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PROCEEDINGS AND PAPERS

ASIA BUREAU: AGRICULTURAL/RURAL DEVELOPMENT CONFERENCE

Hyderabad, India, February 21-24, 1983

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INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

INTRODUCTION

Agricultural and Rural Development Officers of the Asia Bureau and the Near East Bureau met at Hyderabad, India, February 21-24, 1983. Also attending were individuals from AID/W, U.S. universities, ICRISAT, and other organizations. There were a total of 60 participants.

The central theme of the conference was the potential for development of programs and projects in Asian rainfed agriculture. Four background papers on rainfed agriculture in Asia were prepared for the conference.

The following pages contain a summary of the conference recommendations, reports on the daily conference proceedings, background papers prepared for the conference, and other documents that were distributed at the conference. The annex contains documents directly related to the organization and conduct of the conference including the agenda and a list of participants.

RECOMMENDATIONS: SUMMARY

Rainfed Agriculture (p. 13*)

AID should

--Marshall resources from PD and S, and central as well as mission funding, to support rainfed agricultural development initiatives.

--Plan to achieve rainfed agricultural development goals by management strategies that emphasize precise focus, greater internal efficiency of operation, mobilization of external support, and better use of host-country capabilities.

--Take note of the fact that rainfed agriculture development cycles tend to be longer than current planning may be able to deal with easily.

--Stress "rolling" planning and implementation techniques--focus on the on-going process of developmental change, and guiding that process, equally with our focus on measurable program and project output.

--Recognize the multiple links between rainfed agriculture and both irrigation and off-farm economies, as part of the variability, diversity, and opportunistic qualities of rainfed agriculture, and build these insights into project and program planning.

--Recognize the diversity of rainfed agriculture technical requirements, which may demand close attention to innovative technologies going beyond the "blueprint" technology approach.

--Clearly understand that the focus for rainfed agriculture is upon the agri-family and its strategies for survival in risky environments. Our objectives should be to enhance productivity, and to improve opportunity, for the agri-family. The development of human capital is inherent in this approach to rainfed agriculture.

--Assess its programs to identify those themes and activities common to several or to all, for which central support can be provided. Examples are decentralization, market systems, screening genetic diversity in non-conventional crops.

--Examine its present staff capability and utilization to determine the best means to upgrade their skills through short-term, modular, and, primarily, in-place training.

--Stress crop technologies for rainfed agriculture that promote cost-effective soil fertility. These include especially leguminous woody plants.

--Examine the role of small animal production in rainfed agriculture farm economies.

--Consider developing a rainfed agriculture project, analogous to the Water Management Synthesis Project.

Agricultural Research (p. 14*)

The conference wishes to reaffirm the recommendations of the Jakarta 1981 Conference that agricultural research represents one of the most important investments that AID can make.

Support to strengthen these systems must continue in order to effectively develop technologies suitable for priority areas in both rainfed and irrigated sectors. Substantial capital had been allocated to the expansion and improvement of physical and human research infrastructure; additional resources are needed to support the systems and activities that flow from the infrastructure: research design and implementation as well as support services for program maintenance.

To more fully realize the potential of AID's investment in agricultural research, this conference endorses AID's continued support for research to strengthen national capacity to respond to both rainfed and irrigated agricultural needs.

AID is in a better position to take more risk than national governments. AID should endorse an experimental approach to the development of the human and physical resource base and to commodity and systems approaches designed to identify appropriate technology for rainfed and irrigated agriculture. Finally AID should explore alternative modes and processes to providing assistance in addition to the traditional project and program approaches.

Irrigation/Water Management (p. 15*)

A number of missions now have substantial irrigation water management portfolios. The joint Asia Bureau/S&T Bureau Water Management Synthesis II project is designed

to support the missions' irrigation water management activities. Many of these projects have important longer term institutional development components as well as a continuous stream of technological developments requiring sustained effort to effect. In view of the vital importance of irrigated agriculture to the economies of most countries of the region, it is the strong recommendation of this conference that the continuing importance of this sector be endorsed.

Private Sector (p. 16*)

AID should continue to place emphasis on efforts that assist in gaining further understanding of the kinds of environments that offer the best prospects for the expansion and development of private enterprises, agricultural and non-agricultural, in rural areas.

AID should also emphasize the development of approaches and processes for providing technical, marketing, management, and financial assistance to private enterprises in rural areas.

Rural Financial Markets (p. 16*)

The conference recommends that AID continue to use its technical and programmatic resources to search for ways to improve the functioning of rural financial markets and to remove some of the distortions that impede the development of viable financial institutions. High priority areas include alternative approaches for rural savings mobilization, improving credit access, cost-reducing techniques for making loans, increasing loan recovery, selective experiments in lending to rural nonfarm enterprises, and measures to adjust interest rate structures.

Also the Conference notes that many of the lessons learned in programs for rural finance have applicability to programs under consideration for agri-business development.

Policy Dialogue (p. 18*)

--Policies are the host country's, not ours, which we can selectively support.

--Our short-term role is restricted to "minor issues" through project involvement.

--We need better in-house capability to analyze policies and relate these to project design.

--The staffing implications of this is that we need either more resident expertise in the field or reallocations

of direct-hire staff and their responsibilities and upgrading their capabilities.

--In the long-run there must be much greater program emphasis on training and institutional development.

Constraints on Staffing Levels (p. 18*)

The recommendations on personnel made in Jakarta in 1981 should be reaffirmed and implemented. Following from these recommendations the sector councils should be appropriately reorganized to combine agriculture and rural development within one council.

Within the combined Ag/RD professional category recommended at Jakarta, two career cones or tracks should be established. These would be for project management and technical specialists. Positions within the overall Ag/RD category would be specifically designated as either management or technical in Washington, missions, and the regional level, where appropriate.

Under this proposal, an AID Officer should be able to move between those two cones and occupy both types of positions over the course of his or her career, if suitably qualified. The officer's performance and contingent promotion would be evaluated at any time, according to the cone and position currently occupied.

We strongly recommend that all or part of the funding for technical assistance be excluded from negotiated project agreements. Only the type and duration of technical assistance should be negotiated and included in the agreements. Funding would be handled directly by AID.

Career Development (p. 20*)

1. The Agency must re-examine the division of work with respect to professional specialists in the agriculture and rural development sector. In particular the professional specialists must be relieved of process requirements in order to effectively focus on substantive development issues.

2. The Agency must seek to increase its investment in developing its human capital base in agriculture and rural development. Given the size and relative importance of the Agency's agricultural and rural development activities, the current underinvestment in enhancing the level of excellence of BS-10 and BS-12 officers seriously detracts from the Agency's effectiveness in implementing the food and agricultural strategy.

*page in report of conference proceedings for Thursday, February 24, where full text of recommendations can be found.

DAILY PROCEEDINGS

Summary, Monday, February 21, 1983

OPENING REMARKS

Allen Hankins, speaker
Douglas Clark, rapporteur

Conference objectives

The conference should aim to develop recommendations that follow both the results of the 1981 Jakarta Conference and significant developments since that conference. The major recommendations included:

- There should be fewer projects that are longer term.
- There should be improved mobilization of technical resources, including external sources.
- The comparative advantage of AID are basically in the areas of technical assistance and human and institutional development. The areas of concentration should be (1) on-farm water management; (2) institutional development; (3) rainfed agriculture; and (4) agriculture policy.

Significant events since the 1981 conference include the establishment of the four major programmatic directions, the first common theme approach effort in the water management area, and a new and closer relationship between the Asia Bureau and the Science and Technology Bureau.

STATUS/SITUATION REPORT: WHAT IS HAPPENING IN AID/W
Eugene Staples, Nyle Brady, John Robins, speakers
Douglas Clark, rapporteur

Asia Bureau View of AID/W Events (Staples)

Foreign assistance budgets continue to fare well given the tremendous pressure to cut budget levels across the federal government. The debate on the roles of bilateral and multilateral assistance continues.

The regional strategy will represent the basic plan for Asia programs for the next few years. Agriculture will be the most important sector. Within the agriculture sector, the following areas seem to need priority attention: (1) crop research, in particular water use; (2) productivity of large irrigation systems; (3) forestry and environment; and (4) agri-business development and rural-based industry.

This conference should consider what is meant by rainfed agriculture, what is AID's comparative advantage in rainfed agriculture, and how much effort should be directed to non-food crops.

A major concern that needs attention in a conceptual manner is community management of resource systems. This is the weakest aspect of our current projects.

The common themes that might emerge from this conference are likely to be in the forestry and rainfed agricultural areas. We need to also develop common "work."

Discussion centered on the CDSS process and the direction to use the review process for issue resolution; and the need for improving the use of mission comments in World Bank and ADB projects.

Science and Technology Views of AID/W Events (Brady)

Research and technology are the starting points for our programs. We must first have a technology to utilize. The efforts to strengthen the technology efforts of AID are based on the following perceptions: (1) AID and cooperating US institution technical capacity has been underutilized; (2) AID technical staff have too little influence on policies and programs; (3) AID technical staff is far less than the need; and (4) the AID program planning and personnel systems work against technical staff participation in the decision process and technical continuity.

The efforts to strengthen the science and technology role in the Agency include the establishment of the advisory and sector councils, the CDSS review role, the establishment of research priorities, the establishment of science and technology as a major program direction, the development of sector strategies, and the development of ways to improve and expand AID-US university relationships.

The common themes approach is based on the concept that there are certain development constraints that extend across both countries and regions. The network approach that would develop ways to collaborate is seen as the means of working on a common theme. Water management is an area that is already underway. Upland cropping systems and forestry species research look like potential areas for using the common themes approach.

The discussion brought out the need for the development of intermediate technology that would get technology out faster and benefit from farmer interaction and the need for central projects to develop easier access mechanisms. The reverse IPA assignment was seen as an important way to bring both AID experience to the University and to upgrade AID technical staff. The concern was expressed that AID doesn't have the capacity at present to deal with the policy issues in the agricultural sector.

Agriculture Views of AID/W Events (Robins)

The policy paper development process has been led by PPC with significant participation by the sector councils. The sector strategies flow from the policy papers. There will be 11 sector strategies completed, of which 7 have been sent in draft for Missions' comments.

The research priority has been set and the next step is to develop an implementation plan. Missions will be involved in this process.

SCAN is out for a "Market" test, and comments will be appreciated.

The discussion centered on the omission of support for higher education institutional development in the agriculture sector strategy. This will be included in future revisions of the strategy.

STATUS/SITUATION REPORT (Continued)

Norman Nicholson, Stephen Sinding, Allen Hankins, David Robinson, John Axtell, speakers
Kenneth Prussner, rapporteur

Human Resources (Nicholson)

The AID Rural Development Paper will soon be sent to missions. The paper focuses on linkages among several sub-sectors. Therefore, it will not become a separate strategy paper.

The goal of rural development is to increase productivity and income along with improving the quality of life. In the paper, productivity and income have been given a higher priority than social services. These goals will be achieved through the mix of all technology supported by favorable policies implemented through changed institutions.

Three sets of institutions are critical for development interventions. The farm family is the basic institution. Responsive markets for finance/capital, commodities, and labor must exist or be established. Local organizations and local government will provide the all-important services.

Rural development encompasses four key subsectors. The most important is agriculture production, which must be complemented by the provision of rural infrastructure, human resource development, and the process of private enterprise, which also include markets, labor, and capital.

In general there will be a decreased emphasis on the amount and time given to the up-front analysis because it is recognized that the plan is a product that will begin

implementation, but it will need to be revised periodically. Concurrently, it has been learned that all types of integrated rural development cannot be directed by administrative fiat.

Seven program components have been identified; although these are not an absolute number. First, there is investment in local organizations and local resources (e.g., land) must be accessible. Third, there must be the availability plus the delivery of technology that is appropriate. Fourth, small-scale enterprise will develop in local market towns. Fifth, communities must encourage and exploit available natural resources. Sixth, availability of markets is a must. Seventh, all of the above are predicated on the development of regional analytical capabilities.

ASIA/TR/ARD (Sinding and Hankins)

The Technical Resource Bureau for Asia should continue its traditional role of providing technology and science support for projects.

The regional strategy required of the Asia Bureau is not new because it was done before at the 1981 agriculture/rural development conference in Jakarta. The technology and science support function will, it is hoped, be injected in the project identification document (PID) because it will be too late at the project paper (PP) stage.

More specifically, it is hoped that the agriculture/rural development priorities can be even more specific. For example, in 1979 the health and population officers identified country priorities from regional priorities by using social-economic indicators. But this may be more difficult given the different nature of agriculture/rural development.

The regional strategy will provide a document to explain the priorities of the Asia Bureau to others. Only interaction with the missions will bring about the final regional strategy paper.

The assignments of the Agriculture and Rural Development Officers of the Asia Technical and Resource Bureau have been recently reviewed. The new assignment list will be sent to missions soon.

Each officer will have two types of responsibilities. One is a country responsibility for things such as CDSS, ABS, portfolio in general, etc. A second responsibility is for a project(s) which may be in a country or may cover more than one country.

Major focal points have been to backstop missions, communication of information, human resource development in cooperation with the Science and Technology Bureau, Universities and other bureaus, and providing training to International Development Interns who have responded well to their assignments.

Title XII-BIFAD

David Robinson and John Axtell, speakers

Kenneth Prussner, rapporteur

Livestock CRSP's (Robinson)

The cooperation and interest of the missions in Peru, Morocco, Kenya and Indonesia have been of particular help to Ruminant Cooperative Research Support Program (SR-CRSP) funded by AID/W. Now in its fifth year, the question is, "where do we go now?" A letter has been sent to all missions with this question.

In general livestock has a role in many agriculture systems; albeit usually as a secondary component that adds value through products not sold on the market, as power, and insurance, and multi-purpose use of by-products and feedgrains limited by economics and market availability, especially in semi-arid areas.

The SR-CRSP has had \$ 15 million over the five years. Thirteen universities are implementing 17 sub-projects in 8 disciplines. All AID bureaus in all eco-systems are being implemented for sheep and goats.

A Socio-economic impact statement about livestock in projects should reflect things learned about the benefits of native livestock over imported stock that is masked by socio-environmental factors, the roles of women and children, and lack of technical training for officers.

SR-CRSP has or is training 230 host-country officers, has published over 200 papers provided 25% of all the papers at the third international goat conference, identified a specific disease in Kenya, and is conducting progeny and performance testing on 12,000 sheep in Peru.

Two observations were that the management entity is most important factor for smooth implementation of a CRSP, and that universities would welcome AID officers serving on a reverse IPA (inter-government personnel act).

Small Grain Crop CRSP's (Axtell)

Under the Sorghum and Millet Cooperative Research Support Program, 8 universities with 50 to 60 principal

investigators have implemented 35 projects in seven disciplines. ICRISAT cooperation has worked the easiest.

