D. COST SHARING

CRIES I, which includes the Dominican Republic and Nicaragua, was budgeted for a total of \$1,269,200 for a four year period, beginning in 1976 and ending in 1980. Of this amount AID was to contribute \$1,018,800 (85.2%); USDA \$140,900 (11.1%); and NASA, \$46,500 (3.7%). AID requested that the activity be extended to include Costa Rica, at an additional cost of \$548,000. Since this extension (CRIES II) covers the same time frame, core costs, in which USDA and NASA costs are included, do not change. The effect is to shift cost sharing proportions to 89.7%, 7.8% and 2.5%, respectively for AID, USDA and NASA.

	<u>\$000</u>	<u>%</u>
AID	1629.8	89.7
CRIES I (1 081.8)		
CRIES II (548.0)		
USDA	140.9	7.8
NASA	46.5	2.5
T O T A L	1817.2	100.0

The PASAs between AID and USDA do not formalize these cost sharing arrangements, but serve only as obligating documents.

E. LEVEL OF COOPERATION

This project represents a high degree of mutual interest. AID sees CRIES as a significant addition to the tools of sector analysis and a way to improve national decision making in client countries, particularly if it can be effectively linked with other aspects of a sector model. USDA has a responsibility for keeping track of world production trends. CRIES has a significant potential for improving the predictability of national estimates. Both agencies thus have a strong interest in developing the system.

USDA, through its Project Leader, John Putman, ERS/NRE, did most of the detailed project planning work. Putman's services were financed by AID under a PASA. After project approval, Putman has been the primary coordinator of the activity. He has received strong in-country guidance and support in the Dominican Republic from the RDO, and anticipates the same type of collaboration in Nicaragua and Costa Rica. USDA and AID personnel participated jointly in the Central American survey leading to selection of the latter two countries.

The only noteworthy problem which arose in planning the project was an inadequate understanding of the foreign political environment - no one on the project planning team had had international experience.

F. SOURCE OF IDEA

The idea of applying CRIES to foreign situations arose from AID's recognition of the need to be able to rapidly organize agricultural resource information and assess agricultural potential of LDCs. This interest was consistent with USDA/ERS interests as a response to US commitments at the World Food Conference in 1974. Both AID and the USDA recognized that development of a system for more accurately predicting both actual and potential production levels would materially improve world understanding of world food problems and opportunities for their correction.

TA/AGR/ESP was particularly interested in the value of a tool like

GRÍES as a system with considerable potential for contributing to agricultural sector analysis and particularly to policy decisions relating to resource use.

G. MANAGEMENT RESPONSIBILITY

Viturally all aspects of project management are coordinated by John Putman, USDA Project Leader. He participated in the design of the project and preparation of the work plan. He also participated in the country screening teams, negotiated the Cooperative Agreement with Michigan State University, and generally acts as Project Leader. He reports to both ERS/NRE and ERS/FDD in USDA/Washington, as well as to TA&AGR/ESP and USAID/Dominican Republic/RDD. Headquarters for the project are on Michigan State University campus in East Lansing. AID personnel played an active role in planning the project, but have not participated in the research aspects of the venture.

Issues re Expanded Program1. Purpose

- a) Original project paper states purpose: "to expand and strengthen the capability of LDCs to identify and analyze the consequences of alternative policies, programs, and projects for agricultural and rural development in terms of their multiple economic and social goals." Consensus is that these words are acceptable for the renewal.
- b) Controversy exists on interpretation. Since the purpose is "to expand and strengthen the capability of LDCs," should projects (1) be limited to direct assistance to LDCs, (2) help USAID Missions identify, design, implement and evaluate projects "to expand and Strengthen the capability of LDCs," or  some combination of both?
- c) The argument for including both, i.e., (3) above, is that it offers the greatest latitude.
- d) The argument for direct assistance, i.e. (1) above, is that it provides a more specific ^{focus} ~~focus~~ to the Expanded Program, it is consistent with the operating style of the original Expanded Program, and it fills a void in AID.
- e) The argument for internal AID assistance, i.e., (2) above, is that it addresses the currently popular objective of "field support."
- f) In choosing among the alternative, we should consider the uncertainty re ISTC. If ISTC comes into being, as now seems likely, the remaining function of DSB, if any, will be exclusively "field support." However, projects aimed at strengthening the capability of LDCs could be moved to ISTC and may flourish there

2. Bureaucratic Strategy

- a) Our objective is recognition of a program that allows projects to be developed easily and quickly. Specifically, these projects would be approved without a PID and the only inter-bureau review would be by the ARSP Committee.
- b) A simple and unconventional approach to reaching this objective would be to write a memo and a short justification requesting that these programming conventions now in existence be continued. This probably could be approved by Tony Babb without any extensive review process.
- c) The conventional approach of getting a "project" approved probably will require more work in preparing the PP and getting it approved. This approach is devious since we really are not trying to get approval of a "project," however, it may have a better chance of working since it follows established programming procedures.
- d) Finally, we should estimate how much time and effort will be required to get the Expanded Program renewed, and then decide if the benefits exceed the costs. The effect^{ed} to renew or extend the Expanded Program has been underway almost one year, but we are now almost where we were a year ago.

Expanded Program Paper

I. Summary

II. Detailed Description

A. Background

1. Original PROP
2. Projects Undertaken
3. ARSP and Other Programming Conventions
4. Contractual Mechanisms, Including Screening for BMAS

B. The Renewed Expanded Program

1. Substantive Scope of Projects - Assistance to LDC Planning Units Funded by DS/AGR
2. ARSP Committee Review Process
3. Project Approval Process

III. Financial Plan

- A. Obligations to Date
- B. Projected Obligations

IV. Implementation Plan

- A. ARSP Committee: Membership & Role
- B. Program & Project Management by ESP

V. Evaluation

I. Summary

This paper presents a proposed renewal of the "Expanded Program of Economic Analysis for Agricultural and Rural Sector Planning" originally approved in December 1975. Several projects to increase the capacity of LDC planning institutions have been implemented within the original \$5.3 million budgeted for the Expanded Program. All projects were reviewed by the inter-bureau Agricultural and Rural Sector Planning Committee.

The three largest projects funded thus far under the Expanded Program are: (1) The Comprehensive Resource Inventory and Evaluation System (CRIES) which has assisted three countries in the establishment of natural resource information systems and related analytical procedures; (2) The Lesotho Agricultural Sector Analysis (LASA) to provide integrated technical assistance and training for agricultural planning in Lesotho; and (3) The Latin American and Caribbean Planning Network (LACPLAN) designed to assist planning agencies throughout the region. Other projects have provided assistance in the Philippines, Tunisia and El Salvador.

The renewal of the Expanded Program will be for five years, i.e., fiscal years 1980 through 1984. All DS/AGR funded projects with the primary purpose of directly assisting LDC planning units will be part of the Expanded Program, while projects with other purposes will be excluded.

Certain programming conventions established under the original Expanded Program will continue under the renewal. (1) Project Identification Documents will not be required for projects under the Expanded Program; Annual Budget Submissions and Congressional Presentations will contain fiscal data for the Expanded Program as a whole, rather than individual projects. (2) Project papers will be developed in consultation with and formally reviewed by the Agricultural and Rural Sector Planning (ARSP) Committee. (3) After the ARSP Committee recommends approval, DSB funding decisions will be made through the usual project approval process.

I. PROJECT IDENTIFICATION

PROJECT TITLE: **Expanded Program of Economic Analysis**

APPENDIX ATTACHED: YES NO

2. PROJECT NO. (U.O. PROJ. NO.):

3. LIFE OF PROJECT

4. LIFE OF PROJECT: BEGINS FY 76 ENDS FY 78

5. SUBMISSION: ORIGINAL REV. NO. _____ DATE _____

CONTR. PASA NO. _____

II. FUNDING SOURCE AND MONTHS AND REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES \$	F. OTHER COSTS \$	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: \$ US (U.S. CANCELED)		
		(U) \$	(M) MM	(U) \$	(M) MM			(U) \$	(M) MM	(U) U.S. GRANT LOAN	(M) MONTH	(Y) YEAR
1. FISCAL YEAR												
2. BUDGET FY 76	1500	1370	760			30	300	1500				
3. BUDGET FY 77	1800	1400	1000			20	380	1800				
4. BUDGET FY 78	2000	1500	1040			20	480	2000				
5. GRAND TOTAL	5300	4270	2820			70	1160	5300				

5. OTHER FUNDING CONTRIBUTIONS:

6. OTHER FUNDING CONTRIBUTIONS:

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER: **Lehman B. Fletcher** TITLE: **Chief, TA/AGR/ESP** DATE: **8/11/75**

2. CLEARANCE OFFICER: **Leon F. Hesser** TITLE: **Acting Director, TA/AGR** DATE: **8/11/75**

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

Subject to the conditions included in the recommendation in AA/TA's memorandum to DA/AID of October 16, 1975 and restated in a similar memorandum dated November 28, 1975.

