

K. H. K. S.

UNCLASSIFIED

AID/ANE/TR/ARD:CUPHAUS:TM:7556DUANG
09/24/88 647-8262
AID/ANE/TR/ARD:RCOBB

AID/ANE/TR/ARD:JLOWENTHAL
AID/ANE/TR/ARD:MKORIN{DRAFT}

AID/ANE/DAA:WFULLER{DRAFT}
AID/ANE/TR/ARD:MHANRATTY{DRAFT}

ROUTINE AIDAN

AIDAC

N/A

N/A

AGRICULTURAL STRATEGY SYMPOSIUM REPORTING CABLE

RC
RC
CB

I. SUMMARY

AS A RESULT OF DISCUSSION AT THE 3,487 ARDO CONFERENCE, ANE/TR SOUGHT AND RECEIVED SENIOR BUREAU MANAGEMENT SUPPORT FOR A RE-EVALUATION OF DEVELOPMENT STRATEGY CURRENTLY BEING IMPLEMENTED IN THE REGION. THIS EVALUATION IS TIMELY CONSIDERING PAST AND ON-GOING CHANGES AND ADJUSTMENTS EVIDENT IN THE REGION, CONTINUING PRESSURES TO REFOCUS OUR PROGRAMS MORE TIGHTLY, AND THE UP-COMING POLITICAL TRANSITION. WITH THE CLOSE COOPERATION OF THE HARVARD INSTITUTE FOR INTERNATIONAL DEVELOPMENT, ANE/TR/ARD SPONSORED A THREE DAY SYMPOSIUM, SEPTEMBER 7-9, 1988, TO DEVELOP A SET OF COMMON PROPOSITIONS TO GUIDE FORMULATION OF OUR AGRICULTURAL AND RURAL DEVELOPMENT STRATEGY. THESE PROPOSITIONS SUGGESTED MAJOR DEVELOPMENT INITIATIVES IN TRADE AND EXCHANGE RATE PRICE STABILIZATION, AGRICULTURAL RESEARCH, RURAL INFRASTRUCTURE, NATURAL RESOURCE MANAGEMENT, IRRIGATION, PRIVATE SECTOR PARTICIPATION AND HUMAN CAPITAL FORMULATION. MISSION REVIEW OF THE SYMPOSIUM REPORT IS REQUESTED AS AN

UNCLASSIFIED

ADDITIONAL INPUT INTO THE FIRST DRAFT OF A STRATEGY, TO BE PREPARED BY ANE/TR IN CONSULTATION WITH HIID FOR REVIEW BY LATE OCTOBER.

II. BACKGROUND

A. CONTINUING THE LINE OF INQUIRY INITIATED AT THE 1987 ARDO CONFERENCE IN BANGKOK, ANE/TR/ARD, IN CONJUNCTION WITH THE HARVARD INSTITUTE FOR INTERNATIONAL DEVELOPMENT, ORGANIZED AND CARRIED OUT A SYMPOSIUM ON AGRICULTURE IN THE 1990'S SEPT. 7-9. THE OBJECTIVE OF THE SYMPOSIUM WAS TO DISCUSS TRENDS UNDERLYING ASIAN AND NEAR EASTERN AGRICULTURAL DEVELOPMENT, TO IDENTIFY FUTURE DEVELOPMENT PROGRAM OPTIONS, AND TO GENERATE "PROPOSITIONS" TO GUIDE DEVELOPMENT ASSISTANCE PROGRAMMING. THE SYMPOSIUM WAS STRUCTURED AROUND FIVE PRINCIPAL TOPICS CONSIDERED VITAL TO CONTINUED, SUSTAINABLE AGRICULTURAL GROWTH, INCOME AND EMPLOYMENT IN THE REGION (INTERNATIONAL TRADE, PRICING AND STABILIZATION POLICY, TECHNICAL CHANGE, IRRIGATION AND WATER POLICY, AND NATURAL RESOURCE MANAGEMENT), AND SELECTED CROSS-CUTTING THEMES (FACILITATING PRIVATE SECTOR INVOLVEMENT IN AGRICULTURAL DEVELOPMENT, FACTORING GENDER INTO ECONOMIC DEVELOPMENT, AND SUSTAINING INSTITUTIONS AS VEHICLES OF CHANGE).