Research results have included major symposiums with publications, "Grain Sorghum Quality in Africa" and "Sorghum in the Eighties," improved germplasm, and training such as a number of officers at ICRISAT.

Major research priorities for sorghum and millet are set between ICRISAT and the CRSP.

A major problem is that there is still a need to work with natural programs.

The speaker indicated interest in having AID officers placed at universities on the reverse IPA. investigators have implemented 35 projects in seven disciplines. ICRISAT cooperation has worked the easiest.

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ADO/RDO PERSONNEL CONCERNS

Steve Sinding John Robins Richard Cobb, Allen Hankins, Norman Nicholson, Charles Rheingans, panel Sara Schwartz, rapporteur

Rheingans began by explaining his role as a career development officer and the role of the office of Career Development and Evaluation. His duties include providing a link between employees and the personnel system; getting involved and voting on the assignment board; meeting with sector councils; working with AID's training program and the executive placement program.

In regard to training for ADOs and RDOs, Rheingans said that the administrator has told the personnel division to "overhaul" the training system to find low-cost alternatives to long-term training that would have a broader coverage. This could include short-term training in conjunction with home leave or R and R. The possibility of correspondence courses was mentioned but received no support. The sector councils are proposing their own training plans.

Rheingans explained the results of the first-cycle open assignment system. Out of 785 officers who submitted COARs, 410 were assigned to home leave and return to post, 125 got their first choice, 100 were assigned to one of their choices, 50 were assigned to posts that they did not choose and 100 were assigned to posts but did not turn in COARs. One hundred FSO's remained unassigned on the complement due primarily to a surplus of staff in relation to positions. Rheingans stressed the importance and, at times, effectiveness of carefully completing the COAR. The regional bureaus still have the strongest input into the process and the sector councils support that role.

Mandatory retirement was briefly mentioned in conjunction with discussions on the "selection-out" process. The lower 10% (140 people this year) of FSOs (according to PER ratings) are now identified and must go before a standards board. Most AID employees have a 10-year grace period before they can be selected out--except those already eligible for retirement.

As for tenuring, negotiations with APSA are still in process but should be completed by March. As it stands now, after 48 months, the employee's performance is reviewed by a tenure board. A special evaluation of performance will be required at that point.

This year's Senior Foreign Service promotion process will be complete by the end of March.

The length of tours of duty was discussed. The administrator is concerned with continuity within a country and does not like the policy of officers serving one tour in hardship posts. Last year the length of an average tour did increase by several months.

The panel discussed last year's PER process. Nyle Brady felt that the ratings better reflected the narratives. Rheingans, on the other hand, was convinced that this year, as in the past, the boards ignored the cover page ratings and evaluated staff on the basis of the narrative. There is no instruction this year to achieve a Bell curve in the ratings. The goal is to have more realistic evaluations of performance.

Summary, Wednesday, February 23, 1983

THE DEVELOPMENT PROCESS OF RURAL FINANCIAL MARKETS

Richard Myer, Speaker

K. Viswanatha Rao, commentator

Douglas Clark, rapporteur

Agricultural credit programs have generally failed. There is an emerging consensus that there are extremely serious problems in the area of agricultural credit. These problem areas include:

- interest rates, primarily the need to reflect positive rates of return for savings.
- savings mobilization: too frequently the resources of agricultural credit institutions are primarily drawn not from savings, but from other sources.
- financial institutions need to be allowed to be more innovative in kinds of lending and terms of lending.
- lending for non-farm rural enterprises needs to be expanded in the rural credit programs.
- rural financial institutions need to become more open in terms of savings mobilization and lending programs.
- credit must be seen as a claim on resources, and not as an input.
- fungibility of credit and ways to evaluate fungibility must be better understood and taken in account as rural finance programs are developed and implemented.

The following issues need further consideration and analyses as rural finance programs are developed:

- does finance lead or follow development?
- is credit the constraint?
- is finance an end or a means?
- is it possible to evaluate additionality?
- rate reform
- the adjustment process
- pay off for key actors in the rural finance process.

Concerning rainfed agriculture, rural finance will face an environment of greater risk and greater difficulty in getting the credit delivered. This will likely require

higher rates of return. The heterogeneous aspect of rainfed agriculture will also increase lending costs.

Comments (Viswanatha Rao)

For socio-economic development reasons, India has possessed a policy of low-cost credit for the agriculture sector.

AGRICULTURAL POLICY

John Mellor, speaker

Arnold Radi, rapporteur

To have an effective agricultural strategy national governments must develop effective policies and take an integrated approach in making discussions about policy issues. Developing countries should focus on (1) price/production incentives, (2) expanding markets, mainly for export, and access to markets, (3) reducing barriers to increased employment and (4) trade opportunities. To support improved policy decision-making in developing countries, "institutional development" is needed along with capable and articulate policy makers to influence politicians to make changes that are economically viable and increase production and income.

Special attention should be given to policy reform in developing countries with possible support through AID. Two major assumptions: first, money is moved through projects by resource inputs aimed at specific outputs; second, national governments maintain the integrity of the "policy environment." At present, little attention is paid to the national intent in individual countries' programs for policy-making. AID-financed development projects should be used as a catalyst for building national policy-making capabilities through manpower development and training for national policy programs.

In the development of national policy programs, emphasis should be given to smaller practical issues and questions. There always seems to be a need to address broad aspects of policy issues. However, the focus should be on answering the smaller, more important policy issues facing each country.

Developing national policy programs requires a complex infrastructure. Here again, however, there is the need for institutionalizing policy programs of the national governments.

Exchange rate policies are not good for agricultural development. One of the main problems in most countries is the failure to reduce cost of production. There is a poor market for exports. Emphasis should be placed on reducing costs of production through technological change. There is

scope for exports for most developing countries. They have a comparative advantage for high-value crops. These countries should effect policy changes that would allow them to export certain crops and import other needed food commodities rather than trying to produce everything they consume. However, these issues are usually difficult to address and solve.

In the developing world, there is an underinvestment in the agricultural sector. Growth rates in agriculture are usually low, less than 6%. The name of the game is high growth rates, therefore most countries channel financial resources to other sectors. Yet, there are tremendous potentials for higher growth rates in the agricultural sector. Consideration should be given to ways the agricultural sector can stimulate growth in other sectors of the economy.

An important problem is how to move "policy decisions" faster and how to minimize inefficiencies in the system. There are great sensitivities involved in policy making and influencing policy changes.

In regard to agricultural price policy, most countries have trouble shifting local prices to meet world prices, which would influence increased production. There is a need to smooth out fluctuations in prices. Some kind of a simple rule should be devised. National capacities for analysing price policy are essential for developmental changes. The critical need is trained personnel to develop policy organizations in each country. Policy makers have to develop information for "politicians" to make decisions. Another need is a national body for tackling credit issues. Investment in infrastructure must rise. Farm family savings have to increase in order to support credit and lending.

In countries where AID has projects, AID should finance training and manpower development for national policy programs. Donors, mainly AID, should use leverage through existing programs to influence infrastructural policy development. AID should foster a dialogue with host countries for policy decisions-making. However, this subject should be approached with patience and humility.

CASE SUMMARIES: POLICIES AFFECTING AGRICULTURE
Ronald Curtis and Jerry Edwards, speakers
Pat Peterson, rapporteur

Pakistan (Curtis)

Until the Soviet invasion of Afghanistan, the AID program had virtually disappeared. A new agreement was negotiated in 1981 to provide \$ 3.2 billion over 6 years. The Pakistan government feels that all negotiations are now completed and the U.S.A. should proceed to live up to the agreement. There are individuals within the Pakistan government, however, that still hope to use these funds for additional policy leverage. The individuals are joined in this desire by persons and organizations in AID/W and the mission. Many persons in Pakistan feel that the U.S.A. is an unreliable ally because of the perceived failure of the U.S.A. to live up to agreements during the India-Pakistan conflicts of the 70's. This perception has influenced the relationships between mission personnel and Pakistani counterparts.

Pakistan has experienced wide policy fluctuations. Until about 5 years ago, Pakistan's policy was to support consumers at the expense of the agricultural producers. The investment policy reflected a priority for large capital projects, agriculture inputs were distributed by public sector organizations and were subsidized. This then provided a rationale for agricultural output to be subsidized for urban consumers. During this period agricultural output grew at about 1.2% annually.

These policies have now changed more in favor of agriculture producers. Consequently agriculture output has been growing at about 5% annually over the last 5 years.

This situation has led to an environment in which policies are moving in an appropriate direction and the mission views its role as primarily one of influencing "small policy" through assistance in policy implementation.

Two major events affecting policy are the government's explicit intent to transform Pakistan into a true orthodox Muslim society and the inflow of remittances from workers employed in the Arab oil states.

The remittances run \$ 2.0 to \$ 2.5 billion annually. This has led to some labor shortages in rural areas, increase in rural capital investment, increase in rural wages, and changes in social/cultural standings of returned workers.

While these changes were occurring, a new government came into power, which inherited a significant external debt with severe foreign exchange shortages. This led to an agreement with the IMF that addressed the foreign debt

problem in exchange for policy changes that focused on fiscal and monetary controls, price rationalization within the economy, and an expanded role for the private sector. These agreements, especially the latter one, might be in conflict with the policy of an Islamic State. The full ramifications of this conflict are not yet clear.

The mission feels that the only viable option in influencing policy lies in a very low-key approach that focuses on assistance in implementation.

In the discussion, the following points were clarified. Pakistan has no program to absorb returned workers if the demand for them decreases. However, since new skills have been acquired, this eventuality might not be a serious problem. The investment of remittances in rural areas is a private decision and the government has not tried to capture them for rural infrastructure activities. In regard to the changing role of women in the expanded Islamic environment and the impact these changes have on agricultural development, it was noted that in general women in Pakistan played a smaller role in agriculture production than in other developing countries, and thus far the main change has been expanded participation in agriculture while the male is away and a reduced participation when the male returns, with the female sometimes "taking up the veil."

Philippines (Edwards)

The mission and the Philippine government have recently undertaken a process which has led to a sound policy dialogue and policy changes. Much of the success of this process was due to the level of Philippine staff that worked with the mission. By working at the highest staff level, but below the political level, professional exchanges were possible without political ramifications that would have compromised the process.

The process began with the mission's CDSS in late 1979. Through an effort to engage the Philippine government at the appropriate level to assist the mission in developing an AID strategy for the Philippines, a series of workshops and seminars were held with the government, USAID, and outside advisors. These efforts culminated in a 3-day workshop with deputy ministers and their staff that resulted in appropriate policy recommendations and/or reviews in key areas of the agriculture sector.

The mission feels that it is now in a position to be more directly involved with policy implementation. It intends to accomplish this by utilizing existing institutions and human resources, improving, as needed, their efficiency through special short-term training.

The mission intends to work with the government to jointly develop a path of change for policy improvement. An example of this approach is the steering committee for the new rainfed agriculture project which is composed of the Deputy Minister of Agriculture, MNR, and PCARRD to establish and implement policy for the project. Although the mission, as project managers, has veto power over the steering committee decisions, Mission personnel do not serve on the committee except as advisors where requested.

In the discussion, Ruttan and Mellor were asked why the Philippines has had such poor performance if, as the mission says, it has good policy. Ruttan responded that the question of the Philippines had always puzzled him. He noted that poor terms of trade with reference to agriculture combined with a decline in real wage rates in spite of a rapid increase in rice production described, but did not explain the problem with the Philippine economy. Mellor said rapid population increase was part of the problem. Also serious regional differences of wealth and a capital intensive investment strategy are possible causes of poor performance.

Other points related to the discussion included centralization of power in the capital and the flow of rural savings to urban investors as possible weakness.

IRRIGATION/WATER RESOURCES UPDATE

Mark Svendson, speaker
John Robins, commentator
Barry Primm, rapporteur

The last ARD conference emphasized improved (irrigation) water management. Subsequently activities preparatory to the Water Management Systems (WMS) II Project and establishment of the International Water Center were initiated. During this conference the emerging emphasis appears to be rainfed agriculture. Irrigation efforts worldwide are really just entering the second phase of implementation that being improved irrigation water management. In recognition of this, the donors and developing countries should not be in too much of a hurry to develop programs for rainfed agriculture.

The WMS Project II will develop methodologies for improved water management and will help develop host-country institutional capacity to implement and monitor such activities. Emphasis will be placed on working with existing institutions and not creating new institutions similar to those in the U.S.A. Since most USAID efforts are short-term in nature (5 years), alternative strategies for bridging the short- and long-term gap will be evaluated.

The WMS II Project, as a mission support activity, combines technical assistance with limited capital resources to test ideas related to water management. As such, the project is jointly funded by the Asia Bureau and S&T. Implementation of the project will be based on an annual work plan incorporating the expressed needs of the missions in the area. An interim survey has been taken and it appears that mission needs far exceed project resources. Consequently each mission will have to establish priorities for its requests.

Project resources will be used primarily to address managerial and administrative problems in water management and, to a lesser degree, technical problems. It is not intended to be a uniform support system for all mission irrigation activities. In deciding how project resources will be allocated, each request will be screened in relation to the fit of WMS II activities into the on-going project, in relation to the priority given to water management by the mission and host country and whether the mission can use money from its own project to obtain WMS II services (buy-in).

The Water Management Center is tentatively slated to be located in India, possibly at ICRISAT. The plan is to locate the core office in India and have satellite activities in other developing countries. However, there is some danger that the activities might gravitate towards the core office host country and fail to be truly international in nature. Furthermore the International Water Management Center (IWMC) must realize that it is not alone in this field of study and must closely collaborate with appropriate institutions in other developing countries.

The major advantage of the IMC will be in developing and applying methodologies for assessing problems, recommending corrective actions, and evaluating their implementation.

Comments (Robins)

Locating the satellite activities too far away from the IWMC may be unwise early in the implementation stage since the center must be concerned with early success in order to obtain validity. While there is indeed a need for this type of activity, the particular type of contracting mode to use during implementation is still under debate. The commentator favors a grant under a cooperative agreement, however, legal counsel is having some difficulty with the non-competitive contracting mode. The commentator feels, nevertheless, that only the cooperative agreement mode offers the required flexibility for project implementation.

Floor comments

The project's popularity is based on its ability to provide additional technical assistance to existing USAID water (irrigation) management projects without having to use bilateral program funds. One possible drawback to institutional development in the project is that the host-country institutions with which the project or the USAID programs have to work in water management are usually a given. A further concern is that the IWMC might end up being only a clearing house (peddling services and donor opinions) and because of severe underfunding would not be able to conduct relevant research.

Considering the size of the project and the IWMC, both should avoid getting too involved with long-term efforts in large mission irrigation projects and should to the maximum extent possible require that mission's "buy in" using their own program/project means.

AGRICULTURAL RESEARCH UPDATE

Vernon Ruttan, speaker
Nyle Brady, commentator
Barry Prim, rapporteur

Information about allocation of resources for agricultural research is much better than in the past. The capacity of Asian agricultural research systems has expanded rapidly over the last two decades. In South and Southeast Asia, the number of researchers has risen from 1900 to 1959 to 6900 in 1980.