2. CLEARANCE:

BUR OFF.	SIGNATURE	DATE	BUR OFF	SIGNATURE	DATE
TA/PPU	Carl Britz	8/11/75	GC/TA	A.R. Richstein	8/19/75
AA/PPC	Philip Blumberg	8/15/75	FPC/PPRE	R. Malley	8/15/75
CC	Charles Gladson				

3. APPROVAL: _____ DATE: **8/15/75**

4. APPROVAL: _____ DATE: **8/15/75**

TITLE: **Charles Perry, TA/TA**

5. APPROVAL: _____ DATE: _____

6. APPROVAL: _____ DATE: _____

23 July 1975

PROJECT PAPER

**Title: EXPANDED PROGRAM OF ECONOMIC ANALYSIS FOR AGRICULTURAL AND
RURAL SECTOR PLANNING**

Fiscal Years Proposed for Financing: FY 76 - 78

Appropriation Category: Food, Nutrition and Rural Development

Project Officer: L. B. Fletcher, Chief, TA/AGR/ESP

Project Summary

Title: Expanded Program of Economic Analysis for Agricultural and Rural Sector Planning

The goal of this project is to improve the performance and contribution of the agricultural and rural sectors of LDCs in achieving their overall economic and social development objectives. Systematic use of economic and related social science analysis is the means selected to assist LDCs in identifying, designing, implementing, and evaluating priority policies, programs and projects to promote their agricultural and rural development.

The purpose of this project is to expand and strengthen the capability of LDCs to identify and analyze the consequences of alternative policies, programs, and projects for agricultural and rural development in terms of their multiple economic and social goals. The result will be an improved information and analytical base for decision making on agricultural and rural development strategies, interventions and investments. Benefits will arise as a result of better decisions and will accrue to the target groups in LDCs.

Project inputs are primarily in the form of personnel and related support services:

1. LDC professionals will be involved in planning and analysis working directly with U.S. professionals in defining relevant activities, designing and implementing analyses, and evaluating analytical inputs into planning processes.
2. LDC governments will provide salaries and other support for LDC professionals and effectively link them to planning functions.
3. USAID missions and regional bureaus will provide both management and professional inputs as required for activity identification and management according to the plan of operations described in the PROP.
4. TAB/AGR/ESP will provide professional and managerial personnel as required to successfully fulfill its responsibilities under the PROP.
5. Professional economists and other social scientists will be made available with specialties determined by LDC needs from the pool of talent created under cooperative agreements with U.S. university and other organizations and PASAs with government agencies.

Discussions have been held with each of the regional bureaus to ascertain their anticipated needs for expanded economic and social science analysis of agricultural and rural development problems in their countries. The actual need, as determined by missions and bureaus, will govern the number and scope of activities undertaken since the responsibility for identifying needs and programming country-level activities belongs to the missions and bureaus. The budget projections given below are based on the assumption

that salary and fringe benefits costs for a full man-year of professional service (MYE) plus support for travel, research assistants, data collection, computer, and other expenses will average \$100,000 per MYE. The project initially involves a small manpower pool to be drawn from several universities to undertake the initial country-level activities and needed methodological and state-of-the-arts work. A buildup is provided over FY 77 and FY 78 to a level that seems minimal given current expectations about the worldwide demand.

<u>Year</u>	<u>Amount</u>	<u>MYEs</u>
FY 76	\$1,500,000	14 - 15
FY 77	1,800,000	16 - 18
FY 78	2,000,000	18 - 20

During the past few years, AID has ineffectively attempted to depend upon existing regional bureau capacities while enlarging and utilizing U.S. professional capacity through the Technical Assistance Bureau. It has established a pool of U.S. professional talent through the 211(d) grant program. Research and GTS contracts have also been used to develop new approaches, add to our knowledge, and utilize U.S. capability in LDC situations.

Past performance in agriculture sector analysis work under the present set of arrangements has been, in many cases, inflexible and bureaucratic. The problems have made for bottlenecks in the actual delivery of assistance and aggravated the goal of securing and retaining top personnel in this field.

The Cooperative Agreement instrument and PASAs integrated with improved regional bureau staffing and methods of cooperation between the bureaus and TAB will provide a system that will:

1. Support a combination of investigation, country applications and technical assistance to be performed in collaboration with LDC personnel.
2. organize a joint system of participants composed of AID and university and government professionals who are not just recipients of the program.
3. initiate long-term commitments between AID and specific university and government participants who have the experience, capabilities, and interest for continuous involvement in this work over a long period of time.
4. provide more flexibility in work content and budgeting procedures in line with changing program directions and requirements.

5. mobilize resources of government agencies such as USDA and the Bureau of the Census for long-term commitment to analytical tasks of interest to LDCs and AID.

Expanded Program of Economic Analysis for Agricultural and Rural Sector Planning

I. A. The Goal

The goal of this project is to improve the performance of the agricultural and rural sectors in LDCs in achieving their overall economic and social development objectives through systematic use of economic and related social science analysis in identifying, designing, implementing, and evaluating priority policies, programs and projects to promote their agricultural and rural development.

I. B. Measurement of Goal Achievement

1. Economic and related social science analyses emphasizing various aspects of income generation and distribution, production-marketing systems, resource use and productivity as components of dynamic systems linking agriculture and the rural sector to the overall economy are undertaken.

2. Results of analytically oriented studies and evaluations performed by LDC personnel are systematically applied in policy and program formulation and implementation by LDC governments and AID and other assistance agencies.

3. On-going evaluation of LDC policies and programs is initiated that leads to improvements in use of available resources by LDCs in pursuit of their multiple goals for agricultural and rural development.

I. C. Basic Assumption of Goal Achievement

1. Both LDCs and AID are interested in improved policy analysis applied to agricultural and rural sector programming, planning and plan implementation.

2. Improved analysis will lead to integrated and inter-related policy development and implementation resulting in more efficient allocation and utilization of scarce human, physical and financial resources by LDCs and AID, and to more equitable distribution of benefits within LDCs.

3. Different levels or types of analyses can be utilized in LDC situations in ways that result in early improvements in policy analysis and implementation and also provide the basis for longer term commitments to expanding analytical capabilities.

II. A. Statement of Purpose

The purpose of this project is to expand the number and enhance the capability of LDC planning personnel to identify and analyze the consequences of alternative policies, programs, and projects for agricultural and rural development in terms of LDC multiple economic and social goals.

The result will be an improved information and analytical base for decision making on agricultural and rural development strategies, interventions and investments.

II. B. End-of-Project Status

1. The number and professional analytical capability of LDC personnel evaluating the consequences of alternative policies, programs and projects is increased.
2. Organizational units in LDCs are effectively linked to LDC policy makers with adequate staff and budgets to carry out analytical activities.
3. A joint AID-university system is established that can effectively provide U.S. professionals collaborating with LDC personnel on a wide variety of country-specific, problem-oriented analyses involving different degrees of methodological sophistication and adapted to the needs and utilization possibilities in the LDCs.

II. C. Assumptions for Achieving Purpose

1. Those charged with development planning and decision making both in LDCs and AID recognize the contribution of systematic analysis of major problems and alternative solutions as a necessary input to policy making.
2. It is possible for AID working with selected LDCs in a collaborative mode to develop and apply economic and social science analysis that will be effectively utilized in development policy and program formulation and implementation.
3. U.S. professional expertise will not be used to substitute for development of LDC analytical capacity.
4. AID can successfully mobilize U.S. personnel and utilize their talents so that assumptions 1 - 3 are satisfied.
5. An environment can be established for high quality professional work in LDCs including adequate continuity of support to both encourage medium and long-term working commitments for the professional staff and to permit adequate continuity of effort on longer term analytical tasks.

III. A. Project Outputs

Key professionals in LDCs collaborating with U.S. specialists to perform the following analytical activities (in order of priority):

1. where appropriate to country needs, country sector and subsector analyses within individual LDCs to illuminate program and policy choices

and their consequences, including a wide variety of studies of economic and social factors and problems at the farm, regional, and national levels, and of production and marketing system choices in relation to agricultural and rural development;

2. limited short-term policy analysis and related advisory services of the many types financed by AID on behalf of LDC or multilateral organizations and to support AID programming of projects and programs;

3. methodological research - development and testing of analytical methodology and research on relationships between key development factors in LDC situations.

III. B. Output Indicators

1. LDC professionals are trained in applied policy analysis through continuous working relationships with U.S. professionals and formal training.

2. LDCs implement a wide variety of types of analyses involving different levels of aggregation of agricultural and rural activities, covering different time spans and different degrees of analytical sophistication.

3. Experienced U.S. professionals responsive to the need for analytical assistance of various types collaborate with LDC professionals on LDC problems.

4. Alternative methodological approaches to agricultural and rural development analysis and planning are developed, evaluated and being used by LDC professionals effectively linked to policy determination and implementation.