B. TWELVE PAPERS WERE COMMISSIONED ADDRESSING VARIOUS FACETS OF THESE THEMES. SPECIAL ATTENTION WAS PLACED ON RURAL TRANSFORMATION AND THE UNDERLYING AGRICULTURAL DIVERSIFICATION PROCESS, AND ON RURAL INCOME AND EMPLOYMENT GENERATION. THE FORTY-EIGHT PARTICIPANTS INCLUDED SUCH NOTED ACADEMICS AND RESEARCHERS AS JOHN MELLOR, WALTER FALCON, VERN RUTTAN, BOB EVENSON, PETER TIMMER AND BOB REPETTO. ALSO PARTICIPATING WERE TWO IBRD REPS, THREE AID FIELD ADOS, REPRESENTATIVES OF THE ANE, PPC, S&T BUREAUS, AND AN AGRONOMIST FROM JICA IN TOKYO. ALL INTERACTED THROUGH PLENARY AND SUB-GROUP SESSIONS IN ANALYZING AND ELABORATING DEVELOPMENT TRENDS AND OPTIONS. PLENARY SESSIONS, OPEN TO A WIDER AUDIENCE, WERE ATTENDED BY SENIOR REPRESENTATIVES FROM THE ADMINISTRATOR'S OFFICE, PPC, FVA, S&T, ALL THREE REGIONAL BUREAUS PLUS HILL STAFFERS.

III. WELCOMING ADDRESS

JIM LOWENTHAL, AGRICULTURE AND RURAL DEVELOPMENT DIVISION CHIEF IN ANE/TR, WELCOMED PARTICIPANTS BY REMINDING THEM OF THE GENESIS OF THE STRATEGY

FORMULATION EFFORT IN THE 1987 BUREAU ARDO CONFERENCE IN BANGKOK, AND THEN REVIEWED THE PRESENT CONTEXT FOR THIS EFFORT INCLUDING THE ADMINISTRATOR'S NOVEMBER TASK FORCE (HEADED BY CLIFF LEWIS), THE ADMINISTRATOR'S FOOD AND AGRICULTURE TASK FORCE HEADED BY DUANE ACKER, THE MICHIGAN STATE CONFERENCE ON DEVELOPMENT ASSISTANCE, THE UPCOMING BIFAD CONFERENCE "GETTING READY FOR THE 1990'S", THE PPC/CDIE CONFERENCE IN OCTOBER ON THE FUTURE ROLE OF THE AGRICULTURAL UNIVERSITY", AND THE CONGRESSIONAL COMMITTEE WORKING ON THE RE-WRITE OF THE FOREIGN ASSISTANCE LEGISLATION. HE MADE THE POINT THAT THE THE SYMPOSIUM WAS COMING AT A KEY TIME, AND THAT THE PAPERS AND DELIBERATIONS WOULD UNDOUBTEDLY FIND A VERY WIDE AND INTERESTED AUDIENCE.

IV. KEYNOTE ADDRESS

A. AA/ANE JULIA CHANG BLOCH OPENED THE SYMPOSIUM WITH A CHALLENGE; TO LAY THE GROUNDWORK FOR A "NEW GREEN REVOLUTION", THAT WOULD NOT ONLY MEET THE FUTURE FOOD AND INCOME NEEDS OF THE REGION, BUT WOULD ALSO PROVIDE A BASIS FOR RALLYING DOMESTIC POLITICAL SUPPORT. SHE HIGHLIGHTED THE ACHIEVEMENTS OF THE PAST TWO DECADES, POINTING OUT THE CONTRIBUTION THAT DONOR ASSISTANCE PLAYED IN THOSE ACHIEVEMENTS, AND THEN REVIEWED SOME OF THE MAJOR CHANGES THAT HAVE TRANSPIRED OVER THAT SAME PERIOD, INCLUDING THE INCREASED VULNERABILITY OF AGRICULTURE TO EXTRA-NATIONAL ECONOMIC INFLUENCES, THE DECLINE IN GOVERNMENT-TO-GOVERNMENT DEVELOPMENT ASSISTANCE RELATIVE TO PRIVATE CAPITAL AND TRADE FLOWS, THE EMERGENCE OF JAPAN AS THE NUMBER ONE DONOR, AND THE INCREASED TECHNOLOGICAL AND INSTITUTIONAL CAPABILITIES OF ANE COUNTRIES.