Expenditures on agricultural research in relation to value of production are low in comparison with those in planned and industrial economies. Nevertheless the ratios in Asia have risen rapidly in the last decade. Allocation of research resources to the traditional fodstuffs, particularly poor people's foods, remains low in comparison with resources devoted to export commodities. Among animal species, in Asia, beef gets excessive research resources in relation to those for poultry.

Trade affects research resources allocation in two ways: The largest expenditure go to export crops with high demand, particularly those eaten by higher income consumers. The smallest amounts go to poor people's crop that are consumed in rural areas.

High research expenditures on a commodity in one country reduces the research expenditures on the same commodity in neighboring countries. Spending by international agricultural research centers in a country has a positive effect on research spending in the same country (in spite of well-known exceptions like the Philippines).

The impact of the high yielding varieties has in general been positive through food price effects and, depending on circumstances, on demand for labor.

In regard to reforming agricultural research support, one problem is the lack of stability in development assistance strategy of assistance agencies. Attempts to respond to professional, populist, and political themes or fads have led to lack of stability in program planning and resource commitment on the part of donors. Another problem is lack of commitment by national governments. They focus their attention on the generation of external resources and fail to develop community and political constituencies for research programs. The combined effect of instability of donor and host country commitment has led to cycles of program erosion and decay.

This problem has largely been discussed in the context of program and project assistance. The appropriate mechanism of support for physical infrastructure is project aid and for institutional development it is program aid. Funding has to depend on performance.

Comment (Brady)

A matrix for organizing and allocating resources:

	Steep hills	Rolling hills	Upland rice	Rice/rice irrigated
Erosion hazard	high			low
	←-----			
Risk	high			low
	←-----			
Appropriate technology availability	low			high
	----->			
Appropriate crops	trees shrubs food crops	Cereals pulses oilseeds root crops	Rice/ cereals oilseeds root crops	Rice

The major inputs are component technology, systems, support institutions.

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PRIVATE ENTERPRISE AND RURAL DEVELOPMENT

Gerrit Argento, speaker

Norman Uphoff, commentator

Richard Flaspohler, rapporteur

There are several ways in which USAID might assist private enterprise, thus promoting longstanding agency goals. These include additional employment, technology transfer, development of small business, and use of local resources. Some examples follow.

Jewelry production in Sri Lanka, from mining to retail sales, while employing many people is profiting the national economy far less than possible due to heavy smuggling and the loss of value added. Jewelry available in Sri Lanka and through legal export is of poor quality.

Through increasing production for which the potential exists, and effecting some changes in central government policy, including provision of credit and introduction of technical assistance, the industry could be made more beneficial to all concerned. AID is prepared to assist, especially with the necessary technical assistance. This must insure a skilled and efficient system from identification of gem deposits through generation of export markets. The assistance must fit the plans of the business to be assisted.

Increased and improved production of certain agricultural speciality crops offer the same possibilities for accomplishing AID's goals. In Thailand certain vegetables and fruits offer significant opportunity for export. But shipping fresh or frozen products from Thailand is not feasible and the canning process is too expensive to allow Thailand, or other Asian countries, to be competitive. The most practical method of marketing fruits and vegetables appears to be drying, barreling, and shipment to canneries close to the foreign market. The next step is to find products suitable to drying and barreling, that is, simple processing without quality loss. From among many fruits and vegetables a few fruit purees and white and green asparagus offer such opportunity.

The processing is rather labor intensive and requires relatively low capital input. AID has previously assisted in food production technology and could further assist by researching marketing and improved processing. A market for asparagus in the U.S.A. does exist, since inability to mechanize harvesting has driven the cost of US production to prohibitive levels. In this instance, AID could contract US or Taiwanese growers to introduce appropriate techniques to Thailand or other Asian nations where the crop can be produced. Further effort could be made through Thai research and extension services with which we have some influence. The same situation tends to hold true for fruit

purees of several types. AID has a line of agribusiness credit at the Siam Commercial Bank that could support the processors and we are well enough established in Thailand to influence national policy, if required, to further support the effort.

A third area of possibility is in health products. Both labor generation and improved health should result from involvement in the production and distribution of highly nutritious food products, basic health kits to combat dehydration from diarrhea, mid-wife kits, simple water purification systems for home use, baby scales and record cards, and seeds for home gardens. Most can be put together from local materials and with simple technology. The others are very low cost and of small bulk and ready availability. How we get into supplying the needs should logically fall to the private sector officer of the concerned missions. This officer should disseminate the great supply of information on the problems and products mentioned to the small businessmen frequently looking for such opportunity. The private sector officer could display the products along with information about them. AID is a prodigious producer and consumer of information and AID has a visible presence in the field. These are existing resources-- available at no additional cost to the type of project envisioned.

Over the last 50 years, Indonesia has changed from a sugar exporter to a major importer. Unfortunately this coincides with a sharp increase in annual sugar consumption. Yet Indonesia is the world's second largest producer of cassava, an excellent raw material for high fructose syrup, which is an acceptable substitute for sugar. Strangely, Indonesia is now setting up 18 sugar estates, 17 in areas not well suited to the production of high sucrose cane. This will drive the current high price of sugar to the Indonesian consumer even higher. The potential of cassava, while not unknown to the Indonesian government, has not been pushed. A plant to produce fructose from cassava was set up, but closed within a few months due to collapse of supply. This is the critical point. While labor, technology etc. are certainly involved, a reliable supply of the raw material-- cassava-- is all-important.

Cassava once harvested is highly perishable and must be processed the second day after harvest. Cassava can be made into flour and successfully stored. The growers can do the processing into flour and sell it at a higher price than the root brings on the market. Thus it appears that a cassava estate in alliance with a fructose plant, would offer high potential. It should be noted, however, that the transportability of the flour makes it possible to locate the fructose processing plant closer to area of consumption to facilitate marketing. AID's role would be to bring this opportunity to assist the small holders and the Indonesian consumer, as well as themselves, to US firms.

Comments (Uphoff)

The approach outlined in the paper is at odds with that advocated by Fletcher Riggs, which presumably represents the AID position or approach. Further, it tends to substitute bureaucrats for entrepreneurs. Another criticism is that the fostering of export enterprises may not be appropriate. AID's approach has been to look for opportunities where products are for the domestic market and to promote closer ties between manufacturers and farmers.

Enterprises such as those advocated in the paper have very uneven records. The pineapple canning industry in Thailand was highly successful while the Israeli tomato paste project lost \$3 to \$5 million. This would indicate that much more study needs to be done before AID becomes involved in pushing specific enterprises.

Close correlation between the magnitude of private sector operations and the overall employment situation is strong justification for continued AID priority for the private sector of developing nations. Problems exist: excessive regulation perhaps is the greatest problem to be overcome, but it is possible. Another problem that needs attention, for all private sector growth, is infrastructure: roads, electricity, and reliable telephone systems. Even genuine successes in the sort of small enterprises advocated by the paper do not prove AID commitment. Installation of a modern telephone system, which would benefit the entirety of the private sector -- large and small-- would be a demonstration of commitment.

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Summary, Thursday, February 24, 1983

TITLE XII - BIFAD

Fred Hutchinson, speaker
Kenneth Prussner, rapporteur

BIFAD universities must be and have become more supportive of AID programs. Cooperation between BIFAD and AID has considerably improved.

In regard to private sector linkages in support of AID programs, many universities have had years of experience of working with agricultural business in the United States, but most universities have yet to work on agricultural business in developing countries.

BIFAD is focusing on establishing a more efficient and cost-effective system of project-proposal solicitation. One problem is that large numbers of universities expend scarce resources submitting proposals though many have no hope of serious consideration. BIFAD will implement a process whereby universities will pre-qualify with a limited proposal of interest and qualifications. These will be short-listed, and short-listed universities will be requested to submit full proposals.

Another problem is the lack of good proposals for some projects, called "hard knock projects" by universities, because of concern with the project design and/or environmental factors in the country. BIFAD is considering having the universities choose country or geographical concentration so that the universities can more effectively manage scarce resources. For example faculty members will actively prepare for service in a country if there is a high probability that the effort will be rewarded. Likewise, university competence in general will be further enhanced with each host-country project experience.

Standards of performance for university international development projects have been developed by universities and BIFAD, which are now available from BIFAD for AID and USAID missions. Criteria for development of projects by universities have been established with AID support.

Orientation programs for faculty participating in Title XII projects have been established because of USAID field needs and an AID-supported study. The orientation program can be paid by AID as part of project costs.

The Registry of Institutional Resources has been completed. and more than 4500 faculty members are registered. The registry can be accessed by AID and other universities, but not by contractors and other private entities. Some examples of experience levels: more than 250 registrants have over five years of developing-country

experience; an additional 350 registrants have more than six-months experience in the Philippines, Pakistan, Burma, India, etc.

Evaluation and comment concerning the FY 85 Budget Submission is a role given to BIFAD. Receiving the ABS in May for a July meeting forces BIFAD to limit its review to a few issues in order to be relatively more effective.

A comment related to BIFAD was that all technical service contracts should have the option of not going through host-country contracts.

Work group report
RAINFED AGRICULTURE
Hugh Plunkett, rapporteur

Introduction

The working groups on rainfed agriculture met jointly, and decided that the initial division of tasks according to high and low rainfall was not a meaningful basis upon which to proceed. After some discussion, it became apparent that "low" and "high" were end-points on a continuum, and that many other environmental and socio-economic characteristics should also be taken into consideration. David Robinson presented a conceptual "risk matrix" (Exhibit 1), which allowed the group to focus more clearly on major issues. The two work groups thus combined into a single unit.

Following the discussion, Norman Uphoff developed a schematic framework for assessment of rainfed agriculture initiatives. Both the schematic and expanded version of the framework were discussed in the second work group meeting. They are included here as Exhibits 2 and 3.

The working group developed a joint background statement and 12 recommendations, based on discussion of the issues and concerns, which were brought to attention by the "risk matrix" and the "assessment framework."

The working group's objective was to develop a conceptual frame for discussion of initiatives in rainfed agriculture within the Asia Bureau, both at the conference and afterward. The group did not feel that it was possible, or desirable, to set forth a closed set of policy or strategy options at this time. What we did feel important was to establish a basis for assessing such strategies, and their comparative advantage with regard to other potential means for utilizing increasingly scarce Agency resources over the next several years. The material which constitutes the output of the rainfed agriculture working groups, therefore, is presented not as a final product, but as food for thought. It is intended to stimulate Asia Bureau

agriculture and rural development staff to think and write on the topic of rainfed agriculture and its implications in development context. It is on that basis that sound, cost-effective, and perhaps even successful strategies must grow.

Background

The importance of continued support and emphasis for expanded irrigation and improved water management, as recommended at the 1981 Agricultural and Rural Development Officers' Meeting in Jakarta, is undeniable. However, given the combinations of production, ecological, and equity considerations existing in many Asian countries, we strongly recommend that AID also support development of rainfed agricultural areas.

The benefits of rainfed agriculture interventions coincide with the Agency's primary areas of concern: food self-reliance, equity, employment, and ecological stability. It should also be recognized that rainfed areas of Asia and their indigenous populations have generally been by-passed by the development strategies of national governments and foreign donors.

Initiatives to develop rainfed agricultural areas must be determined in response to a broad range of technical, social, economic, environmental, political, and other factors. While a number of intervention techniques would benefit from intra-regional collaboration and common efforts, rainfed development initiatives will have to be country-specific, and be justified by the analyses and strategy designs of each mission's CDSS.

Because of the diversity of environments, crops, and cropping patterns, institutional support systems, and policies involved, AID needs to take immediate and appropriate steps to strengthen its capacity in technological and institutional areas to support Mission initiatives in rainfed agricultural development.

EXHIBIT I

RAINFED AGRICULTURE

INCOME/RISK MATRIX

- **CONSTRAINTS** : Primary - RAIN
Secondary - SOIL, TEMPERATURE, RADIATION, ETC.
- **CHARACTERISTICS** : Variable
Opportunistic
- **RISKS** : Low -- Medium -- High
- **RAINFALL** : High -- Medium -- Low
- **OBJECTIVES** :

1. PRODUCTIVITY	STABILITY	SUSTAINABILITY
2. STABILITY	PRODUCTIVITY	STABILITY
3. SUSTAINABILITY	SUSTAINABILITY	PRODUCTIVITY
- **INPUTS** :

1. INSTITUTIONS 2. TECHNOLOGY 3. EXTENSION/POLICY 4. CAPITAL/ENTP.	↓	↓	↓
---	---	---	---
- **OUTPUTS** :

1. ↑ YIELD	↑ STABILITY	↑ ENVIRON PROTEC
2. ↑ INCOME	- OFF FARM LABOR	↑ EQUITY
3. ↑ COST/BENEFIT	- FORESTRY/ LIVESTOCK	↑ HUMAN CAP.
- **EXAMPLES** : RICE MONOCROPPING MIXED FARMING REHABILITATION OF ENVIRONMENT
- **MODIFIERS** :
 1. BIOLOGICAL PRESSURES (RAIN)
 2. POLITICAL PRESSURES (e.g. FOR EQUITY)
 3. FEEDBACK PRESSURES
 4. POPULATION PRESSURES (always the overwhelming pressure)
 5. INFRASTRUCTURE PRESSURES (esp. Roads , communications)

EXHIBIT 2
FRAMEWORK FOR ASSESSMENT OF RAINFED
AGRICULTURAL DEVELOPMENT (RFAD): SCHEMATIC VERSION

- I. Assessment of potential for RFAD.
- II. Ranking of objectives.
- III. Assessment of government incentives.
- IV. Criteria for project approval.

I. Assessment of potential

A. Physical assessment (constraints)

1. Rainfall

- a. Amount (also one or two seasons)
- b. Variation (predictability)

2. Soil

a. Fertility (need for nutrients)

- 1. Existing nutrients
- 2. Organic matter
- 3. Water retention

b. Workability (with/without rain)

3. Temperature (no constraints?)

B. Technological assessment (possibilities)

- 1. Appropriate technologies (available, adaptable, attainable)
- 2. Crops/cropping patterns to be introduced (already in use, or similar ones used?)
- 3. Non-farm AH's

C. Infrastructural assessment (means)

- 1. Physical infrastructure (roads, etc.)
- 2. Administrative infrastructure

D. Socio-economic assessment (incentives)

- 1. Socio-cultural factors (supportive of cooperation and innovation?)
- 2. Economic factors (profitability)
- 3. Access to productive resources (e.g. land tenure)

E. Political

- I = levels of productivity and risk
- II = likely rate of improvement

III = capacity and costs for innovation
 IV = resistance/receptivity for change

All need to be acceptable or means for modification
 need to be planned.