5. Interested AID-assisted countries are operating agricultural and rural development programs based on systematic analysis of conditions and alternatives.

III. C. Basic Assumptions

1. Regional bureaus, together with their missions, will work in consultation with TAB to identify those LDCs where economic and related social science analyses and analytical capacities are both needed and in growing demand.

2. TAB can develop a mechanization which mobilizes resources supportive of LDC needs with reference to identified rural development problems.

3. Long-term U.S. staff resources can be assembled by TAB through a cooperative staffing process involving U.S. universities and other analytically oriented public and private agencies.

4. Appropriate AID management instruments exist or can be developed which will facilitate rapid mission and regional bureau utilization as well as effective monitoring of and interaction with qualified U.S. and LDC professionals.

5. Where appropriate to country conditions, LDC policy makers will support and LDC personnel will be willing to participate in activities aimed at improving the analytical basis for policy, planning and implementation decisions for agricultural and rural development.

6. Once committed to analytical capacity development, LDC resources--both staff and program support--will be adequate.

IV. A. Project Inputs

Project inputs are primarily in the form of personnel and related support services:

1. LDC professionals will be involved in planning and analysis working directly with U.S. professionals in defining relevant activities, designing and implementing analyses, and evaluating analytical inputs into planning processes.

2. LDC governments will provide salaries and other support for LDC professionals and effectively link them to planning functions.

3. USAID missions and regional bureaus will provide both management and professional inputs as required for activity identification and management according to the plan of operations described in this PROP.

4. TAB/AGR/ESP will provide professional and managerial personnel as required to successfully fulfill its responsibilities under the PROP.

5. Professional economists and other social scientists will be made available with specialties determined by LDC needs from the pool of talent created under cooperative agreements with U.S. university and other organizations and PASAs with government agencies.

6. Needs for short-term services will be met increasingly from this project as the pool of available talent and the level of activity is expanded and more of the LDC's and AID's short-term needs can be related to the longer-term analytical activities underway on a continuous basis.

1. The Agricultural and Rural Sector Planning Committee described in Section VI. 4 will provide the coordinating mechanism for information flows and feedback and for project management and operation.

IV. B. Budget

Discussions have been held with each of the regional bureaus to ascertain their anticipated needs for expanded economic and social science analysis of agricultural and rural development problems in their countries. The actual need, as determined by missions and bureaus, will govern the number and scope of activities undertaken since the responsibility for identifying needs and programming country-level activities belongs to the missions and bureaus. Regional bureau staff have expressed a willingness to work with TAB, the universities, missions, and LDC agencies to define specific demands in countries where there is real need and prospects for early impacts from the analytical work. The Planning Committee described in the PROP will identify and implement the initial and subsequent activities under the project.

The level of resources used under this PROP should therefore be adjusted as required to meet LDC needs as the project proceeds. The expectation is that the project will not be able to satisfy all of the demands, and, hence, regional bureaus will necessarily need to rely on existing resources or contracts to meet overflow needs.

The budget projections below are based on the assumption that salary and fringe benefits costs will average \$100,000 for each unit or aggregate man year of effort (MYE). The costs are estimated as follows:

Salary and Benefits	\$45,000 *
Research Assistants (4)	40,000
Travel	5,000
Data collection and processing	10,000
	<u>\$100,000</u>

These are average figures used for budget projections only. Obligating cooperative agreements will carry specific identification of individuals and explanation of budget levels.

The project initially involves a small manpower pool to be drawn from several universities to undertake the initial country-level activities and needed methodological and state-of-the-arts work. A buildup is provided over FY 77 and FY 78 to a level that seems minimal in light of current expectations about the worldwide demand. Life-of-project projections are shown through FY 79 and FY 80 but actual requests will depend on needs and the results of an evaluation in the third year of the project.

<u>Year</u>	<u>Amount</u>	<u>MYEs</u>
FY 76	\$1,500,000	14 - 15
FY 77	1,800,000	16 - 18
FY 78	2,000,000	18 - 20

A breakdown of the estimated budget is given in the following table:

*Fringe benefits will constitute 15-20 percent of salary. Average salary figure reflects the intention to attract senior experienced professionals.

PROJECT BUDGET AND LIFE-OF-PROJECT PROJECTIONS

	<u>Requests</u>						<u>Projections</u>	
	<u>FY 76</u>		<u>FY 77</u>		<u>FY 78</u>		<u>FY 79</u>	<u>FY 80</u>
	<u>MM</u>	<u>Est. Cost</u>	<u>MM</u>	<u>Est. Cost</u>	<u>MM</u>	<u>Est. Cost</u>		
1. Salaries*		1,170,000		1,400,000		1,500,000		
a) Prof. Staff	180	645,000	200	800,000	220	880,000		
b) Research Asst.	480	425,000	600	450,000	600	450,000		
c) Secretarial	120	100,000	200	150,000	220	170,000		
2. Consultants**	--	--	--	--	--	--		
3. Overhead	--	--	--	--	--	--		
4. Travel & Trans. Per Diem		200,000		180,000		200,000		
5. Supplies & Equip.		30,000		20,000		20,000		
6. Data Collection processing computer time & materials		<u>100,000</u>		<u>200,000</u>		<u>280,000</u>		
TOTAL		1,500,000		1,800,000		2,000,000	2,000,000	2,000,000

*includes fringe benefits

**includes fees, travel and per diem cost

The level of expenditure indicated above will not involve an equal net addition to Agency support for work in this area. The capacity that has been created by four 211(d) grants in agricultural economics will form part of the talent pool. Thus, those grants that have run at about \$500,000 per year can be ended and any further 211(d) support limited to any Agency needs for an institutional response capability that may not be provided under this PROP. In addition, four research contracts that have been funded for around \$750,000 per year will terminate in FY 76 and further utilization of the projects for country-level applications will be developed under this PROP.

On the other hand, these projections do not assume that regional bureaus will discontinue any programs or organizational units now in existence--nor that they will be limited to the use of the talent mobilized under this PROP in carrying out their grant and loan programs.

Cooperative agreements negotiated under authority of this project (the Expanded Program) may have funds budgeted directly as a part of this project and, in the case of the initial year of new technical assistance or research activities, from other projects. The initial period will be the hardest as the entire system establishes a track record and acquires a portfolio of ongoing activities. We believe that budgeting will be relatively easy once the system is in full operation. Decisions regarding implementation mode (cooperative agreement, contract, grant) should be made to the extent possible prior to the Congressional Presentation each year to permit presentation under the Expanded Program if that is the mode chosen.

Approved activities, field support, other continuing costs, and a small reserve for new activity proposals will be budgeted under the Expanded Program and funded by TAB. Regional Bureaus and TAB will budget separately for new proposals in their Program Submissions and OYBs until substantive approval has been obtained. Funds will be transferred to the TA Bureau and expended through the Expanded Program if the cooperative agreement mechanism is approved for a particular activity originally budgeted by a regional bureau.

IV. C. Assumptions for Providing Inputs

It is assumed that regional bureaus will be staffed with personnel capable of engaging missions and TAB in dialogues with LDC's concerning need for analysis and in identifying situations in which professional analytical skills may be effectively utilized.

It is assumed that a cooperative agreement arrangement established by TAB will be operationally flexible enough to assure smoother and effective implementation of individual LDC analysis activities once these are identified. It is expected that current central research, technical services contracts, and 211(d) grants will gradually be replaced by the more advantageous cooperative agreement instrument. An important assumption is that although AID direct-hire staff in the regional bureaus and TAB will be sufficient to initiate dialogues with LDCs and to operate the cooperative agreement, it will not be

sufficient to perform the expanded AID analytical tasks which will be necessary for the proper functioning of the various activities that will be developed in LDCs. Hence, we assume that TAB will obtain enough additional staff to operate the system.

For those countries where AID financing is joint with other donors, it is assumed that other involved donors will be willing and able to supply the agreed resources to the activities that will be designed. It is also assumed that whereas AID and other donors may initially fund the in-country expenses of these activities, the LDCs themselves will gradually assume responsibility for financing the operating expenses for the in-country components.

V. Rationale

There is urgent need in most developing countries to improve the performance of the agricultural sector as a means to promote their overall economic and social development. The current world food crisis is a grave reminder that the rate of growth of world agricultural output is still insufficient. In many developing countries food production has barely kept pace with population growth, while in Africa and parts of other continents per capita food production has actually declined. This inadequate output growth is in spite of expenditures of hundreds of billions of dollars on agricultural programs, including billions of dollars of external development assistance. The Green Revolution has produced a significant surge in output since the mid-1960s, but primarily of a few basic grains grown largely in irrigated areas. Notwithstanding its demonstration that major output gains are possible and its stimulus of substantial new efforts, the Green Revolution has not solved many problems that require much more attention if LDCs are to have the capacity to produce adequate food for their burgeoning populations in the future.