B. SHE THEN WENT ON TO CITE OPPORTUNITIES FOR FUTURE DEVELOPMENT (TECHNOLOGICAL, INSTITUTIONAL, TRADE, IMPROVED DONOR COLLABORATION, PRIVATE SECTOR), BUT CAUTIONED THAT THE ABILITY OF THE DONOR COMMUNITY, AND AID IN PARTICULAR, TO RESPOND TO THESE OPPORTUNITIES IS CRIPPLED BY THE DECLINE IN DOMESTIC POLITICAL SUPPORT, AS EXEMPLIFIED BY THE BUDGET CUTS AND THE RISE IN PROTECTIONISM. TO RESPOND, WE NEED TO CLEARLY ARTICULATE AID'S VISION OF DEVELOPMENT, AND WHY IT IS IN THE U.S. INTEREST TO SUPPORT THIRD WORLD AGRICULTURAL DEVELOPMENT. THE SPEECH CONCLUDED WITH AN EXHORTATION TO BEGIN TO INTEGRATE THE CHALLENGES AND OPPORTUNITIES, AND TO "POINT THE DIRECTION FOR ASSISTANCE IN AGRICULTURAL DEVELOPMENT WELL INTO THE 21ST CENTURY."

V. SYMPOSIUM DELIBERATIONS AND PROPOSITIONS

A. PREAMBLE

1. DELIBERATIONS WERE STRONGLY INFLUENCED BY TWO UNANTICIPATED CONCERNS: THAT SUBSTANTIAL RESOURCE EXPENDITURE WOULD BE NECESSARY TO MAINTAIN ADEQUATE LEVELS OF GROWTH IN FOOD GRAIN PRODUCTION, AND THAT OVERALL INCOME GROWTH FOR ANE COUNTRIES WAS THREATENED BY MAJOR ADJUSTMENTS IN INTERNATIONAL TRADE, EXCHANGE RATE FLUCTUATIONS AND NATURAL RESOURCE DEGRADATION.
2. THE PESSIMISM ENGENDERED BY THESE CONCERNS WAS BALANCED BY A POSITIVE ASSESSMENT OF THE FUTURE. PARTICIPANTS CONCLUDED THAT, FIRST, MUCH OF THE DIFFICULT BUT NECESSARY STRUCTURAL ADJUSTMENT PRECIPITATED BY THE RADICALLY CHANGED INTERNATIONAL ECONOMIC ENVIRONMENT OF THE LAST DECADE HAD BEEN COMPLETED, WITH MORE EFFICIENT AND FLEXIBLE ECONOMIES POISED FOR RAPID GROWTH. SECOND, THE DEVELOPMENT PROFESSION HAS LEARNED A GREAT DEAL ABOUT HOW TO STIMULATE GROWTH TO REDUCE THE WORST MANIFESTATIONS OF POVERTY, AND SEVERAL COUNTRIES IN THE REGION SEEM TO HAVE THE POTENTIAL TO MOVE IN THIS DIRECTION. THIRD, AND PERHAPS MOST IMPORTANTLY, THE PROBLEMS OF THE 1990S DERIVE FROM THE SUCCESSES IN THE 1970S AND 1980S; PAST ACHIEVEMENTS IN INCREASING INCOME AND PRODUCTION HAVE PROVIDED GROUNDS FOR THE OPTIMISTIC BELIEF THAT DEVELOPING COUNTRIES AND DONORS CAN WORK TOGETHER EFFECTIVELY TO ADDRESS THESE PROBLEMS.
3. PARTICIPANTS SUGGESTED THAT "DIVERSIFICATION" AS A MAJOR THEME FOR THE 1990'S BE DE-EMPHASIZED. TO THE EXTENT THAT EFFECTIVE DIVERSIFICATION WAS TAKING PLACE IN THE REGION, PARTICIPANTS BELIEVED IT IS DEMAND DRIVEN AND WOULD BE BEST PROMOTED BY CONTINUING OUR EMPHASIS ON PROGRAMS WHICH HAVE THE BROADEST IMPACT ON INCREASING THE RATE OF GROWTH IN RURAL PER CAPITA INCOMES. THIS RELEGATION OF THE DIVERSIFICATION THEME TO A SECONDARY LEVEL CAME AS SOMEWHAT A SURPRISE, BUT DID SEEM TO FLOW LOGICALLY FROM THE ANALYSES AND DISCUSSIONS.
4. AFTER A DAY AND A HALF OF PLENARY AND SMALL-GROUP DISCUSSION, THE SYMPOSIUM GENERATED A NUMBER OF PROPOSITIONS. A COMMITTEE THEN EDITED AND RECAST THESE FOR CONSIDERATION IN FINAL PLENARY SESSION. CRITERIA FOR SELECTION OF "PROPOSITIONS" FOR FINAL PLENARY CONSIDERATION INCLUDED (1) THEIR LIKELY IMPACT ON EMPLOYMENT AND INCOME GENERATION, (2) THEIR ABILITY TO