II. Ranking of objectives for high moderate/low potential situations.

- A. Productivity
- B. Stability/insurance
- C. Sustainability/protection
- D. Equity

High potential	Moderate potential	Low potential
productivity	stability	sustainability
stability	productivity	stability
sustainability	sustainability	productivity
	equity	
	human resources development	

III. Assessment of government incentives

- A. Agricultural development possibilities:
 underutilized land and labor plus appropriate technology, income, nutrition, FX savings.
- B. Ecological considerations:
 1. direct benefits: curb loss of soil/forest
 2. indirect benefits: reduce erosion or siltation, fuel shortages elsewhere.
- C. Political considerations:
 1. benefit bypassed populations
 2. cope with population pressures
 3. possibly security considerations.

IV. Criteria for project approval

- A. Productive potential
- B. Environmental protection
- C. Equitable distribution
- D. Administrative manageability
- E. Political considerations
- F. Linkage to other sectors

V. Strategy considerations

A. Developing rainfed:

1. Agriculture (technologies)
2. Areas (environmental systems)
3. Populations (human resource development)

B. Balanced vs unbalanced development efforts
(complexity of interventions vs. cost of interventions)

C. Blueprint vs. process approach
(diversity of situations, complexity of interactions, limited state of knowledge).

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**EXHIBIT 3
FRAMEWORK FOR ASSESSMENT OF RAINFED
AGRICULTURAL DEVELOPMENT INITIATIVES: EXPANDED VERSION**

I. Assessment of potential for development

Use of a simple scoring scheme to sort out high-middle-low potentials for development. All variables to be scored on a scale of 3, 2, 1, or 0. The four categories of analysis would be:

- A. Physical assessment: rainfall and soils (assuming temperature not a constraint).
- B. Technology assessment: availability of appropriate technology, and acceptability of technology
- C. Infrastructure assessment: adequacy of physical infrastructure and administrative infrastructure
- D. Socio-economic assessment: socio-cultural factors and profitability.

These categories represent assessment of constraints, possibilities, means, and incentives. Respectively they will affect: levels of productivity and risk, likely speed of adoption, costs and capacity for innovation, and resistance or receptivity to change.

A scheme for scoring these different factors is shown below.

II. Ranking of development objectives

Using the scheme just described, situations would be classified in terms of high potential, moderate potential, and low potential (similar to A.T. Mosher's classification scheme in his previous work). It is proposed that the ranking of objectives would vary according to this assessment of potential. The three objectives considered here correspond to those presented by William Knowland and are parallel to those suggested by David Robinson in the working group discussions:

- A. Productivity: maximum rate of growth of output, in short-run and over time (Production in Robinson's scheme)
- B. Stability: minimum variation in output over time, looking to medium-run, not just short-run, with minimax logic determining choices (Insurance in Robinson's scheme).
- C. Sustainability: maintenance of some output over long run, avoiding running production system down to zero (Protection in Robinson's scheme).

In areas with high, moderate, and low potential, the ranking of these objectives would presumably be different and is suggested as follows:

<u>High potential</u>	<u>Moderate potential</u>	<u>Low potential</u>
1. Productivity	1. Stability	1. Sustainability
2. Stability	2. Productivity	2. Stability
3. Sustainability	3. Sustainability	3. Productivity

The first objective varies across the three circumstances; the ranking of productivity diminishes across the three situations; the significance of sustainability "escalates" in the third situation.

The fourth objective of equity, which Knowland described with the other three, can apply in any of the three situations and is not determined by the physical potential.

III. Assessment of government incentives

Three categories of incentives stand out in particular when looking at rainfed agricultural development possibilities:

- A. Agricultural development possibilities: where there are underutilized resources of land and labor for which reasonable technology is available or attainable, and can be demonstrated, increased agricultural production in rainfed areas can increase incomes, improve nutrition, affect foreign exchange savings (by earning from export or by import substitution).
- B. Ecological considerations: where the area in question is subject to environmental deterioration, programs which incorporate a resource conservation and management element along with agricultural production (and this is likely to include some kind of forestry component, at a minimum) should be able to achieve direct benefits by curbing loss of land and forest resource base through erosion control, reforestation, or indirect benefits by reducing diminution of productive resources elsewhere, through watershed management to curb erosion, siltation, etc.
- C. Political considerations: where area-defined populations have been "bypassed" by development, depending on the size of the area and the population, there may be political "profit" from development efforts targeted to the area and population; possibly there may be security considerations if the area is in a border region or the area is liable to active opposition to government; general pressures arising from growth of population may make development of all feasible areas attractive; this category includes consideration of "equity" objectives as

described above.

To the extent that one or more of these kinds of incentives are present and perceived, governments have more reason to approve and actively support initiatives for rainfed agricultural development.

IV. Criteria for project approval

Criteria would include three primary and three secondary sets of considerations. The more of these that would be satisfied by a particular initiative for rainfed agricultural development, the more reason there would be to approve a particular project.

- A. Productive potential: utilization of land and human resources will yield increased output relative to expenditure (this is likely to be evident in high potential areas, and less so in other areas).
- B. Environmental protection: utilization of land resources and measures to preserve productivity over time and prevent degradation (this is likely to be more important in moderate and especially low potential areas).
- C. Equitable distribution: provision of benefits to disadvantaged and underserved groups (this can apply in any of the areas but is more likely to be important in low potential areas).

Projects which contribute to all three criteria are easily justifiable; those which contribute to two may also be justifiable; any which contribute only to one (and that one is likely to be C since most development in rainfed areas that meets A or B would also contribute to C) would be difficult to justify. In such situations one might well undertake other kinds of projects than agricultural development, such as education, health, and other initiatives to upgrade the quality of human resources to improve their productivity and mobility (this follows suggestion of Vern Ruttan, and earlier, the analysis of Mosher).

Additional criteria to be considered would be the following:

- D. Administrative manageability: if this cannot be demonstrated, it would be difficult to proceed with a project even if it satisfied most or all of the above criteria.
- E. Political considerations: there would be political benefits from any of the above criteria being met, though to the extent that there is political value attached to any of them by the government, their weight would be

increased; also there could be considerations of security that weigh significantly, and coupled with any one of the first three criteria (plus satisfying D) would tip the decision in a favorable direction.

- F. Linkage to other sectors: it should be considered to what extent the proposed activity relates to and is complementary to other development initiatives; this could not in itself justify a less promising project, but it could make a project more promising and more deserving of support.

Possible scoring scheme for assessment of potential

Areas that are under consideration for rainfed agricultural development initiatives could be assessed in fairly simple terms according to a scoring scheme as follows. As suggested, various refinements or extensions could be made, and certain modifications (particularly in the technical area) may be needed.

I. Physical assessment

- A. Rainfall: both amount and variability need to be considered, along with soil characteristics, discussed below. A summary score such as formulated here would enable analysts to put areas into "high potential" "moderate potential" or "low potential" categories. It is assumed that temperature is not a constraint, but this could be introduced in a similar manner. As suggested below, both the rainfall and soil criteria could be disaggregated further.

1. Amount: cutoff points may need to be formulated differently, but the principle should be acceptable.

Over 1500 mm per annum	3
1000-1500 mm per annum	2
500-1000 mm per annum	1
Under 500 mm per annum	0

Note: to give extra credit for having two growing seasons per annum, there might be separate scales scored for two seasons, and an area that had only one season would get zero for the second.

2. Variation: criteria for this may need to be formulated differently, but some assessment should be possible ("normal" refers to onset of rains).

90% of time within 2 weeks of "normal"	3
90% of time within 4 weeks of "normal"	2
90% of time within 6 weeks of "normal"	1
more variability than this	0

- B. Soil: both fertility and workability should be considered, though criteria may need to be restated.

1. Fertility

Fertile with little or no added fertilizer	3
Fertile with some addition of fertilizer	2
Fertile with much addition of fertilizer	1
Not fertile even with added fertilizer	0

Note: different scales (implicitly summed in this assessment) could address differences in (a) soil nutrients, (b) organic matter, or (c) water retention, or still other characteristics.

2. Workability: this reflects soil types, and is sometimes inversely related (unfortunately) to fertility: a simple scheme could be the following:

Easily workable without rain	3
Easily workable with rain	2
Difficult to work without rain	1
Difficult to work even with rain	0

One could imagine a top score of 12 (rainfall over 1500 mm, 90% of the time within two weeks of "normal" onset of rains, soil fertile with little addition of fertilizer, and soil easily workable without rain) ranging to zero where none of these conditions are met. Total scores of 9 or higher might represent "high potential" areas, scores of 5 to 8 "moderate potential" and 4 or less "low potential."

II. Technological assessment

A. Appropriate technology

Appropriate technology available	3
Some technology available and adaptable	2
Appropriate technology could be developed	1
Appropriate technology unlikely to be developed or developed soon	0

B. Crops to be introduced

Crops/cropping patterns known and grown	3
Crops/cropping patterns familiar	2
Crops/cropping patterns not unlike present ones	1
Crops/cropping patterns would be exotic	0

Note: this category (B) would not rule out initiatives but would signal that the rate of acceptance would be probably very slow.

III. Infrastructure assessment

A. Physical infrastructure: roads in particular, but also communication, storage and other facilities needed for getting inputs in and outputs out.

Good infrastructure in place	3
Some infrastructure in place	2
Infrastructure could be developed at acceptable cost	1
Infrastructure could not be developed at acceptable cost.	.0

B. Administrative infrastructure: presence of capable and motivated staff in area

Adequate staff and good performance	3
Some staff, average performance	2
Little staff, poor performance but could be improved	1
Difficult to improve staff (problems of getting staff or getting staff there)	0

Note: If score is low on this, but other factors are favorable, one might consider an innovative implementation strategy relying heavily on local organizations and paraprofessionals.

IV. Socio-economic assessment

A. Cultural factors: consideration of homogeneity or heterogeneity of population as it affects cleavages or properties for cooperation; indigenous local institutions that could support or impede innovation.

Cultural factors supportive	3
Cultural factors mixed but on balance supportive	2
Cultural factors mixed but some are positive	1
Cultural factors negative	0

Note: this assessment would try to get at factors that are supportive of cooperation and innovation, or not.

B. Economic factors: considerations affecting profitability of innovation(s); including activities like reforestration or conservation where part of project; considerations of how much yields would be increased, how high and stable would be the price, how predictable would be the demand for output, etc.

New practices/crops highly profitable	3
New practices/crops definitely profitable	2
New practices/crops somewhat profitable	1
New practices/crops not profitable (or unpredictable in return)	0

Note: highly profitable innovations may offset less favorable cultural circumstances, whereas the opposite may not be true. If neither social nor economic factors are supportive, situation is very unpromising; with both sets of factors supportive, prospects should be good, if the other factors are supportive (soils, technology, physical infrastructure, e.g. will affect this last estimation of economic factors, but it should not be taken for granted that positive scores on those variables assure an economically attractive opportunity -- this last consideration of economic returns should be made looking at market opportunities and dynamics, which may not be positive even if the other factors are favorable).

In terms of overall assessment, factors II, III and IV may not be combined in the way that physical factors can be. If any of the factors under II, III, and IV are low (1 or 0), then the area may not have much potential for improvement. Thus this "scoring" exercise is a kind of screening device. Not all of the answers on these variables may be known and thus something more than a reconnaissance effort may be needed to ascertain the situation with regard to some variables. If the scores on known variables are favorable, this would justify expending effort to ascertain the situation on those variables.

Recommendations

Order of presentation does not necessarily denote order of importance.

1. Marshall resources from PD and S, and central as well as mission funding, to support rainfed agricultural development initiatives.
2. Plan to achieve rainfed agricultural development goals by management strategies which emphasize precise focus, greater internal efficiency of operation, mobilization of external support, and better use of host country capabilities.
3. Take note of the fact that RFA development cycles tend to be longer than current planning may be able to deal with easily.
4. Stress "rolling" planning and implementation techniques--focus on the on-going process of developmental change, and guiding that process, equally with our focus on measurable program and project output.
5. Recognize the multiple links between RFA and both irrigated and off-farm economies, as part of the variability, diversity, and opportunistic qualities of RFA, and build these insights into project and program planning.

6. Recognize the diversity of RFA technical requirements, which may demand close attention to innovative technologies going beyond the "blueprint" technology approach.

7. Clearly understand that the focus for RFA is upon the agri-family and its strategies for survival in risky environments. Our objectives should be to enhance productivity, and to improve opportunity, for the agri-family. The development of human capital is inherent in this approach to RFA.

8. The Agency, and each mission, should assess its programs to identify those themes and activities common to several or to all, for which central support can be provided. Examples are decentralization, market systems, screening genetic diversity in non-conventional crops.

9. The Agency, and each mission, must examine its present staff capability and utilization to determine the best means to upgrade their skills through short-term, modular, and, primarily, in-place training.

10. Stress should be placed on crop technologies for RFA that promote cost-effective soil fertility. These include especially leguminous woody plants.

11. Examine the role of small animal production in RFA farm economies.

12. An RFA project, analogous to the Water Management Synthesis Project, should be considered for development.

Work group report
PRIVATE ENTERPRISE, AGRICULTURAL RESEARCH, IRRIGATION/WATER
MANAGEMENT
Willian Janssen, leader
Alan Hurdus, rapporteur

Agricultural Research

Investments in national agricultural research systems have consistently produced high returns. Support to the Asian agricultural research network is considered a long term, process to provide a continuous stream of technology. The Conference wishes to reaffirm the recommendations of the Jakarta 1981 Conference that agricultural research represents one of the most important investments that AID can make. Evidence of the productivity and effectiveness of research systems in many countries is impressive. Support to strengthen these systems must continue in order to effectively develop technologies suitable for priority areas in both rainfed and irrigated sectors. Substantial capital had been allocated to the expansion and improvement of

physical and human research infrastructure; additional resources are needed to support the systems and activities that flow from the infrastructure: research design and implementation as well as support services for program maintenance.

To more fully realize the potential of AID's investment in agricultural research, this conference endorses AID's continued support for research to strengthen national capacity to respond to both rainfed and irrigated agricultural needs.

AID is in a better position to take more risk than national governments. AID should endorse an experimental approach to the development of the human and physical resource base and to commodity and systems approaches designed to identify appropriate technology for rainfed and irrigated agriculture. Finally AID should explore alternative modes and processes to providing assistance in addition to the traditional project and program approaches.

Irrigation/Water Management

Irrigation water management received a strong endorsement at the Jakarta conference 2 years ago and remains a mainstay of AID's agricultural sector efforts in Asia.

Improved water management is essential in both new irrigation projects, if they are to be cost-effective, and existing ones, if low efficiencies are to improve.

A number of missions now have substantial irrigation water management portfolios. The joint Asia Bureau/S&T Bureau Water Management Synthesis II project is designed to support the mission's irrigation water management activities. Many of these projects have important longer term institutional development components as well as a continuous stream of technological developments requiring sustained effort to effect. In view of the vital importance of irrigated agriculture to the economies of most countries of the region, it is the strong recommendation of this conference that the continuing importance of this sector be endorsed.