The situation in many countries is even less satisfactory in regard to objectives other than increasing food production. Improving income distribution, reducing underemployment, raising productivity and levels of living of the rural and urban poor, and maintaining price and balance-of-payments stability, are some of the goals that are being increasingly emphasized in LDCs. More and more, countries and aid agencies are placing priority on programs whose benefits will be widely distributed by the output and productivity increasing process itself, rather than deferring concern with equity objectives until adequate output levels have been achieved.

"Rural development" is becoming widely used to reflect the idea that the objectives of agricultural development should include expansion of productive employment opportunities both on and off farms and greater sectoral, regional, and personal equity in the distribution of income and social services, as well as substantial increases in output, if the large number of rural poor in LDCs are to benefit from growth. In this sense, rural development looks at the LDC growth process from the viewpoint of a target population--the majority of people in rural areas who now exist in varying degrees of absolute and relative poverty and whose conditions are tending to deteriorate in many countries as rural populations grow relative to available resources, technology in use, and prevailing institutional structures.

This express concern of rural development with multiple economic and social goals for the target rural population has not yet produced an adequate analytical framework or an approach that shows how the benefits of the development process can be widely extended to the small farmers, landless laborers and non-farm workers, who constitute the poor majority of LDC rural populations. Sector analysis and other analytical activities can be

used to deal with these concerns. They can be used to view increasing output, improving productivity and expanding employment in farm and non-farm occupations as a means towards higher incomes and increased provision of basic social services for the rural population. They can clarify the consequences of existing growth patterns and processes and identify feasible and consistent strategies, policies and programs for benefiting target groups. They can assist in developing coherent multi-objective, multi-activity agricultural and rural development programs and projects for specific districts. They can contribute to the important and difficult task of insuring that national and sector policies are consistent with the priority objectives of the proposed rural development programs. This project will aid LDCs in developing the skills necessary to analyze the needs of their rural target groups and the tools required to develop programs and institutions to expressly address their needs.

Pursuit of multiple goals greatly complicates the development problems in LDCs. It is the premise of this project that the inadequacy of capabilities for analyzing the consequences of alternative agricultural policies, programs, and projects is a major constraint on the attainment of their several objectives. At present, most LDCs have little analytical basis for choices among alternative investments and policy options. Yet, billions are now being invested in agricultural development by LDCs and assistance agencies, often with far less than optimum results. Investment and policy decisions are all too frequently made on the basis of imprecise identification of goals and subjective evaluations of expected results. Where analysis is employed, it is usually inadequate in methodology and empirical content to reliably estimate likely outcomes of alternative choices by decision makers.

The approach of project identification, analysis, and implementation used by many countries in the past is not adequate to cope with the situation confronting most LDCs at present. It is becoming increasingly apparent that sound planning, appropriate policy analysis, and relevant program formulation are the keys to successful agricultural sector development. Without good planning and policy analysis, LDCs are finding it increasingly difficult to identify and implement the linked and interdependent policies, programs, and projects at the sector and district levels needed to achieve their multiple objectives for economic and social development.

LDCs need to be able to explore a wide variety of kinds of questions about agricultural and rural development analytically--using relevant tools and reliable data. They need to know, for example, how best to allocate resources among different crops. They need to know whether their land, labor, and capital resources are being used efficiently in pursuit of their multiple goals. They need to know the implications of technological and policy choices on output, input, employment, and income distribution objectives. They need to better understand how agricultural change affects the total economy and how the agricultural sector is affected by growth and change in other sectors of the economy. They need to understand how to affect and organize for participation population groups that have largely been excluded from past growth processes. At present, most LDCs are

unable to obtain useful answers to these questions due to a lack of analytical capability and a poor data base. Nevertheless, in a number of countries, policy makers are beginning to recognize the significance of the questions and the importance of the analytical capability needed to answer them. As a result, they are beginning to make provisions for agricultural and rural sector analysis in their staffing and budget plans as a crucial component of their overall planning systems.

The critical questions facing LDCs require many types of analysis involving different degrees of methodological sophistication, different time spans, and different levels of aggregation. Analysis can range from short-term sector assessments and related project identification and evaluation activities through medium-term subsector studies of commodities or regions to a full sector analysis involving a substantial effort to model the entire agricultural and rural sectors and their interaction with the rest of the economy.

Choices of approach and models in a given LDC should reflect:

- 1) clear formulation of problems to be analyzed and specification of purposes for which the analysis will be used;
- 2) quantity and quality of human and financial resources available;
- 3) quantity and quality of data available or feasible to collect for verifying and validating the analysis, and
- 4) needs and requirements of decision-makers intended to be aided or influenced by the analysis.

The point of view adopted in this PROP is that there is no single "best" model nor methodology nor approach for use in all agricultural and rural sector analysis activities. Choices must reflect an attempt to balance and reconcile conflicting objectives and resource constraints with immediate and long-term demands for information by policy makers.

Viewed in terms of purpose and utilization, current work in this field can be classified into three main types:

- 1) Sector studies sponsored by external donors and assistance agencies.

These vary from very short-term assessments by foreign consultants to 6-12 month sector surveys and studies undertaken collaboratively by LDC personnel and visiting experts. AID and IBRD have sponsored the largest number of these studies. They have tended to be mainly descriptive and have depended more on subjective judgment and evaluation than on formal analytical techniques. The series of Country Perspective Studies being carried out by FAO with host government cooperation is another example of this type of study although with more systematic and uniform attention to methodology than has characterized the AID and IBRD approaches.

The interest in these studies runs heavily to priorities for government investment programs and projects, especially those amenable to financing by the sponsoring agency. They are usually limited to available data and seldom result in any continuing or follow-up activity in the country. In some countries, overlapping studies have been undertaken by different agencies in close time proximity but with little or no attempt at coordination. Governments and aid agencies have legitimate needs for appraisal of alternative sector strategies and identification of priority policies, programs, and projects. Achievements will be limited, however, as long as the studies consist primarily of recommendations from foreign consultants to external assistance agencies based on superficial study of inadequate data of dubious quality.

2) Sector modeling for policy analysis.

These are the relatively few longer-term efforts involving development and actual utilization of formal sector models in developing countries for policy purposes. The main examples are Mexico, Korea, Colombia, Egypt, Thailand, Tunisia, and Malaysia.

3) Development and testing of alternative methodologies for sector and subsector analysis, and research on key intra- and inter-sectoral relationships and factors in agricultural and rural growth processes.

This category includes a lengthy and diverse array of activities. The development of systems simulation model for Nigerian agriculture and application of recursive linear programming to the Punjab and southern Brazil are examples. Work on the theory of agricultural growth should be included because of its relevance to appropriate model formulation with adequate linkages between target variables and policy instruments. Work in several disciplines is needed to produce more efficient and reliable methods.

The improved selection among alternative policy interventions and public investments made possible by good agricultural sector analysis increases the potential for further and faster movement towards multiple LDC development goals. Agriculture is still so important in LDC economies that the magnitude of impact on national goals from better use of resources in this sector is potentially large. Moreover, the rural economy contains the bulk of the poor people and is the source of many of the urban poor, so that social pay-offs from programs that reduce rural poverty can be high.

Sector analysis should clarify the consequences of choices not only for LDC governments but also for assistance agencies. One product of analysis can be a more adequate strategy as a basis for selecting among alternative assistance investments, and a higher probability of useful impact from assistance activities. Both capital and technical assistance will be benefited.

Agricultural research is a good example of an area where sector analysis can influence resource allocation. Large and increasing research programs are being funded by national and international agencies in recognition of the key role of new technology in increasing agricultural output and improving productivity. There is need to direct this research to priority crops, regions, and problems; to complement the research with policies and services that promote rapid and widespread adoption of its results; and to bias the effects of the utilization of the technology produced in socially desirable directions through feedback from systematic evaluation of the results of its adoption at the farm level.

The potentials for various cost savings provide more explicit examples of the general benefits expected from this project. These could be large for LDCs and also substantial for assistance agencies.

- By definition, identification of more efficient alternative programs means lower costs to achieve a given goal.
- Even where the predictive reliability of sector models is not yet high regarding specific effects of alternative actions, sector analysis can forestall the waste of investment that occurs from pursuit of program choices that are mutually inconsistent. This is very common in LDCs, and often very costly. Even simple models with low predictive reliability can make it clear that A, B and C can not be done together.
- An appraisal of available program options increases the prospects for decreasing management and operational costs or particular programs because it calls for detailed specification of the nature and timing of the inputs required for each program output, and of the dependence of one action upon others. By analyzing these inter-relationships within the framework of an internally consistent system, costly omissions and errors in implementation can be forestalled. If program A generates demand for inputs that must be provided by other means, identification of this dependence can indicate possible shortages and bottlenecks in the supply of essential inputs. If the success of A depends upon doing B as well, discovery of this interdependence can forestall disappointment in the implementation of A alone or the discovery that A is inadequate to achieve the specified goal.
- Another major saving potential is in the cost of data collection and use. LDCs already spend large sums for this purpose, often encouraged by international agencies and other donors as well as by internal needs. Costs for large-scale data collection are rising rapidly. Unfortunately, much of the data is not very useful for the pursuit of development goals. The provision of an analytical framework that indicates the specific kinds of data that are needed to produce the analyses required to support decision making permits LDCs to pinpoint more precisely their actual data requirements.