Private Sector

Growth of the rural economy requires a strong private sector based on both dynamic agricultural and non-agricultural enterprises. The private sector is the primary means of providing productive non-farm employment opportunities in the rural areas. It is the non-farm sector of the rural economy that must absorb most future labor force growth. This sector is primarily composed of small heterogeneous enterprises, which are extremely difficult to reach with traditional development programs. The continued growth and expansion of these private enterprises in rural areas is dependent upon both a positive environment within which the private enterprises operate and the continued growth of the agriculture sector.

Non-farm employment has a strong influence upon total farm household income and allocation of time for agricultural activities. It is probable that the importance of non-farm sources of income is greater in rainfed agriculture households than in irrigated agriculture households. It is also an extremely important factor in heavily populated areas in which there are significant groups of landless households.

AID should continue to place emphasis on efforts that assist in gaining further understanding of the kinds of environments that offer the best prospects for the expansion and development of private enterprises, agricultural and non-agricultural, in the rural areas.

AID should also emphasize the development of approaches and processes for providing technical, marketing, management, and financial assistance to private enterprises in the rural areas.

Rural Financial Markets

The conference notes the important role of rural financial markets in rural development. Financial institutions are needed that efficiently mobilize rural resources in the form of deposit and savings accounts, and allocate them to productive rural uses. A number of rural credit institutions in developing countries are experiencing difficulty in efficiently performing the credit allocation process, and in effectively recovering many of the loans made. While most of the emphasis has been on agricultural lending, there has been little attention paid to credit for non-agricultural use or savings mobilization.

The conference recommends that AID continue to use its technical and programmatic resources to search for ways to improve the functioning of rural financial markets and to remove some of the distortions that impede the development of viable financial institutions. High priority areas

include alternative approaches for rural savings mobilization, improving credit access, cost-reducing techniques for making loans, increasing loan recovery, selective experiments in lending to rural nonfarm enterprises, and measures to adjust interest rate structures.

Also the Conference notes that many of the lessons learned in programs for rural finance have applicability to programs under consideration for agri-business development.

Work group report
POLICY DIALOGUE
Ronald Curtis, leader
Charles Uphaus, rapporteur

The instructions on policy dialogue emanating from AID/W seem to proceed from the belief that missions have more leverage and capability in this field than is actually the case. Basically, the policies are, and should be, the host government's, which AID can then support in accordance with our own agenda. AID should approach "policy dialogue" with a great deal of humility, recognizing that dialogue is a two-way process.

The policies that we are concerned with are Mellor's "minor issues," e.g., input supply, institutional organization, marketing, price stabilization. The major issues of exchange rate and macro-level investment or financial policy are of extreme political sensitivity and certainly beyond the mission's analytic capabilities.

In the short term, this kind of "minor policy" dialogue can best be effected through projects; policy dialogue cannot be independent of responsible involvement. It must be an on-going process, with knowledge and trust built up through day-to-day involvement and interaction over a period of time. Programs and staffing consistency (the latter in terms of positions more than individuals) are essential to the establishment of credibility. The exchange of information and knowledge cannot proceed without credibility.

In order to avoid unproductive confrontational situations over policy questions, i.e. making commitments that require subsequent host-country policy changes, we need much better analytic capabilities at the CDSS and early project design stages -- to recognize the important policy issues and relate them to programs and projects and to effectively interrelate with top host-country economists and planners. The concern (and consensus of our group) is that most missions do not have that capability. This is not so much a question of numbers or composition of field staff, but rather how they are used. The process demands of the

Agency generally preclude the commitment of adequate resources to policy analysis.

In the long run there can be no substitute for development of host-country capacity to undertake policy analysis to enable decisions to be made on a more sound basis. This directly implies a need for a very large, long-term, training and institutional (universities, government, private sector) development. If we are serious about maintaining the policy emphasis in our assistance, we must be ready to make this commitment.

Summary

1. They are host-country policies, not ours, which we can selectively support.
2. Our short-term role is restricted to "minor issues" through project involvement.
3. We need better in-house capability to analyze policies and relate these to project design.
4. The staffing implications of this is that we need either more resident expertise in the field (JCC ?) or reallocations of direct-hire staff and their responsibilities and upgrading their capabilities;
5. In the long-run there must be much greater program emphasis on training and institutional development.

Work group report
CONSTRAINTS ON STAFFING LEVELS
William Douglas, leader

Since neither basic circumstances nor constraints have changed in the last two years, we suggest that the recommendations on personnel made in Jakarta in 1981 be reaffirmed and implemented. Following from these recommendations the sector councils should be appropriately reorganized to combine agriculture and rural development within one council. We do not feel that any significant progress has been made on those earlier recommendations. (Modifications in recommendations (D) and (E) would be required as given below.)

As a basis for dealing with the personnel issues referred to, this groups we feel the following assumptions must be made:

- Overall agency staffing levels will either remain at current levels or continue to decline.
- AID's portfolio of projects in Ag/RD will become

increasingly complex and more professionally demanding as we focus on priority areas of institutional development, technology transfer, policy dialogue, private enterprise.

Within the combined Ag/RD professional category recommended at Jakarta, two career cones or tracks should be established. These would be for project management and technical specialists. Positions within the overall Ag/RD category would be specifically designated as either management or technical in Washington, missions, and the regional level, where appropriate.

If AID is serious about designing and implementing a sound development program within current policies then it must make a minimal, but clear, commitment to maintaining a core groups of technically competent direct-hire staff in critical fields.

Even with the technical support of common theme or ribbon projects, as articulated by the S&T bureau, country missions must be able to sustain a staff capability balanced between program management and program substance. Present agency field staffing trends inevitably stress project management at the cost of technical quality. In addition to improving overall technical quality, we assert that basic mission responsibilities such as carrying out credible technical and policy dialogues with host-government counterparts and adequate management and technical direction of U.S. technical assistance teams requires enhanced "in-house" technical expertise.

Under this proposal, an AID Officer should be able to move between those two cones and occupy both types of positions over the course of his or her career, if suitably qualified. The officer's performance and contingent promotion would be evaluated at any time, according to the cone and position currently occupied.

This staffing scheme is consistent with both IPA and JCC concepts. If qualified officers could not be found to assume designated technical positions at appropriate times, professionals under either of these programs could be used in these positions. The establishment of this essential sub-category of technical aid officers would also facilitate their temporary movement back to universities under "reverse IPA" arrangements.

Due to the increasing cost of current technical assistance and the perceived opportunity cost of \$ 125,000 to \$ 220,000 per person year by most government officials, we strongly recommend that all or part of the funding for technical assistance be excluded from negotiated project agreements. Only the type and duration of technical assistance should be negotiated and included in the agreements. Funding would be handled directly by AID.

The current procedure of including technical assistance costs within projects negates the original objective of truly collaborative projects. This is due to rapidly increasing costs, the disparity in salary levels between T.A. professionals and host country experts, and the increasing sensitivity of better trained, more experienced host-government officials. The objective of fostering collaborative professional relationships between host-country and AID financial and technical professionals, is frequently relegated in importance or lost entirely, or the host-country singularly focuses on the cost of technical assistance. By removing the cost of technical assistance from the negotiating table, AID and the host government can focus entirely on the technical merits of collaboration without the introduction of the subsidiary, but highly politicized, issue of financing technical assistance.

Work group report

PERSONNEL MATTERS: CAREER DEVELOPMENT

Chuck Antholt, leader

Richard Flaspohler, rapporteur

The largest allocation of Agency resources has been, and will continue to be, the agriculture and rural development sector. A high degree of managerial and intellectual leadership is required in order effectively implement the Agency's food and agricultural strategy. The Agency must seek to increase the level of excellence of its human capital in the agricultural and rural development sector.

Recommendations

1. The Agency must re-examine the division of work with respect to professional specialists in the agriculture and rural development sector. In particular the professional specialists must be relieved of process requirements in order to effectively focus on substantive development issues.

A possible solution would be to organize around sector activities with technical specialists teamed with PD/CD officers rather than, as is often the case, being located in separate offices.

2. The Agency must seek to increase its investment in developing its human capital base in agriculture and rural development. Given the size and relative importance of the Agency's agricultural and rural development activities, the current underinvestment in enhancing the level of excellence of BS-10 and BS-12 officers seriously detracts from the Agency's effectiveness in implementing the food and agricultural strategy. To some extent, the IPA/JCC should reduce some of the problem, but in the long run there is no substitute for a high level of excellence in the substantive

and intellectual leadership capacity of direct-hire agricultural and rural development officers.

- The Agency should provide 3-week training sessions each summer for all BS-10 and BS-12 officers on home leave, covering process management skills, e.g. contracting, procurement, etc., and general administrative skills, e.g., management by object., etc. This training should be a matter of course with all officers expected to attend and with home leave schedules adjusted accordingly, including relaxing the 24-month rule on home leave. In addition, specialists should be expected to attend their annual professional meeting when they are on home leave. Funding must be specifically earmarked to allow for this short-term training.
- Given the complex nature of the development process, periodic "sabbatic" - like opportunities for career development must be expanded for agriculture and rural development officers. This training should be of the kind that widens the professional horizons of officers with respect to the development process. In this context, areas such as price policy, food security, trade and social/political dimensions of technical development process should be stressed. The agency should expand the number of long-term training opportunities by encouraging reverse JCC arrangements, considering half-pay arrangements, and easing leave-without-pay status for those willing to self finance.

The conference takes note that many ADOs and RDOs expressed a willingness to share with the Agency the financial burden of professional career development, which for some represents a substantial financial sacrifice.

- We believe ADOs and RDOs can and should be represented at the executive levels. In this context, ADOs and RDOs should actively seek and be encouraged to apply for the Senior Executive Seminar, War College, Sloan Program, etc. With respect to long-term career training, BIFAD should assist in identifying imaginative ways to improve the Agency's intellectual and substantive leadership capacity --reverse JCCs may be one way.
- Given the increasing availability of well-trained host-country nationals and the continued pressure to reduce direct-hire staff, the Agency must more aggressively seek to enhance local-hire skill levels and to pay competitive wages. To this end, increased allocations for short-term training of local hire staff must be made, and protected; and delinking local hire staff from Embassy/State Department pay scales must be done.

PANEL DISCUSSION OF WORK GROUP REPORTS

Eugene Staples, John Robins, Vernon Ruttan, John Mellor,
Norman Uphoff, Richard Meyer, speakers
Michael Korin, rapporteur

Staples: The personnel work groups' reports were sensible. The Administrator supports the importance of technical personnel although progress since the 1981 Conference has been limited. A long-term personnel planning exercise is underway. All of the Bureaus are encouraged to strive for technical excellence. Training has been the single biggest failure related to personnel matters. We need to move on the training problem with definite proposals. It is the intent of the Administrator to afford technical personnel like agriculturalists an opportunity to move into executive-level assignments. Staples questions the two-cone approach (technician vs. project manager) and would like to see how a Mission would apply this approach within its current staffing limitations. He reiterated the importance of FSN employees and encouraged field personnel to make maximum use of them. The Administrator is to meet with the Secretary of State about special needs for AID FSN employees.

Robins: This year, only two agriculturists (out of about 230 in the agency) are to receive long-term training. The Agriculture Sector Council is addressing the training issue and expects to set different types of training models, including the reverse JCC system as a mode, and a training plan by late spring.

Staples: There are some questions that should be raised on a country-specific basis concerning involvement in rainfed agricultural production. Essentially, is this an important areas for the USAID Missions; who else is working with it? Missions should closely examine if this is the best use of their funds. If missions do get involved in this area, they should select crops of greatest potential and focus on only certain ones and under certain conditions. Projects should be kept simple and concentrate on research initially if this is a weak link. Tree crops are to be included with rainfed agricultural crops.

Ruttan: USAID missions should be encouraged to diversify their portfolios and experiment, recognizing some failures will be encountered, or missions will miss out on new and important opportunities. Go for high returns through a series of small investments. AID should take more risks.

Mellor: Rainfed agriculture production will be personnel - intensive, so missions, if they get involved in this area, should continue support to build up university training programs.

Uphoff: Judgement of the productivity of AID's investments

should be based upon what is contributed towards the productivity of the country's total investment. USAID missions should consider this, not just standard return on investment, in determining whether to proceed with support for rainfed agricultural production.

Meyer: Involvement in rainfed agriculture should be kept simple, and a continuity of project management is important.

OPEN DISCUSSION

John Foti, rapporteur

Missions should go for the high return. While they should stick with their bread and butter, the big investments in irrigation and research, they should also work with the national systems (high risk) with enough resources to take advantage of potentially high-payoff activities.

Missions should look into the future (perhaps as far as 20 years ahead) and do things which will have a potential for high returns, i.e. working with forestry and erosion problems.

Keeping things simple can cause problems i.e. not knowing enough about a particular area, but still moving forward and having it backfire. Problems need to be looked at in a systematic way to avoid serious difficulties in the long run. Its true it is more expensive, but it is a necessary expenditure.

CLOSING COMMENTS

Eugene Staples, speaker

David Alverson, rapporteur

The outputs from the working groups will be taken back to AID/W and will form the basis for a statement which will be sent to the field for comments. This statement, to be completed by March 20, will be built into a required strategy paper. Other comments:

- AID/W top management is not opposed to projects utilizing the learning-process approach. However, boundaries must be placed around what activities are to be subjected to this approach.
- AID's agriculture agenda in Asia is extremely important. Although the number of AID officers is small, AID is listened to.
- AID/W will be as supportive to field missions as possible and will pursue training and staff development as priority areas. The Asia Bureau has good relations with the S and T Bureau and will work to improve them further.