At the least, this should increase the average yield from data expenditures. At best, it will eliminate much wasted expenditure.

- Comparable to the data case, LDCs (and aid agencies) waste surprisingly large amounts of money in a discrete series of poorly related, low quality, start-and-stop analysis and planning efforts. Policy makers tend to demand quick answers to policy and program option questions, which is often necessary but which almost as often produces bad answers due to a lack of a systematic analysis of the pertinent factors by personnel trained to do it well. Usually, this analytical capacity can not be created quickly, or even in a year to two, so that highly subjective methods are applied by inadequately prepared LDC and aid personnel. This description too often applies to much of the analysis done for project selection as well as other policy work. The reliability and usefulness of the results are often comparatively low, even when professionally competent foreign advisors are used. As a result, the credibility of policy analysis, and sector planning in general, is damaged so that it becomes harder to obtain support for the longer-term and more systematic analytical approach that is needed to do a good job. By gradually building up, keeping current, and improving a suitable array of models of agricultural and rural sector processes, the costs of responding to short-term analytical requirements of policy makers and planners can be reduced and the quality and consistency of responses much improved. Costs are reduced because duplication of efforts to build the content of each analysis is avoided, the analysts themselves are better prepared for their task, and the results are not left aside after their immediate use but contribute to later analysis in a cumulative fashion.

Applications of the sector analysis approach--in some cases while formal models were under development--have resulted in a number of practically useful products (i.e., some of the potential benefits mentioned above are beginning to be realized).

- Substantial assistance has been given to LDC decision-makers on new loans and new technical assistance programs.
- The objective analyses of a broad set of policy options on agricultural price policies, taxes, land tenure, and related issues in relation to multiple goals are beginning to result in shifts in strategy and policy directions by LDC decision-makers.
- For external donors, such work has led to assistance activities with a sharper focus on equity goals, to greater objectivity in choosing assistance activities, to establishment of more objective criteria for evaluating further actions, and to requests from LDCs for further technical assistance to improve their planning and sector analysis capabilities.

Despite all these cited advantages, many LDC policy makers remain skeptical about the value of complex and longer-term analysis. Given this situation, there is a need to strengthen AID capacities to initiate and sustain dialogues on this whole subject with LDCs. Further project identification and development of capacity in this priority field must be supported by the resource base as proposed in this PROP.

During the past few years, AID has ineffectively attempted to depend upon existing regional bureau capacities while enlarging and utilizing U.S. professional capacity through the Technical Assistance Bureau. It has established a pool of U.S. professional talent through the 211(d) grant program. Research and GTS contracts have also been used to develop new approaches, add to our knowledge, and utilize U.S. capability in LDC situations.

Past performance in agricultural sector analysis work under the present set of arrangements has been in many cases inflexible and bureaucratic. The problems have made for bottlenecks in the actual delivery of assistance and aggravated the goal of securing and retaining top personnel in this field.

The Cooperative Agreement Instrument and RSSAs/PASAs integrated with improved regional bureau staffing and methods of cooperation between the bureaus and TAB will provide a system that will:

1. support a combination of investigation, country applications and technical assistance to be performed in collaboration with LDC personnel.
2. organize a joint system of participants composed of AID and university and government professionals who are active collaborators in the program.
3. initiate long-term commitments between AID and specific university and government participants who have the experience, capabilities, and interest for continuous involvement in this work over a long period of time.
4. provide more flexibility in work content and budgeting procedures in line with changing program directions and requirements.
5. mobilize resources of government agencies such as USDA and the Bureau of the Census for long-term commitment to analytical tasks of interest to LDCs and AID.

VI. Project Planning, Activity Implementation and Evaluation

1. GENERAL

The major organizational participants contributing to activities under this project are: LDC agricultural sector and rural development planning units or other responsible authorities, AID (missions, regional bureaus, and TAB), U.S. universities, and cooperating U.S. government agencies. Approved activity within the project will not be just the program of AID, a LDC or a university, but a joint effort to which all the participants contribute resources and personnel, share in the planning, and have some responsibility in implementation. The central thrust always will be to improve the capacity of the LDC for program, policy and project analysis. Since the activity is joint, it will be planned, implemented, and evaluated collaboratively by all parties. This will require open and regular communication in which no party dominates. All major program elements will be jointly planned by all the parties.

When identifying and designing each approved activity, which is the basic program element within this project, it must be understood that each must be tailored to the current needs and capability of the LDC for analytical work. It will be just as ineffective to attempt to create an advanced sector model in a country which lacks the professional capacity to maintain, expand, and utilize it as it is to initiate farm and village level analysis where such capability is in place and more sophisticated aggregative model building is appropriate. This implies a need for thorough understanding of the country, its economy, its existing analytical capability and activities, its policy decision-making matrix and current programs and policies, as a basis for planning activities. Only after these are known can U.S. personnel be matched to LDC analysts in a way which complements LDC resources but does not replace them with U.S. talent.

Inasmuch as this project creates a new style of operation for the Agency in working with universities and among its bureaus, the structure and distribution of responsibilities and functions is necessarily tentative and experimental. Although it is anticipated that the project will initially operate under the structure and procedures shown in Table I, and discussed below, needed adjustments will be made as experience is gained with the collaborative style to better achieve the project's purposes and goals.

TABLE I

ACTIVITY PLANNING AND IMPLEMENTATION

W - Work is Done N - Must be Notified A - Approves
 S - Supervision Over C - Clears R - Reviews
 Work

Organization

<u>Functions</u>	<u>Regional Bureau Office</u>	<u>Assigned Mission Staff</u>	<u>LDC Planning Agency</u>	<u>LDC Activity Leader</u>	<u>AID Activity Leader</u>	<u>Bureau Activity Monitor</u>	<u>Chief ESP</u>	<u>Agricultural & Rural Sector Planning Committee</u>
<u>Planning</u>								
Country Activity Identification	W/A	W/A	W/A				R	R
Country Activity Design and Development	W/A	W/A	A	W	W	W	S/A	R
<u>Implementation</u>								
Annual Plan of Work & Implementation	A	A	A	W	W	W	S	R
Travel Clearances & Documentation	C	C	C	W	W	C	N	-
Final Report	A	A	A	W	W	S	S	R
<u>Evaluation</u>								
Annual Review	R	R	R	W	W	S	S	R
End-of-Activity Review	R	W/A	W	-	-	W	W	R

2. ORGANIZATIONAL FUNCTIONS AND RESPONSIBILITIES FOR ACTIVITY IDENTIFICATION, DESIGN, APPROVAL AND IMPLEMENTATION

Activity Identification

Within each regional bureau, a specific office will be designated as responsible for executing decisions taken by bureau leadership in terms of which countries and subjects should be objects of serious exploration concerning economic analysis for agricultural and rural sector planning.

That office will work with assigned mission staff and with TAB in exploring activity possibilities with appropriate LDC personnel. They will develop documentation for the proposed activity resembling the current PID for mission, LDC and regional bureau review and approval and for TAB and Planning Committee review.

Activity Design and Development

Once documentation resembling a PID is approved by all concerned, TAB will designate a design leader who will work with the regional bureau, mission, and LDC in developing a detailed plan for activity content, implementation, financing, etc. This will be in the form of a paper resembling a PP to be reviewed and approved by the LDC, mission, regional bureau, and TAB.

A project to be implemented through the Expanded Program system of cooperative agreements may be designed independently of the system and recommended for this implementation mode at the time a PP is approved. Similarly, an activity may be designed under the Expanded Program but be implemented as an independent project through an AID or third-party contract, or a grant. The proposing regional bureau (or TA/AGR in the case of central bureau activities) will recommend the particular implementation at the time the PP is presented for substantive approval.

Research conducted under this project will be submitted periodically to the RAC for review, and major new research projects will receive normal RAC consideration.

LDC Planning Agency

Ideally, the LDC Planning Agency will be that agency, office, or group that is effectively responsible for agricultural and rural development sector and sub-sector planning and analysis. It is of little consequence where it lies in an organizational chart, but it should be that office to which policy makers turn when seeking analysis of alternative agricultural and rural development projects, policies and programs. Together with mission/bureau, ESP, university and RSSA/PASA representatives, the LDC planning unit will collaborate to identify needs, plan activities and carry them out. Clearly, this will require open exchange, a give and take, so that progress will be made in improving the capability of the LDC unit and the analytical methodologies available to it, and at the same time, meeting the objectives of the other participants.

The LDC planning agency will participate in planning of the activity, designate and supervise its staff members who will work in it, and participate in the final review. At appropriate points, as indicated on Table I, it will exercise approval and review functions. If the activity is approved by all concerned, it may also designate the LDC activity leader.

LDC Activity Leader

The LDC Activity Leader will supervise and direct LDC participation from the activity design stage onwards. He will be selected by the LDC Planning Agency through joint consultation between the LDC, mission, regional bureau, and TAB, and will work in conjunction with an AID Activity Leader in the implementation of the approved activity and will supervise and direct all work of other LDC team members. Among his many functions, he will be jointly responsible for activity implementation and preparation of reports.

AID Activity Leader

Together with the LDC Activity Leader, the AID Activity Leader is responsible for work on implementation and evaluation of the activity. Selection of the AID Activity Leader will be according to previously agreed criteria through joint consultation between the LDC, mission, regional bureau, and TAB. The AID Activity Leader will be selected from personnel among the ESP, AID bureau or mission, U.S. government agency or university staff. The activity leader will be a bureau or mission staff member when the U.S. activity components are carried out by mission or bureau personnel supplemented by limited ESP resources. Where the activity leader is not from ESP, ESP will appoint a technical manager to monitor the technical substance of each activity.

The AID Activity Leader, subject to technical supervision by ESP, will be responsible for jointly implementing the activity, directing the U.S. team, preparing reports and plans of work and otherwise making the day-to-day decisions inherent in the activity.

Primary responsibility for conceptual and methodological activity components will rest with the AID Activity Leader.

Chief - ESP

The Chief, ESP, has general responsibility for all technical and management aspects connected with each activity. As such, he supervises ESP program managers and AID activity leaders; and he is responsible to each regional bureau for performance. In addition to already mentioned responsibilities, he is specifically charged with chairing the Agricultural and Rural Sector Planning Committee which will constantly review all activities at their various stages of identification, development, design, and implementation (see Section VI. 4).

ESP Program Management

The ESP Division will also provide administrative management for each activity and cooperative agreement. The ESP Program Manager will work in conjunction with each of the activity leaders and bureau activity monitors who provide substantive management and participation. Because

any one activity may involve several cooperators who are working under different cooperative agreements, the program manager, activity monitors, and activity leaders must continuously coordinate their activities.

The ESP Program Manager will participate in activity planning and will be responsible for budget preparation and fiscal planning as well as documentation. In this work he will be assisted by each regional bureau where appropriate.

Missions/Regional Bureaus

Among the U.S. parties collaborating in this project, the regional bureaus and missions play a pivotal role in the identification, development, and design of activities for they are the best informed of LDC needs, most familiar with LDC governmental structures, and in best communication with LDC personnel.

If the activities under this project are to be successful, they must be an important element in LDC, mission, and bureau programs, important enough to justify the expenditure of their scarce resources.

Generally, missions and bureaus are responsible for initial identification of activities, funding in-country activity components, assuring that the activity meets the needs of the LDC in scope and timeliness, and that it fits within bureau/mission programs. The mission/bureau will participate in activity planning at all stages, monitoring of implementation, and evaluation.

Mission/Bureau Activity Monitoring

Activity monitoring will be carried on by each regional bureau for each activity in order to assure that activity scope and timeliness meet bureau, mission, and country needs and specifications. The choice of activity monitors, to be drawn from regional or mission staffs, will be considered in the context of an individual activity, its content, geographic breadth, the staffing situation in the bureau, and the bureau's mode of organization. Regardless of physical location, activity monitoring provides guidance and supervision to the activity leaders to assure that the outputs relevant to country needs are achieved in a timely fashion and in a manner conducive to their utilization and implementation. Activity monitors participate in activity design and development, preparation of annual plans of work, participate in evaluations, and contribute to annual activity reviews. Activity monitoring functions include coordination of all in-country activities, clearing travel plans, and documentation for mission/bureau-funded components.

3. COOPERATING UNIVERSITIES AND U.S. GOVERNMENT AGENCIES

U.S. activity team membership will be drawn from universities, government agencies, and private organizations under Cooperative Agreements and RSSAs/PASAs. The Cooperative Agreement approach (1) provides for a combination of applied research and technical assistance to be carried out in collaborative mode with LDCs; (2) provides for effective mutual participation in planning and operations by AID and the universities and agencies-- to make the universities and agencies and their participating staff a part of the system rather than recipients of it; (3) provides for mutual long-term commitments of AID and university and agency professionals; (4) provides for flexibility in work content and budgeting and rapid response to change in work direction called for by such factors as new program directions or analytical needs, new research findings, new breakthroughs, opportunities and problems; and (5) provides for designating the specific professionals to be engaged in mutually agreed work.

The cooperative arrangement will require two implementing documents, the Basic Memorandum of Agreement and the Cooperative Agreement. AID will first execute a Basic Memorandum of Agreement with the university. This is long-term umbrella agreement in the style of AID/RSSA agreements. It establishes the mutuality of purpose and objectives; establishes the method of working together, i.e., by the use of subordinate cooperative agreements, and; states the desire and intention on the part of both parties for talent sharing in making university personnel available for direct assignments to AID positions and vice versa, pursuant to the provisions of the IPA or such other authorized mechanisms which are or may become available.

The Cooperative Agreement will specify the kinds of work to be carried out, i.e., collaborative technical advisory work with LDCs, analysis for AID and methodological work on sector analysis; it specifies the participating AID and principal university employees; provides for the development of an annual joint work plan; and provides for joint resources to be made available to finance the work. (See Attachment 4 for samples of a Basic Memorandum of Agreement and a Cooperative Agreement.)

The project is designed to attract the participation of competent and experienced professionals in the universities who will be designated by name. Research assistants will be used as direct contributors to the applied and methodological activities. In general, support for graduate students will be limited to advanced degree candidates who have completed preliminary requirements and who are engaged in research and technical assistance work under an activity.

The process for university selection is outlined in Attachment 6. Criteria for selecting universities for inclusion in the system are: (1) availability of high-quality professional talent experienced in sector analysis or complementary activities, (2) program commitment and active interest in LDC rural and agricultural development, and (3) agreement that cooperative work with AID is consonant with the university's purposes. Initially, it is anticipated that cooperative agreements will be undertaken with those universities which have resources available to work on AID-funded activities. As existing arrangements with other universities lapse

(211(d) grants, research contracts, PASA arrangements, general technical service contracts), these resources will be brought into the system following the same criteria applied to other universities. Recognizing that smooth transition from 211(d) grant to cooperative agreement requires substantial planning, the four universities--Michigan State, Iowa State, Minnesota, and Cornell--whose 211(d) grants terminated at the end of FY 1975 received one-year grant extensions to provide for the orderly utilization of the capacity created by the grants in the current project subject to the selection process.

A single activity might be carried out by several cooperators each of whom might be operating under Cooperative Agreements at different universities, although there probably would be some grouping at individual campuses to facilitate coordination where appropriate. The activity leader will provide leadership, guidance, and coordination to the team, together with the activity monitors, assessing that the outputs are delivered in appropriate form, phasing, and place. The cooperators would also be expected to have continuing responsibility for applied methodological activity and to make available some of their time for relevant but limited short-term advisory assignments. These short-term assignments would be undertaken as mutually agreed, but it is anticipated that only those short-term requests which are directly related to an existing activity or which may lead to the establishment of a new activity would be undertaken under this project. ESP will decide which short-term assignments to fulfill in response to mission/bureau requests, taking into account the time frame, compatibility with country-problem expertise, and the potential for a new long-term activity to result from the short-term assistance.

ESP will be responsible for identifying resources and developing Cooperative Agreements and RSSAs/PASAs in consultation with the regional bureaus. The specific specialization of the participating individuals will be determined by the nature of the activity and initially will emphasize economists concerned with agricultural and rural development problems. However, as the project reaches maturity, the cooperative staff will be expanded to include anthropologists, sociologists, other social scientists, statisticians, operations research specialists, and physical and biological scientists as needed for the inherent multi-disciplinary nature of many of the activities to be implemented under this project.

4. AGRICULTURAL AND RURAL SECTOR PLANNING COMMITTEE

The mechanism for facilitating coordinated policy development by missions, bureaus, TAB, and the universities in the planning, implementation and evaluations stages is the Agricultural and Rural Sector Planning Advisory Committee. This Committee will be responsible for reviewing project activities and advising TA/AGR as to whether it believes they are consonant with AID and university objectives and goals. It will bring together representatives of each regional bureau (4), PPC (1), TAB (3, including Chief of ESP), universities, other government agencies (4), and a public representative (1). The ESP Chief acts as chairman. A proposed charter for the Committee is contained in Attachment 4.

The Committee will recommend policies for the project, including criteria for selection of activity workload, for professional manpower utilization and development, and for activity reviews. These will be subject to approval by each regional bureau. It will recommend priorities for methodological development, it will review all activity plans, implementation, and evaluation and make appropriate recommendations to TA/AGR and the regional bureaus. It will consider and review proposals from responsible AID offices for additional work and recommend how they can best be carried out within available resources. Decisions on allocations of resources and approval of specific activities will be the responsibility of AID in accordance with the terms of the cooperative agreement with the applicable university.