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OTHER DOCUMENTS DISTRIBUTED AT THE
CONFERENCE

Asia Bureau Agriculture And Rural Development Conference,
January 12-15, 1981

An Overview of Pakistan's Current Agricultural Development
Policy Options

Kenneth C. Nobe

Rainfed Resources Development

Training Plan For AID Rural Development Personnel (Memo)
Ruth Zagorin

Rural Development Strategy: The Central Role Of Local
Organizations, And Changing 'Supply-Side' Bureaucratics
Norman Uphoff

Integrated Rural Development Programs
Vernon W. Ruttan

Private Agricultural Research In Asia
Carl E. Pray

Progress Report On Activities For The Period August 1982-
February 1983 (Asian Agricultural Research Review Project) (Memo)
Carl Pray and Vernon Ruttan

PAPERS PREPARED FOR THE CONFERENCE

Essential Elements Of Rural Development:
Considerations For Program Design And Implementation

The Role And Potential Of Livestock In Farming Systems
In Asia
David W. Robinson

Rainfed Agriculture In Asia
Russell O. Olson

Rainfed Agriculture In Thailand
Sam H. Johnson, III

Rainfed Agricultural Development In The Philippines
Randolph Barker

Rainfed Agricultural Development In The Philippines (II)
Agricultural Policy In The Philippines
Rainfed Agriculture In Sri Lanka
C. Brice Ratchford

The New View Of Rural Financial Markets
Richard L. Meyer

Meeting The Challenge For Better Irrigation Management
M. Svendsen, Douglas Merry, W. Fitzgerald

The Asia Bureau's Role In Assisting Private Enterprise
Development of Agriculture
Fletcher E. Riggs

Private Enterprise And Rural Development
Gerrit Argento

Summary, Tuesday, February 22, 1982

RAINFED AGRICULTURE IN ASIA

Russell Olson, Richard Harwood, Vernon Ruttan,
John Foti, speakers
Joanne T. Hale, rapporteur

Overview (Olson)

About 30% of the 897 million hectares in Asia is cultivated. Only 27% of the cultivated land is irrigated. The balance (200 million ha) represents the focus of this conference. Until the end of the 1960's the emphasis on agricultural development was on land expansion. The Green Revolution in the mid-60's introduced high technology packages for wheat and rice production. It was not until the 70's that research began to focus on areas associated with less favorable environments. The diversity of these unfavorable environments mitigate against generalizations on rainfed agriculture too. Common denominators do however exist: (1) the solar energy potential in the tropics, which is approximately twice that of the temperate zone, is vastly underutilized, and (2) soil fertility maintenance in the tropics is costly. It has been estimated that returns to investments in rainfed agriculture are significantly high: benefit-cost ratios associated with new irrigation schemes are 1 whereas B/C ratios associated with rainfed agricultural improvements are 12.9.

ICRISAT, AVRDC, and IRRI are among those institutes currently involved in matching technology to appropriate soil/climate patterns. Using the farming systems strategy, local situations are identified and appropriate adjustments proposed for increased production and productivity.

Some issues to be addressed are:

1. Will equity or production criteria take precedence in establishing criteria? Is there an appropriate mix?
2. Does an adequate technological base exist for program development? How can it most effectively be transferred from the international centers to target sites?
3. Should AID shift support to programs that are less dependent on supporting infrastructure for success? Should AID encourage more public resource allocation toward markets, credit, and research infrastructure?
4. What should be AID's role in support to national extension systems, which are responsible for transferring rainfed technology?
5. Should AID become involved in policy formulation related to relaxing constraints on rainfed agriculture

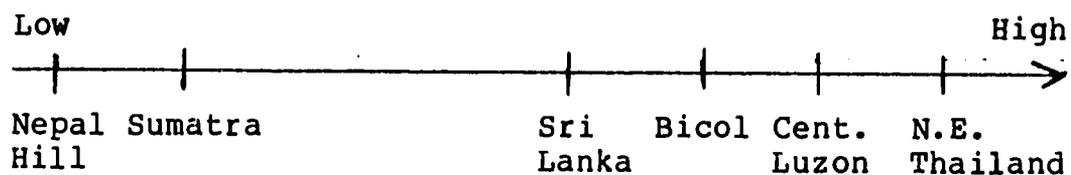
development?

6. How can AID best encourage private participation in crop marketing, processing, and storage of rainfed crops?
7. How do AID programs affect landless and near landless groups in increasing their claims on agricultural resources and economic opportunities?

Agronomics (Harwood)

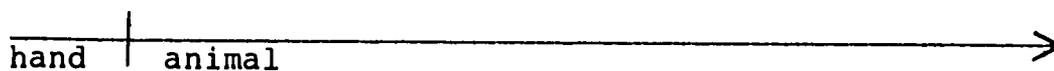
Biotechnology must focus on areas with real potential for increased production and productivity. There are five promising areas which offer a range of choices for resource-limited agricultural systems. Low cash-input systems, such as those characterized by rainfed farming, can benefit from shift in these five areas: infrastructure, off-farm nutrient harvesting, biological nitrogen fixation by woody legumes, nutrient application, and effective crop interactions.

(1) Infrastructure



As roads, markets, and institutional structures improve, potential for production gains increase.

(2) Off-farm nutrient harvest



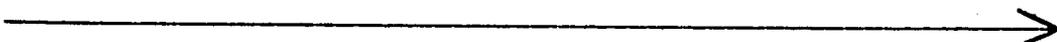
As the flow of nutrients from outside harvests to farmers' fields increases, the opportunity for increased crop production and farm productivity is enlarged.

(3) Biological nitrogen fixation



This type of fertilizer input is only relevant to the low cash input segments. As contributions from leguminous woody species are increased, farmers shift to a higher potential setting to justify incorporation of recommended technologies into their systems.

(4) Nutrient application



This type of choice is more expensive but enhances the

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prospects for higher returns to investments in rainfed agriculture.

(5) Efficient crop interactions

The insertion of a particular crop into a rotational crop system may increase the farms' "payoff" in terms of reduced weed control measures. This technique is management intensive but the interactions of preceding crops on standing crops has amply been demonstrated to be a cost-effective tool in reducing crop losses attributable to weeds.

Institutional Support (Ruttan)

Developed economies have used technology to maximize either crop yields per hectare or output per worker. The choice depends on each country's resource endowment. Countries, such as Japan, Germany, France, and U.K, with limited land resources have created technology which favors increased crop yields per unit land area. Countries, such as the U.S., Canada, New Zealand, and Australia, with adequate land bases but expensive labor supplies have developed technology that leads to increased crop yields per labor unit.

Developing economies are characterized by low yields per unit land and per unit labor. Technology is invented by a country to offset its particular resource scarcity. Technology is created to compensate for resource endowment constraints and therefore to change the complexion of the resource mix.

The interactions of institutions and technology are shaped by the nature of resource scarcity. The impact of institutions on technology is closely associated with the changes in income streams created by the new technology generated. Changes in income patterns create pressures on institutions to change in directions which better serve the new needs. New technology resolves specific constraints but leads to different types of tensions in the labor markets and tenant/landlord relationships. Pressures are then applied to the need for institutional innovation to resolve tensions.

Thailand (Foti)

Rainfed agricultural efforts in Northeast Thailand involve 33% of Thailand's 17 million hectares. It focuses on 35% of Thailand's 17 million inhabitants, whose average per capita income of \$ 252 contrasts sharply with that of Bangkok's \$ 1800. Average farm holdings of 45 hectares are associated with family sizes of 6.6 persons. Population growth rates of 2.5% characterize this region.

The Northeast farming system is traditionally associated with high rates of livestock: 65% of the nation's 3.7 million buffalo, 40% of the country's 1.6 million cattle, and 29% of Thailand's 0.89 million swine.

Approximately 41% of the total land area is cultivated. These 9.6 million hectares are devoted to rice (5.4 million hectares), field crops, (1.4 million hectares), vegetable crops (0.06 million hectares), fruit crops (0.03 million hectares) and pasture/idle (2.71 million hectares). Field crops include cassava, corn, kenaf, sugarcane, and peanuts. Currently 5% of the land (332,000 hectares) is irrigated as compared with a potential of 15%.

Thailand's fifth Five Year Plan is basically a poverty elimination program. USAID's involvement in the Northeast dates back to the 60's.

The following large projects are underway:

o NE Rainfed Agriculture Development	\$ 10.0 million
o NE small-scale irrigation	8.6
o Lam Nam Oon	4.6
o Land settlements	4.2

Proposed projects include the Khon Kaen University Ag/Rural Development Research (\$ 2 million) and the Northeast Soil/Water Conservation (\$ 15 million).

Other donors involved in Northeast Thailand agricultural projects include the World Bank, UNDP, Ford, Rockefeller, EEC, Japan, Australia, Canada, Germany, ADB.

Among the technical constraints facing Northeast farmers are low soil fertility, low water-holding soil capacity, erratic rainfall, limited relevant technology, limited extension efforts, under-utilization of land, low cropping intensity, declining crop yields, price instability, insecurity of land tenure, limited market access, low irrigation potential, and low capital availability.

The organizational constraints include attitude of bureaucrats, proliferation of central government activities, low level of genuine local representation, large grants to local councils lessening local incentives, over burdening of local council staff with numerous projects each with different procedural demands, and unskilled staff responsible for implementation.

Other constraints focus on the following factors: high population growth rates, low educational levels, exclusion of village poultry and hog production by over-concentration on buffalo and cattle activities, shortage of trained manpower, underutilization of trained staff at universities, ineffective interaction with international centers, private

sector non-involvement, and insufficient understanding of basic soil problems.

The main lessons learned are that projects are not directed at unique rainfed areas or local population interests; too much emphasis is placed on irrigation as the single most important intervention; traditional research is often not applicable to rainfed conditions; cropping systems in the NE must be expanded to include livestock; bureaucratic pressures (by AID and others) can lead to short cuts in the development processes in ways dysfunctional to project objectives; competition among donors can dissipate the limited human resources in host institutions; projects tend to focus on quantitative outputs rather than on processes; long term benefits should be viewed primarily in terms of behavioral change rather than in terms of central mandates.

RAINFED AGRICULTURE IN ASIA (contined) Nyle Brady, James Ryan, William Knohland, David Alverson, speakers
Arlan McSwain, rapporteur

Export crops (Brady)

USAID support for export crop production does not imply the administration is moving away from helping the poorest of the poor. Most of our efforts should be directed toward food crops, but we must recongize the real world. Export crops can be included as a part of the farming system used by the small farmers.

Economic aspects of farming systems in India (Ryan)

In India half of the farmers have access to irrigation. We must recognize this in the design of farming systems. Even on totally rainfed farms, if irrigation is present in the area there will be competing demands for inputs.

The farming system developed by ICRISAT for the black soils is a good example for investment in dryland agriculture. It will triple the farmer's income, double employment, and also reduce soil erosion. However, there are some implementation problems and difficulties in developing sufficient bank financing.

In dryland farming systems work, timely availability of inputs is especially critical. The cost of inputs is less important. Improved varieties and fertilizer will improve income. Program planners should not over-emphasize low input agriculture. Proven technologies will create a demand for changes.

Farming systems research is not a new science, but only a way of harnessing science. It has three strategies which must be conducted in an integrated manner: Base data

analysis, on-farm research, on-station research. It has four phases: (1) description (2) design (3) testing (4) extension and training

Common property resources (hills for grazing, etc.) must be utilized in the total system. These areas have been neglected by researchers. The poorest members of the village are especially dependent on common property. Better fruit trees, for example, for common areas might go a long way to improve the diets of the poorest people.

Natural Resources (Knohland)

Increased productivity and income are the ultimate goals of agricultural development. But in the agro-ecosystem approach, stability, equity, and sustainability are important.

In Asia there is concern about the sustainability of current soil and water management practices. Soil erosion is the big problem. AID has a watershed program now starting which should be of help.

Cropping system research needs to have diversification. It should include animals and nutrition, not just rice. The Asian diet consists of fish as well as rice. Trees should also be included in the overall system. We need information on forestry economics. U.S. forestry expertise is weak in Asia. Trees should be used for agricultural purposes and not just timber.

Ryan was asked what needed to be done to spread the ICRISAT farming system to all black land in India. He said that over the next five years the needs are training in infrastructure development, banking for credit, weed control, and input distribution. At present only ICRISAT and the state governments are working on spreading the new system. However a new banking institution supported by the World Bank is taking an interest.

Philippines (Alverson)

During the 1960's and 1970's the Philippines Government pursued the goal of rice self sufficiency, and AID provided help. This rice program was aimed at irrigated farmers and was successful. However, a large proportion of the rural population in rainfed areas did not benefit. In the 1983-1987 five-year plan, it appears the government will place greater priority on increasing productivity in the rainfed areas thereby spreading the benefits of development to major low income groups.

USAID is generally in agreement with the goals of the Philippine government. The USAID strategy is to help the

government define and implements its own strategy for accomplishing its development goals.

The mission has designed two new type of projects intended to benefit the same poverty groups and which focus on institutional development. The Rainfed Resources Development Project (RRD) departs from "traditional" projects in several ways.

- It combines several major components under one implimentation mechanism.
- It is designed to be flexible in terms of specific activities and funding provided for these activities.
- It is designed to provide the sustained assistance needed to develop institutional capacities.

The Local Resource Management Project (LRD) focuses on developing the institutional capacities of local government units to plan and mobilize the resources needed to implement locally identified programs. The major components:

- Helping local governments develop strategies for assisting defined poverty groups for self help.
- Developing local governments' capacities to mobilize local financial support for local development.
- Testing approaches through which PVO's work with local governments to carry out self-help projects.

Overcoming constraints in the rainfed areas will be more complicated and difficult than in irrigated areas. The government recognizes that its approach must be different, but officials have no real pattern to follow from previous projects.

Participants suggested several concepts for planning rainfed area development projects:

- Understand resource base and people that use it.
- Develop capacity to carry out an evolving process.
- Involve host-country counterparts in problem definition, analysis, and action follow-up.
- Base long-term strategy on the participation of a wide spectrum of public and private institutions.

RAINFED AGRICULTURE IN ASIA
Jacob Kampen, Michael Korin, speakers
Arnold Radi, rapporteur

World Bank and Rainfed Agriculture (Kampen)

The appraisal for the pilot project for rainfed farming proposed by the Government of India and the World Bank was just completed. The World Bank feels considerable progress has been made in development of more productive technologies for rainfed farming: good varieties, cropping systems, new crop management, cultivation practices, use of moderate amounts of fertilizer. Rainfed agriculture suffers from great uncertainty of rainfall and high intensity when rains come. There is a need for soil and water conservation measures, drainage, and new land development techniques.

The overall objective of the project is to develop an organization and management system to introduce technology for increasing and stabilizing crop, forage, and forest production, and thus farm incomes, in large rainfed regions. This will involve implementation of improved soil and moisture management measures, and better crop and grassland husbandry practices on both cropped and non-arable lands.

The major goal is to ameliorate the effects of variation in the quantity and distribution of rainfall by exploiting such opportunities as retaining more water in the soil profile and recharging ground water for "lifesaving crop irrigation" and controlling erosion by drainage. The project would also attempt to check and reverse denudation and erosion of grazing or forest areas on public lands.

The basic development unit is a 25,000 hectare watershed, with subunits of 2500 hectares. There will be district watershed development teams, which will provide leadership. Plans will be implemented by farmers and coordinating agencies. Technical units will be at the state and central level. The subunits (2500 ha) will consist of village clusters.

The criteria used for selecting project areas will be more reliable rainfall (about 750 mm/year); soil types for which technological packages for improved crop production and resource management are available; and the presence of at least basic supporting services (agr. extension, markets, inputs, credit, and transport. Three areas selected for the project are Maharashtra, Andhra Pradesh, and Karnataka.

The World Bank will provide funds for development of additional watersheds meeting the criteria, after endorsement and appraisal by the Indian Government.

The project inputs will be facilities and staff for planning, monitoring and evaluation; facilities and staff for technical and administrative cells of WDC (Water Development Council) within National Land Resource Conservation and Development Commission; capital development--construction, drainage, bunds etc.