The Advisory Committee will be available for consultation regarding all projects or proposals which involve agricultural and rural sector planning whether or not they will be implemented through the Expanded Program. The only budget discussions to be held with the Advisory Committee will be as to the appropriateness of a budget for a specific activity from a technical adequacy point of view. The Committee's terms of reference will not otherwise involve budget questions or the total amount of resources to be allocated to the system.

Activity leaders will annually evaluate each activity for progress towards the achievement of activity methodological, programmatic and institutional goals. End-of-activity reviews will be conducted by the LDC planning agency, mission, bureau, and ESP following guidelines suggested by the Planning Committee and as amended by each regional bureau to fit local and regional policy situations and criteria.

5. PROJECT IMPLEMENTATION

Table II summarizes the phases of project implementation. First efforts will be directed at establishing the Planning Committee and selection of universities for the initial Basic Memoranda of Agreement to be signed early in FY 76. Over the succeeding months the Committee working with the regional bureaus will develop procedures and priorities for the project and the initial Cooperative Agreements will be implemented in coordination with the initial activities under the project.

New activity demands will be considered, alternatives assessed, and activities planned as they are identified throughout the year. Major activities will be approved by AA/TA. Once a year an annual substantive submission will be prepared by AGR/ESP which will detail the activities which have been approved, are under implementation, and are being proposed. This plan will be approved by the Assistant Administrator for Technical Assistance after consultation with the regional bureaus and will be the basis for the Technical Assistance Bureau's program submission.

Allocation of approved budget resources among the universities (cooperative agreements) and government agencies (RSSAs) will be dependent upon each year's projected workload and will be the subject of annual agreements which will be arrived at through technical review and consultation with the Planning Committee, signature of PIO/Ts by the TA Bureau Program Office, and negotiation/signature of the annual agreements by SER/CN.

New activity demands will be considered, alternatives assessed, and activities planned beginning the last few months of each fiscal year. Recognizing conversion of existing contracts to the new system may require substantial restructuring and redirection, it is proposed that this be done gradually completing the process by the end of fiscal 77.

During the FY 76, Cooperative Agreements and RSSAs/PASAs are to be negotiated making available 14-15 man-year equivalents (MYEs). Additional Cooperative Agreements and RSSAs are to be negotiated to make available a total of 16-18 MYEs and 18-20 MYEs in fiscal years 77 and 78, respectively. Limits in ESP management resources and available sources of these services will probably dictate maintaining this level of effort in subsequent years.

The Expanded Program of Economic Analysis for Agricultural and Rural Sector Planning will be evaluated after the completion of two fiscal years of operation during the first few months of FY 78. Any evaluation prior to that would be premature as it is unlikely that a sufficient number of activities would be underway to assess and generalize upon their impact.

The evaluation is to be undertaken by TAB, PPC and the regional bureaus following normal procedures. The effectiveness and viability of the Cooperative Agreement mechanism will be evaluated as a part of this comprehensive review.

6. COORDINATION WITH OTHER DONOR AGENCIES

A proposal for a Program of International Cooperation on Agricultural Sector Analysis (PICASA) has been developed by FAO, IBRD and AID. A meeting was held January 15-17, 1975 to consider the preliminary proposal. It was attended by the three agencies already active in the field and by other assistance organizations that were interested in getting involved. A strong consensus on the value of organized collaboration in this field emerged from the discussions. This consensus reflected recognition that there is growing need and that agricultural sector analysis activities are likely to expand and become quite significant over the next decade.

It was agreed to develop a final proposal for PICASA that would involve a small high-quality staff diffusing information on methods and experience in sector analysis to help IDC select and implement appropriate approaches. Expert assessment of substantial projects and assistance in arranging technical assistance for IDCs are also likely to be involved. It is expected that PICASA will be controlled by a board that would control a core budget and a secretariat. A FAO Trust Fund will likely be established to receive contributions from donor agencies to the core budget.

This project foresees support of this new international initiative but does not include specific funding for it. It is consistent with AID emphasis on "network" relationships. It will provide an opportunity to raise collaboration onto a higher plane and attract broader-based donor support for sector analysis activities. Even more important, success of PICASA will increase the awareness of IDCs of the needs and opportunities for strengthening their capabilities. Eventual AID support, as decided under a separate proposal to be submitted in FY 76, should be provided for an initial three-year period with a comprehensive evaluation during the third year to decide on continuing participation and support.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: Page 30
From FY 76 to FY 78
Total U.S. Funding \$5,000,000
Date Prepared: 5/15/75

Expanded Program of Economic Analysis for
Project Title & Number: Agricultural and Rural Sector Planning

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS												
<p>Program or Sector Goal: The broader objective to which this project contributes: To improve the performance of the agricultural and rural sectors in LDCs in achieving their overall economic & social development objectives through systematic use of economic and related social science analysis in identifying, designing, implementing and evaluating priority policies, programs, and projects.</p>	<p>Measures of Goal Achievement: 1. Economic & other social science analyses as components of dynamic systems linking agriculture and the rural sector to the overall economy. 2. Results of analyses & evaluations performed by LDC personnel systematically applied in policy & program design & implementation by LDC governments, AID, & other donors. 3. On-going evaluation of LDC policies & programs, by LDCs.</p>	<p>1. Published LDC reports assessing impact of analyses. 2. LDCs' increasing financial support and staffing of their planning agencies. 3. Increased LDC awareness of the relationship between their analytical activities and their multiple goals.</p>	<p>Assumptions for achieving goal: Both LDCs & AID are interested in improved policy analysis applied to agricultural-rural sector programming, planning, & plan implementation. 2. Improved analysis will lead to integrated policy development & implementation resulting in more efficient allocation & distribution of resources by LDCs & AID, & to more equitable distribution of benefits with LDCs. 3. Different types of analyses can be utilized by LDCs to rapidly improve policy analysis & implementation & to provide the basis for longer term commitments to expanding analytical capabilities.</p>												
<p>Project Purpose: To expand and strengthen the capability of LDCs to identify and analyze the consequences of alternative policies, programs, and projects for agricultural-rural development.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status: 1. Increased staffing and strengthened analytical capability of LDC personnel. 2. Organizational units in LDCs effectively linked to LDC policy-makers with adequate staff & budget to do analytical work. 3. Joint AID-university system that can effectively provide U.S. professionals to collaborate on a wide variety of country-specific, problem-oriented analyses.</p>	<p>1. The number and level of training of LDC personnel. 2. Policymakers' requests for more analyses from planning agencies and their use of such analyses for policy design and implementation. 3. Signing of Memo of Understanding & Cooperative Agreements with U.S. universities & establishment of RSSAs/PASAs with U.S. government agencies.</p>	<p>Assumptions for achieving purpose: 1. AID & LDC planners recognize systematic analysis as a vital part of policy making. 2. AID & selected LDCs will be able to collaboratively develop & apply analysis that will be effectively utilized in development policies & programs. 3. U.S. professional analytical expertise will not be used to substitute for the development of LDC analytical capacity. 4. AID can successfully mobilize U.S. personnel & utilize their talents so that assumptions 1-3 are satisfied. 5. LDCs' adequate continuity of support to receive & implement commitments for the professional staff to longer term analytical tasks.</p>												
<p>Outputs: Collaboration between LDC professionals and U.S. specialists in the following activities: 1. Country sector & subsector analysis; 2. Short-term policy analysis and related advisory services; 3. Methodological research.</p>	<p>Magnitude of Outputs: 1. An increase in LDC professionals trained in applied policy analysis. 2. LDC implementation of analyses of the agricultural-rural sector and subsector. 3. Experienced U.S. & LDC professionals collaborating on analysis of LDC problems. 4. Alternative methodological approaches to agricultural-rural development analysis & planning developed, evaluated, & being used by LDC professionals effectively linked to policy determination & implementation. 5. AID-assisted LDCs operating agricultural-rural development programs based on systematic analysis.</p>	<p>1. The increase in LDC professionals with formal and on-the-job training. 2. The number & types of sector & subsector analyses completed. 3. The number & quality U.S. professionals working under Cooperative Agreements & RSSAs/PASAs. 4. Increase in the number & improvement in operational capability of alternative methodologies. 5. Plans, programs, & projects selected on the basis of their impact on LDC multiple goals. 6. Evaluation reports, seminars, & other dissemination activities.</p>	<p>Assumptions for achieving outputs: 1. Regional Bureaus & their Missions will work with LDCs to identify those LDCs where analyses & analytical capacities are both needed & if existing demand. 2. TAB can develop a resource base to support Regional Bureaus & Missions as in Assumption 1. 3. TAB can assemble long-term U.S. staff resources through a cooperative staffing process involving U.S. universities & other analytically oriented U.S. public & private organizations. 4. AID will be able to rapidly utilize Regional Bureaus & Missions & to effectively recruit & interact with qualified U.S. & LDC professionals. 5. LDC personnel available & willing to participate in analytical activities. 6. Once committed to analysis capacity development, LDC resources (staff & program support) will be adequate.</p>												
<p>Inputs: 1. LDC & U.S. professionals; 2. Salaries of, and other support for, LDC professionals by LDC gov't agencies; 3. Management & professional inputs by USAID missions, AID regional bureaus, & TA/AGR/ESP; 4. Economists & other social scientists via cooperative agreements with U.S. universities & other organizations, and via RSSAs/PASAs with U.S. gov't agencies; 5. Information control & project management by an Agricultural and Rural Sector Planning Committee.</p>	<p>Implementation Target (Type & Quantity)</p> <p>Budget: (\$ millions)</p> <table border="1" data-bbox="615 1321 1031 1457"> <thead> <tr> <th>Year</th> <th>Amount</th> <th>Man-Years</th> </tr> </thead> <tbody> <tr> <td>FY 76</td> <td>1.5</td> <td>14-15</td> </tr> <tr> <td>FY 77</td> <td>1.8</td> <td>16-18</td> </tr> <tr> <td>FY 78</td> <td>2.0</td> <td>18-20</td> </tr> </tbody> </table>	Year	Amount	Man-Years	FY 76	1.5	14-15	FY 77	1.8	16-18	FY 78	2.0	18-20	<p>Memoranda of Understanding and Cooperative Agreements with U.S. universities and RSSAs/PASAs with U.S. government agencies; approved activity plans; mission/bureau FFs.</p>	<p>Assumptions for providing inputs: 1. TAB's cooperative agreement arrangements will be sufficiently operationally flexible. 2. The number of AID direct-hire staff will not be sufficient to perform the expensive LDC analytical tasks. 3. TAB will obtain enough additional staff to operate the expanded system. 4. LDCs will gradually assume the responsibility for financing the operating expenses for the in-country components of activities.</p>
Year	Amount	Man-Years													
FY 76	1.5	14-15													
FY 77	1.8	16-18													
FY 78	2.0	18-20													

Attachments:

Attachment 1 - Report of Working Group to Research and Development Committee

Attachment 2 - Minutes of Research and Development Committee Meetings of November 26, 1974 and January 8, 1975

Attachment 3 - Memorandum from GC, Charles L. Gladson, 2/26/75, "Use of Cooperative Agreements in 'Proposed System for Providing Assistance in Agricultural Sector Analysis Work'"

Attachment 4 - Samples, Basic Memorandum of Agreement and Cooperative Agreement

Attachment 5 - Charter for Agricultural and Rural Sector Planning Committee

Attachment 6 - Process and Criteria for Selection of Universities for Entering into Basic Memoranda of Agreement

ANNEX B

LOGICAL FRAMEWORK

SENEGAL AGRICULTURE SECTOR ANALYSIS

PROJECT DESIGN SUMMARY
 LOGICAL FRAMEWORK

INSTRUMENTAL: This is an OPTIONAL
 FORM WHICH CAN BE USED AS AN AID
 IN ORGANIZING DATA FOR THE PAR
 REFORM. IT NEED NOT BE RETAINED
 OR SUBMITTED.

Life of Project: _____
 From FY _____ to FY _____
 Total U.S. Funding: _____
 Date Prepared: _____

Project Title & Number: _____

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p> <p>To provide the GOS with an improved capacity to plan investments and evaluate policy alternatives and their implications as part of their overall efforts in the agricultural development process for Senegal.</p>	<p>Measures of Goal Achievement: (A-2)</p> <p>Their 6th and subsequent Four-Year Plans which will have been prepared by Senegalese personnel trained in the techniques of sector analysis and planning and adopted by GOS.</p>	<p>(A-3)</p> <p>6th Four Year Plan prepared using improved analytical processes.</p>	<p>Assumptions for achieving goal targets: (A-4)</p> <p>GOS is interested in improving their capacity to plan by improving the analytical base and the information base.</p>

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: _____
From FY _____ to FY _____
Total U.S. Funding _____
Date Prepared _____

Project Title & Number: _____

PAGE 2

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose: (B-1)</p> <ol style="list-style-type: none"> To provide the GOS with the capacity, especially in terms of trained manpower, to institute and carry on an agriculture sector analysis process. To contribute to the information base in Senegal by providing basic studies, improved information systems, and improved data collection systems. 	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</p> <ol style="list-style-type: none"> GOS use of the sector analysis in planning investments and making policy decisions. Improved information base for use in project design by GOS and donors. 	<p>(B-3)</p> <ol style="list-style-type: none"> Existence of investment plans and published papers on policy alternatives. Existence of improved project type papers. Published data which have been verified. 	<p>Assumptions for achieving purpose: (B-4)</p> <ol style="list-style-type: none"> GOS interest in sector analysis, basic studies, and improved information and data systems. GOS will provide personnel for graduate level training.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project _____
From FY _____ to FY _____
Total U.S. Funding _____
Date Prepared _____

AID 1020-28 (11-73)
SUPPLEMENT 1

Project Title & Number: _____

PAGE

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Outputs: (C-1)</p> <ol style="list-style-type: none"> 1. GOS personnel with graduate level university training in agriculture and on-the-job training in sector analysis techniques. 2. A long-term GOS-US university relationship 3. A continuing sector analysis process for use in planning and policy decisions. 4. Improved information and data systems. 5. A series of basic studies for use in project design. 	<p>Magnitude of Outputs: (C-2)</p> <ol style="list-style-type: none"> 1. Ten Senegalese trained at the graduate level. 2. US university personnel working with GOS. 3. Continuous output from the sector analysis process. 4. Improved statistical service. 5. Increased institutional capacity to do basic studies and improve information systems. 	<p>(C-3)</p> <ol style="list-style-type: none"> 1. Degrees awarded. 2. US university-AID contract to work with GOS. 3. Interim results of sector analysis. 4. Published data and results of basic studies. 	<p>Assumptions for achievement of outputs: (C-4)</p> <ol style="list-style-type: none"> 1. Candidates for graduate study exist. 2. A US university is willing to contract to work on sector analysis in Senegal. 3. GOS has interest in improving data and information systems.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY _____ to FY _____
Total U. S. Funding _____
Date Prepared: _____

Project Title & Number: _____

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Inputs: (D-1)</p> <ol style="list-style-type: none"> 1. 168 man-months of US university personnel. 2. GOS counterpart personnel. 3. 8 US graduate students. 4. 10 participants for graduate level training. 	<p>Implementation Target (Type and Quantity) (D-2)</p> <ol style="list-style-type: none"> 1. US team leader - 36 months. 2. 1 Agricultural Economist - 24 months. 3. 1 Plant Scientist - 18 months. 4. Short-term US personnel as follows: <p>Agricultural economists - 6 man-months. Soil Scientists - 12 man-months. Rural Sociologist - 5 man-months. Hydrologist - 4 man-months. Macro-economist - 12 man-months. Animal Scientist - 9 man-months. Data System Analyst - 6 man-months. Extension Specialist - 4 man-months. Agricultural Engineer - 4 man-months. Forestry, Fishery, and Nutrition Advisors - 6 man-months.</p> <p>Phase III Consultants - 12 man-months.</p>	<p>(D-3)</p> <ol style="list-style-type: none"> 1. US personnel work in Senegal. 2. GOS counterparts assigned to sector analysis. 3. US graduate students work in Senegal. 4. Participants have degrees awarded. 	<p>Assumptions for providing inputs: (D-4)</p> <ol style="list-style-type: none"> 1. US personnel, GOS personnel, and graduate students perform at high level.

ANNEX C

CRITICAL PERFORMANCE INDICATORS

SENEGAL AGRICULTURE SECTOR ANALYSIS

SENEGAL AGRICULTURE SECTOR ANALYSIS

CPI NARRATIVE

1. 5/14/76 Senegal Agriculture Sector Analysis Proposal approved by AID/AFR, AID/TA, and Planning Committee for Expanded Program.
2. 5/20/76 University and team leader selected.
3. 6/30/76 Cooperative Agreement signed.
4. 10/1/76 Team leader arrives Senegal.
5. 11/1/76 - 9-man months of short-term consultants arrive in Senegal.
5/31/77
6. 1/1/77 3 participants depart Senegal for graduate training in U.S.
7. 5/31/77 Draft appraisal reports available.
8. 6/30/77 Plan of Work for Phase II completed and submitted to GOS, RDO/Dakar, AID/W, and University.
9. 8/15/77 Plan of Work approved by all parties and sector analysis for Phase II funded.
10. 9/30/77 Phase I ends.
11. 10/1/77 Phase II long-term team arrives Senegal.
12. 10/1/77 Sector analysis process begins.
9/30/79 Short-term consultants arrive in Senegal.
At least 4 participants depart for U.S. graduate level training.
3 Phase I participants return and are integrated into process.
4 Phase II participants return and are integrated into process.
13. 6/30/79 Plan of Work for Phase III submitted to all parties.