The Bank believes that the project can serve as a springboard for the development of much larger rainfed areas through viable models for organization and management. Progress in rainfed agricultural development in pilot watersheds in India may provide leads to facilitate accelerated development in other areas. Existing infrastructures can be used and improved on for water storage in support of rainfed systems.

No new extension system for rainfed agriculture will be built. Rather the quality of existing extension services will be augmented. The project will decrease ratio of workers to farmers from 1:800 to 1:400. Research relies on extension to develop an orientation to, and maintain an awareness of, actual farm problems and to determine farmers' feedback in response to new technology. The International Centers have not relieved national programs of "most" of the basic and "some" of the applied research needed. Strengthening the on-farm operational research projects and the linkages between research and extension is an urgent need. The project will improve specific field research sites on rainfed farming and will support developing, testing and introduction of specialized farm machinery, mainly bullock-drawn equipment.

Research has proven a (limited) potential for rewarding investments in new seeds, fertilizers, plant protection, land development etc. in specific agroclimatic environments within rainfed seasonally dry areas.

Sri Lanka (Korin)

Sri Lanka's main climatic zones are: (1) wet, (2) intermediate, and (3) dry. There are 24 agroclimatic groups in Sri Lanka. Three fourths of Sri Lanka can maintain a rainfed systems approach. Rainfed agriculture in Sri Lanka is categorized in four main groups: unirrigated, irrigated for only one crop of rice, undependable irrigation from small tanks (tanks not more than 3 or 4 feet deep), and irrigated, well- drained soils.

There are many reasons to become involved with subsidiary food crops: (1) as rice self sufficiency is achieved, the price of rice will fall, hence there will be a need for farm enterprises based on subsidiary food crops; (2) equity; (3) nutrition; (4) livestock - agro industry; (5) sustainable ecological resource base; (6) water use (since it is free, it is not used effectively); (7) known crops -- no need to introduce new crops; subsidiary food

crops are all known to farmers.

The key program constraints are:

1. Preoccupation with rice production and the Mahaveli (politics).
2. Inter-ministerial coordination: need for better coordination. Public-sector imports have to be approved by the government.
3. Institutional weakness.
4. Variations in land.
5. Crops: the need for seed production policy and for donor programs to improve crop production.

The major knowledge gaps in project design are economic and social questions; credit and other inputs; land affairs and tenancy; supply and demand; and community participations.

Some lessons learned are

1. Inter-ministerial coordination will be the key to creating policies that promote agricultural production.
2. Market development is needed.
3. Market information is crucial. Both farmers and buyers need to know how much a crop will sell for.
4. Food seed is not available; farmers pay premium prices for seed.
5. There needs to be an institutional capability for subsidiary food crops. AID plans to contract with a local company to look at marketing. AID and the Dutch will help produce seed with AID supporting subsidiary food crops and the Dutch supporting horticulture crops.

ALL CONFERENCE PARTICIPATION

C. Kenneth Laurent, rapporteur

In the discussion of the presentations, four main themes came out.

1. Heterogeneity of Rainfed Agriculture

There is a wide diversity within the subject of rainfed agriculture: a range of crops is involved, as well as a range of soils and agroclimatic conditions. Many farmers cultivate both rainfed and irrigated land, so it is difficult to develop programs dealing only with rainfed agriculture. There is a broad range of human and institutional resources, and any program must take these into account.

Because of the diversities, any assistance to rainfed agriculture has to be country- on area-specific. Nevertheless there may be commonalities that link rainfed agricultural programs.

2. To Assist or Not to Assist

Some participants held that so little is known about rainfed agriculture that we really have nothing to offer at this time. Others strongly disagreed. Several participants pointed out what has been done in research and in country programs in several Asian countries. A great deal is known about export crops, most of which are in rainfed areas. Also, from the standpoint of equity, work has to be done to help that large segment of farmers who have been left out of the development process. Some countries have already started to address the equity problem and to take steps protect the environment.

3. Proper Use of AID Resources

The participants presented divergent views on how best to use limited resources in the development of agriculture. Should efforts be concentrated at the lower levels where it is difficult to increase productivity (but where the human need may be great), or at the upper levels where the payoff may be considerably better? Some even felt that the payoff would be greatest by continuing to put resources into irrigated agriculture. However, three things are involved: productivity, equity, and natural resource protection. While productivity may be greater at the upper levels, equity and natural resource production have to be considered. Each Mission must decide how best to support government programs that address these points.

Participant Discussion (continued)

Ronald H. Pollock, rapporteur

Concern was expressed that the institutional framework already exists as agricultural research and extension services in some countries, so the principal task might be redirecting emphasis from irrigated agriculture to give more attention to nonirrigated farming systems. The question for conferees is whether it is possible or desirable to outline an appropriate role for special attention by AID and, further, to describe some commonality of services and activities, which would be couched as a "common theme" for the Asia region.

Nyle Brady commented that to identify common areas, it is important to examine needs without regard to country-specific projects that already exist or are being planned.

John Mellor observed that the special features of rainfed agriculture areas are greater risk and lower population density than irrigated areas. Thus the priorities of programs aimed at rainfed agriculture might be:

- More emphasis on building appropriate research capacity.
- More effective extension services to obtain results from rainfed farming systems, which are likely to be complex and to give relatively low returns.
- Infrastructure investment, which would likely be more complex and important to success.
- Labor-saving tools and implements, because there would be more extensive agriculture with larger farm units.

Some participants questioned whether more marginal agricultural products would be able to attract adequate support for research from public funds, especially if the principal crops were minor food grains and pulses. It was suggested that crops generating export earnings have a better chance of getting funds for research.

It was pointed out that costs per hectare for design and construction of irrigation systems are becoming so high that government authorities are willing to consider alternatives for obtaining increased production from non-irrigated land.

It was suggested that guidelines for rainfed agricultural projects might include:

- The concept of most likely crops, with evaluation of market potentials
- Role of the private sector in stimulating rainfed agricultural development
- Establishing a list of acceptable priority crops within the macro-economic framework of the country.
- Contribution of successful rainfed farming systems to environmental enhancement and resource conservation
- Capacity and quality of the research establishment.

John Mellor commented that we need to be certain that countries are truly committed to support for non-irrigated agriculture. Current world market conditions that depress the price of food grains may be causing a "bubble of interest" in rainfed agriculture, which might burst as soon as prices of rice and wheat start rising, thus undermining fledgling programs in rainfed agriculture.

It was also pointed out that some authorities are beginning to recognize that the overall investment in non-irrigated agriculture is extremely low compared with irrigated agriculture and that there are some opportunities

for high returns from a relatively small increase in investment for rainfed agriculture.

SPECIAL SESSION: GROUP PARTICIPATION
Joanne Hale, rapporteur

As the focus of agricultural development moves from favored environments to less favored environments, the importance of local management capability increases. Asian cultural systems in general mitigate against creation of genuine local institutions. Nation-building emphasis has resulted in strong demands for central government controls. Despite unfavorable government attitudes toward organized private institutions, AID feels it is important to closely examine this issue.

Audience Comments

1. In the Philippines there is not much hostility toward private voluntary organizations.
2. In Bangladesh most local groups are politically oriented, so the government is justifiably weary of many locally organized groups.
3. In Philippines, AID extended soft loans to "EDF" and became an equity partner. AID established a long-term association with a private consulting firm and assisted in capitalizing it.
4. AIM and AID involvement is another example.
5. In Bangladesh, the shift of irrigation pumps from a central government agency to the private sector is achieving some success. Road maintenance organizations in Bangladesh is another example.
6. In reviewing 150 local institutions world wide, Asia ranked high. More sophisticated local organizations were found in Asia than elsewhere. We are starting off on a relatively high base.
7. In Asia the use of voluntary project committees involved in local management activities should be examined. Governments seem to prefer these informal structures and perhaps AID should consider their potential for broader involvement in management.
8. Sri Lanka uses local road labor "mobilizers" which reduce costs to an eighth of that associated with centrally funded projects and are completed two to three times faster.
9. Many options exist in Sri Lanka. Will AID recognize the

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more loosely organized groups and accommodate them? The Sri Lanka irrigation project would have been better off if AID had accommodated local organizational options rather than central government structures.

10. In Thailand, AID-financed projects actually pay non-government extension workers in an effort to generate farmer demand for such services.
11. In Indonesia, CARE grants operational funds to 10 PVO's. However if these groups become too closely identified with foreigners, their effectiveness is limited. Islamic groups exist, but AID staff shortages and language barriers do not allow sufficient time to acquire the necessary information about Islamic legal conditions. OXFAM in Indonesia matches the "tax to the poor" and channels the total sum to developmental projects.
12. Donors see the need for the local management components. Do host countries share this concern and view of the management necessity of widely dispersed projects? In Bicol irrigation systems, there can be found one well organized user group which effectively functions among other groups not maintaining the group organizational functions.
13. In the Philippines, a project design for a local community social services effort called for a national inventory of organizations already in existence for provision of these same services. The result was a base of numerous local groups already financing activities not supported, or inadequately supported, by the Government. Lesson learned: look around before you initiate local groups; they may already exist!
14. In Pakistan it was discovered that Water User Associations (WUA), established only to satisfy AID requirements, were not sustained by the local community. They only provided a legal setting. Perhaps it is better for AID to enter into a cost-sharing arrangement with traditional (and therefore well-established WUA) and forgo excessive audit concerns. If AID is willing to absorb this type of risk and not "kill" the local organization by AID audit procedures, genuine local management capacity can be strengthened.
15. Does AID have the patience to learn about existing local organizational structures, given AID's usual short time horizons?
16. If we don't know much about the local organizations, perhaps the host governments don't know either. This may explain why governments tend to mistrust them.

Don't overload the local structures. Their demonstrated performance in one area does not guarantee a high level of performance with a new activity. Do not attempt to move extensive resources through these groups and expect success. Move slowly.

17. The Pakistan irrigation project demonstrated the value of certain groups that were able to "stand up" and accept the terms of the grant given. AID cannot afford to spend scarce resources where there is not a high likelihood of local institutional capacity to absorb the money and the terms.
18. There is a tendency for "open season" attitudes when "outside" money is involved. More external money often means less honesty.
19. There is a strong case for the need of institutional plurality. A greater diversity of local institutions performing different functions reduces the tendency to overload a few groups with functions they cannot absorb in addition to the activities they are already carrying out.

Proposal

To establish an informal committee of two AID/W representatives and two to four Mission representatives for a few years to examine on-going and new Mission projects whose goals emphasize the establishment of local community management. Special attention will be given to monitoring the degree of success achieved with different approaches to establishing and maintaining local organizational management capacity.

This is an attempt to inform ourselves better and seek answers to questions in a more systematic fashion. The urgency of management efficiency may be resolved in some structure intermediate to that of large central government forms and that of traditional informal structures.

ANNEX

Conference Theme, Objective, Approach, and Organization

Agenda

Conference Participants

ASIA BUREAU

AGRICULTURAL/RURAL DEVELOPMENT CONFERENCE

Hyderabad, India, February 21-24, 1983

Conference Theme

The exploration of the potential and possibilities for project/program development in rainfed agriculture in Asia will be the dominant theme of the conference. This exploration, plus reviews of on-going program areas of development assistance concentration, is for the purpose of: disseminating state of the art information; transferring successful procedures/technologies; examining program priorities and strategies; and formulating recommendations on assistance priorities in agriculture and rural development.

Conference Objectives

The Conference objectives are to bring together ADO/RDO's of the Asia Bureau to:

- Explore the potential and possibilities for project/program development in rainfed agriculture in Asia.
- Discuss and make recommendations on program priorities and for improving the effectiveness of AID supported agricultural and rural development programs in Asia.
- Identify and resolve field mission implementation and operational problems through interaction among ADO/RDO's and AID/W staff.
- Elevate ADO/RDO professional performance and morale through: interchange of successful approaches and experiences; participation in development of country specific and regional strategies; and improved understanding of Asia Bureau's proposed focus on agriculture and rural development and special concerns of the Agency.
- Provide ASIA/TR backstop staff with sufficient field ADO/RDO orientation so that ASIA/TR may more effectively represent the field in relations within the Bureau and with other AID/W offices, and assure that these other offices are exposed to field problems and mission viewpoints.

The Approach

The conference will be organized around four kinds of sessions:

1. Plenary (Socio-technical)
2. Special Concerns
3. ADO/RDO Interchange
4. AID/W-led (informative)

CONFERENCE ORGANIZATION

Host: The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) located in Ondhra Pradesh, India.
Dr. Leslie Swindale, Director General

Site: ICRISAT

AID/W (ASIA/TR) will make arrangements with ICRISAT for lodging, conference rooms, and logistical support (e.g., support staff, conference transportation, communications, return airline reservations, etc.)

Dates of Conference:

Arrival of participants: February 20, 1983
Actual Conference: February 21-24, 1983

Costs: Conference expenses of the participants will be borne by their respective office or mission. Conference logistical support, space, secretarial support, and other conference costs will be borne by ASIA/TR (funds will be transferred to and disbursed by USAID/India).

Conference Proceedings:

Mission officers will be assigned to chair all sessions and serve as rapporteurs. Following selected sessions, work groups (including the respective session's chairperson and rapporteur) will be appointed to prepare reports on the session. (See Annex II for specific work assignments). The work group leaders are expected to begin preparing for their respective work group meetings (by taking notes, organizing agenda, etc.) during the conference proceedings on which the work groups are to be held.

Reports: All papers and special reports prepared for the conference will be included in a loose-leaf binder for distribution to the participants. A summary of the proceedings of each session will be finalized during the conference for distribution to the participants, as will the workshop reports. An editor (from IADS) will provide assistance in finalizing reports.

A summary cable report on the conference will be drafted and sent to the field missions and AID/W.

Sessions:

Plenary sessions (socio-technical) will be held on:

- Rainfed Agriculture
- Agricultural Policy
- Agricultural Research Update
- Water Management Update
- Agribusiness/Private Enterprise

Special Concerns sessions will be set aside for presentation and discussion of special concerns, e.g., rural financial markets. Evening sessions may also be arranged for topics of special interest.

ADO/RDO Interchange sessions may be arranged for discussion of implementation problems and issues reported to the conference through designated work groups.

AID/W-led sessions will be held for operational issues (implementation oriented/problem resolution) on several themes already identified by ADO/RDO's in earlier correspondence; i.e., Title XII, Central AID projects, technology transfer, Agency Strategy Papers, etc.

CHAIRPERSONS

	<u>Program/Session</u>	<u>Chairperson</u>
<u>Day 1</u>		
AM/PM	Conference Introduction/ICRISAT Program (8:30 AM - 7:00 PM)	W. Janssen
PM	Personnel Matters (8:00 PM)	D. Pickett
<u>Day 2</u>		
AM/PM	Rainfed Agriculture (8:00 AM - 5:00 PM)	R. Edwards
<u>Day 3</u>		
AM	Rural Finance, Ag. Policy (8:00 AM - 12:00 Noon)	C. Antholt
PM	Research & Irrigation/Water-Management Updates (12:00 Noon - 3:00 PM)	C. Simkins
PM	Private Enterprise (3:00 PM - 4:20 PM)	D. Tinsler
<u>Day 4</u>		
AM/PM	Conference Wrap-up (10:15 AM - 5:00 PM)	R. Curtis

If Conferees so desire, evening sessions may be arranged on topics of particular interest, e.g., personnel matters, bio-technology, local governments/institutions. Chairpersons for special sessions to be designated.

RAPORTEURS

Day 1 - Monday

8:30 AM - coffee break
Coffee break - lunch

Douglas Clark
Douglas Butchart

2:00 PM - Facilities tour

Arlan McSwain

8:00 PM - Work groups assemble
Work group A
Work group B

Sara Schwartz
Ronald Stryker
Richard Flashpohler

Day 2 - Tuesday

8:00 - 9:50 AM

Barry Primm

9:50 AM to 12:05 PM
12:05 PM - lunch

Ken Prussner
Arnold Radi

2:00 PM - 2:45 PM
2:45 PM - 5:00

Ken Laurent
Ron Pollock

Work group C
Work group D
(Possible evening work groups)

Hugh Plunkett
William Knohland
Respective work group reporters

Day 3 - Wednesday

8:00 to 9:00 AM
9:00 AM - coffee break
Coffee break - noon
Noon - 3:00 PM
3:00 PM - coffee break

Douglas Clark
Ray Fort
Pat Peterson
Joanne Hale
Richard Flashpohler

Work group E
Work group F

Charles Uphaus
Alan Hurdus

Day 4 - Thursday

8:00 AM - 9:30 AM

Respective work group reporters

Noon - 2:30 PM (panel critique)
2:30 - 4:15 PM (open discussion)
4:15 - 5:00 PM (summary - close of conference)

Michael Korin
John Foti
David Alverson

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WORK GROUPS

Work Group A: Personnel Matters

William Douglass (Leader)
Ron Curtis
Ron Pollock
Sara Schwartz
Douglas Tinsler
Charles Uphaus
Charles Rheingans (Resource person for
both groups A & B)
Ronald Stryker (reporter)

Work Group B: Personnel Matters

Chuck Antholt (Leader)
Richard Cobb
William Janssen
Douglas Pickett
Charles Simkins
Richard Scott or Douglas Butchart
Charles Rheingans (Resource person for
both groups A & B)
Richard Flashpohler (reporter)

Work Group C: Rainfed Agriculture
(Higher Rainfall Areas)

David Alverson (Leader)
Ken Prussner
William Douglass
Jerry Edwards
Vernon Ruttan
Jack Robins
Hugh Plunkett (reporter)

Work Group D: Rainfed Agriculture
(Lower Rainfall Areas)

John Foti (Leader)
Michael Korin
Arlan McSwain
Norman Uphoff
David Robinson
Barry Primm
Ken Laurent
William Knohland (reporter)

Work Group E: Agricultural Policy

Ronald Curtis (Leader)
Jerry Edwards
John Mellor
Ray Fort
Chuck Antholt
Pat Peterson
Charles Uphaus (reporter)

Work Group F: Private Enterprise, Agril.
Research, and Irrigation/
Water-Management

William Janssen (Leader)
Arnold Radi
Vernon Ruttan
Gerrit Argento
Richard Meyer
Joanne Hale
Russell Backus
Mark Svendsen
Alan Hurdus (reporter)

AGENDA

ASIA BUREAU
AGRICULTURE/RURAL DEVELOPMENT CONFERENCE

Sunday, February 20, 1983

PM

Registration, Building 500, Housing

6:00 - 7:30 - Reception (cash bar)

7:30 - 8:30 - Dinner

8:30 Briefing of rapporteurs (by IADS editor, Steven Breth)
Board Room

8:30 Briefing of chairpersons and Work Groups' Leaders (by
Allen Hankins/Ray Hooker) Auditorium

NOTE TO CHAIRPERSONS: Some of the scheduled conference speakers may wish to complete their (formal) presentation before accepting questions/comments; other speakers may prefer to respond to questions/comments during their presentation. In this regard, the chairperson will ask each speaker to state preference to the audience immediately preceding speaker's presentation. Whichever the case, full conferee participation is solicited.

Day 1 - Monday, February 21

AM

- 8:30 Welcoming Remarks - Dr. Leslie Swindale, ICRISAT (15 min.)
- 8:45 Opening Remarks (set the Conference tone) Allen Hankins (15 min.)
- Conference Organization/Procedures/Objectives/Conferee participation
- Status/Situation Report: What is Happening in AID/W
- 9:00 Eugene Staples (15/15)*
- Agency program focus -- how Asia Bureau is responding; policies, strategies, priorities, etc.
- 9:30 Nyle C. Brady (25/20)*
- Common Themes: The Concept and Its Implementation
 - Integrating S&T's contribution into AID decision process -- common themes, centrally funded projects, CDSS's, ABS's, PID's, PP's, project design and approval
 - Sector Councils -- role, how organized, progress
 - Policy/Strategy Papers
- 10:15 John Robins (15/15)*
- Policies, strategies, and priorities in food and agriculture
- 10:45 Coffee Break (15)
- 11:00 Norman Nicholson (15/15)*
- Integrating agricultural development and rural development -- the conceptual framework
- 11:30 Steven Sinding/Allen Hankins (15/15)*
- How ASIA/TR/ARD is organized and what it does -- portfolio management, backstop role, reviews (APAC's, PID's, PP's, CDSS's, ABS's, etc.), Sector Councils, relationship to other Asia Bureau offices
 - AID Resources -- Asia Bureau, S&T Bureau, BIFAD

* Time suggested for presentation, left of slash; time for questions/comments right of slash.



Day 1 (contd.)

AM

12:00 Title XII - BIFAD (40/20)*

- Orientation update on BIFAD organization and current responsibilities - Frederick E. Hutchinson (20/10)
- Role and Potential of Livestock in Rainfed Farming Systems in Asia; CRSP's linkages with country programs - David Robinson (10/5)
- Role and Potential of Small Grain Crops, Particularly Sorghum and Millet, in Dry-Land Farming Systems in Asia; CRSP's linkages with country programs - John Axtell (10/

PM

1:00 LUNCH

2:00 ICRISAT Program

This program, to be developed by ICRISAT, will be composed of (a) presentations and/or slides by ICRISAT staff, (b) a tour of ICRISAT facilities, and (c) a field trip to observe farming systems research in selected villages. Part (a) of the program will focus on ICRISAT's successes (approaches, technologies, etc.) which, with adaptation, have transferrability and on problem areas -- what has worked and why, what has not, and an assessment of the feasibility of projects/programs in rainfed agriculture.

7:00 DINNER

8:00 ADO/RDO Personnel Concerns

Panel

Steve Sinding
John Robins
Richard Cobb
Allen Hankins
Norman Nicholson
Charles Rheingans

Overview - positions, vacancies
Career Development/Training
Role of Sector Councils (personnel decisions)
Open Assignment System/Promotions
Recruitment - status, problems, etc.
Registry of Institutional Resources
Dual Path System - concept, objectives, etc.
Portfolio management responsibilities

Day 1 (contd.)

Audience Participation -- Questions/comments from floor:

Work Groups (Two, A & B) Meet: Work groups will comment and make recommendations affecting Agency agriculturalists and rural development personnel and programs in light of:

Constraints on direct-hire staffing levels (adjusting the workforce to changing requirements) and the need to manage Ag/RD portfolios in both a technically sound and administratively efficient manner; present personnel patterns, staffing needs and distribution of work loads to be managed by technical staff (Work Group A).

Career development (e.g., promotions for those in career ladder positions, advancement within ranks, upgrading mission positions to reflect increased portfolio size and management skills; in-service training (making opportunities available), i.e., technical, managerial, etc. (Work Group B).

Day 2 - Tuesday, February 22

TOPIC: Rainfed Agriculture in Asia: Exploring Potentials and Possibilities

Four papers, developed especially for this Conference (an overall paper on rainfed agriculture in Asia and three case studies -- The Philippines, Sri Lanka, and Thailand), will be summarized and discussed at this session.

AM

8:00 Introduction and Summary of Overall Paper, "Rainfed Agriculture in Asia" by Russell Olson

Purpose of paper, scope, and extent of analysis and preparation. Presentation of paper highlights.

8:20 Panel Member Comments (Critique, Analysis/Implications/Issues) (Approximately 10 minutes each Panel Member)

While the individual panel members are requested to address the area assigned to them, they may comment on any aspect of the paper. The panel members and their primary areas of responsibilities are:

Agronomics	R.R. Harwood
Agricultural/Rural Economics	J.G. Ryan
Institutions, Public & Private, including local organizations	V. Ruttan N. Uphoff
Natural Resources, their Management, and Environmental Concerns	J. Kampen W. Knohland*
Policy/Marketing/Socio-economics/Consumption	J. Mellor

9:20 Audience Participation: Questions, comments, reaction to paper and panel comments.

Case Studies: Presentation of Highlights; panel/audience questions/comments

9:50 Thailand - John Foti (20)
- panel/audience participation (20)

* Will focus on Forestry and its Linkage/Relationship to Agriculture (including Water-Management) and Rural Development.

Day 2, (Contd.)

AM

10:30 COFFEE

10:45 Philippines - David Alverson (20)
- panel/audience participation (20)

11:35 Sri Lanka - Michael Korin (20)
- panel/audience participation (20)

12:05 All-Conferee Participation

Begin to explore and identify the commonalities of themes including the constraints that extend across the Bureau countries as well as discussing conditions and issues that are more "location specific".

PM

1:00 LUNCH

2:00 Panel

Assess morning presentations and to examine concerns and factors such as:

- levels of existing knowledge and required new knowledge
- design considerations
- realistic expectations for success
- rationality of investments and options for AID

2:45 All-Conferee Participation

Response/reaction to panel comments and suggestions; continued discussions related to common themes, constraints and design issues which will contribute to the formulation of recommendations in rainfed agriculture for the Agency.

4:00 COFFEE

4:15 Continuation of All-Conferee Deliberations

5:00 Work Groups Meet (one, Work Group C, for higher rainfall areas and one, D, for lower rainfall areas)

7:00 DINNER

8:00 Work Groups Meet if needed and special sessions if desired.

Day 3 - Wednesday, February 23

AM

8:00 TOPIC: The Development Process of Rural Financial Markets

Presentation - Richard Meyer (30 min.)

Comments - K. Viswanatha Rao

Representative, India Bank Association (10 min.)

Questions/comments from Audience (20 min.)

9:00 TOPIC: Agricultural Policy

John Mellor: Presentation on how and why an effective agricultural strategy must rest on effective policies and involve an integrated approach, i.e., prices/production incentives, building supporting institutional capacity, expanding markets and access to markets, reducing barriers to increasing employment, trade, etc. Possible support for policy reform through AID assistance.

Audience participation

10:00 COFFEE

10:15 Case Summaries:

Officers from the Philippines and Pakistan Missions will critically examine national policies affecting agriculture sector growth and development in their respective countries.

- A. Pakistan - Ronald Curtis (20)
- Audience participation (10)
- B. Philippines - Ralph Edwards (20)
- Audience participation (10)

The country presentations will emphasize:

1. the impact of government policies on (a) the entire food production and distribution systems (e.g., consumer preference, food production, distribution, and other agricultural production for trade); and (b) the distribution of income/benefits between the rural and urban sectors, among regions, and within the agricultural sector;
2. the extent to which policies provide adequate and stable incentives to producers, establish sound institution budget priorities, and encourage healthy growth of agriculture and agricultural services in the private sector; and
3. how AID assistance and policy dialogue and strategies might reduce policy constraints.

Day 3 (contd.)

AM

11:15 Audience Participation: (continuation) Questions for Mellor, Edwards and Curtis; comments from floor.

12:00 TOPIC: Irrigation/Water Resources Update

Presentation - Mark Svendsen (30)

Comments - John Robins (15)

Questions/comments from the floor (15)

PM

1:00 LUNCH

2:00 TOPIC: Agricultural Research Update

Presentation - Vern Ruttan (30)

Comments - Nyle Brady (15)

Questions/comments from the floor (15)

3:00 TOPIC: Analysis of Bureau Agricultural Development Projects in terms of Agri-business/Private Sector Enterprises and Investments

Presentation - Cerrit Argento (40)

Comments - Edgar Harreil (20)

Questions/comments from the floor (20)

4:20 COFFEE

4:35 Work Groups Meet*

Group E, Agricultural Policy

Group F, Private Enterprise, Agricultural Research and Irrigation/Water-Management

5:45 Work Group Leaders' Coordination Meeting

Work Groups continue as needed

6:45 Board bus for trip to Hyderabad for ICRISAT-hosted dinner

* Agenda will be provided

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Day 4 - Thursday, February 23: WRAP-UP

AM

- 8:00 Work Group Preparation as Required (90 min.)
- Reports of Work Groups to Conference by Work Group Leaders
- 9:30 - Group A (15)
- 9:45 - Group B (15)
- 10:00 - Group C (20)
- 10:20 COFFEE
- Continuation of Work Group Reports
- 10:35 - Group D (20)
- 10:55 - Group E (20)
- 11:25 - Group F (30)
- Private Enterprise (20)
 - Agricultural Research (5)
 - Irrigation/Water-Management (5)
- 12:00 Panel Convenes: Comments on/critique of recommendations made by Work Groups (Panel selection to be determined in consultation with Session Chairperson R. Curtis)

PM

- 1:00 LUNCH
- 2:00 Continuation of Panel Critique
- 2:30 Open Discussion:
Audience reaction to Work Groups' recommendations and panel critique; questions/comments
- 4:15 Summary by Session Chairperson
- 4:45 Conference Evaluation
- 4:50 Closing Comments (Eugene Staples)
- 5:00 Conference Adjourns

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Joanne Hale
Hugh Plunkett

Burma

Charles Simkins

India

William Janssen
Ronald Pollock
Ronald Stryker

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William Knohland (Region A1)

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VIII. Private Consultants

Russell Olson (Developed the overall paper on rainfed agriculture in Asia)

* Fletcher Riggs (Developed the background paper on private enterprise)

IX. Rodale Research Center

Richard Harwood, Director

X. Universities

John Axtell, Purdue (sorghum/millet CRSP)

* Randolph Barker, Cornell - developed case study for the Philippines

* Samuel Johnson, III. Illinois - developed case study for Thailand

Richard Meyer, Ohio State

* Brice Ratchford, Missouri - developed case study for Sri Lanka

David Robinson, California (Davis) (small ruminants CRSP)

Vern Ruttan, Minnesota

* Not present at Conference.