EFFECTIVELY ADDRESS PRIORITY POVERTY ISSUES, (3) THEIR INTERNAL CONSISTENCY (APPLYING ACROSS CATEGORIES), (4) THE DEGREE TO WHICH THEY SUPPORTED MARKET AS OPPOSED TO GOVERNMENT SOLUTIONS, AND (5) THEIR LIKELY PUBLIC FINANCE IMPACTS FOR DEVELOPING COUNTRIES. ANOTHER SUGGESTED, BUT NOT OFFICIALLY ADOPTED CRITERIA, WAS "EXCITEMENT", I.E., THE DEGREE TO WHICH THE PROPOSITIONS WERE INNOVATIVE AND/OR COULD BE USED IN ENLISTING OUTSIDE INTEREST AND SUPPORT.

B. TRADE

1. NATIONAL GROWTH STRATEGIES, BASED ON THE PRINCIPAL OF DYNAMIC COMPARATIVE ADVANTAGE, SHOULD FOCUS ON EXPANDING LABOR INTENSIVE MANUFACTURING OF AGRICULTURAL AND NON-AGRICULTURAL ITEMS TO MEET DEMAND--FIRST IN DOMESTIC MARKETS AND THEN IN EXPORT MARKETS.
2. THE MOVEMENT AWAY FROM MARKET AND NON-MARKET BARRIERS TO MORE LIBERAL AND OPEN MARKET REGIMES INFERRED BY THE ADOPTION OF THE PRINCIPAL OF DYNAMIC COMPARATIVE ADVANTAGE SUGGESTS:
 - A. MAJOR REASSESSMENT OF POLICIES WHICH AFFECT DOMESTIC INDUSTRIES;
 - B. THE ADOPTION OF AN UNDERVALUED (5-30 PERCENT) EXCHANGE RATE POLICY WHICH FAVORS DOMESTIC AS OPPOSED TO INTERNATIONAL TRADEABLES;
 - C. STRENGTHENING OF PUBLIC AND PRIVATE CAPACITY TO MONITOR AND REACT EFFECTIVELY TO ADJUSTMENTS IN DOMESTIC AND FOREIGN MARKETS; AND
 - D. THE MAINTENANCE OF INSTITUTIONS WHICH BUFFER BUT DO NOT ISOLATE CRITICAL DOMESTIC MARKETS (FOOD GRAINS) FROM THE VOLATILITY OF EXTERNAL MARKETS.
3. DOMESTIC AND EXPORT PROCESSING GROWTH WILL BENEFIT SIGNIFICANTLY FROM POLICIES WHICH ENCOURAGE THE AMPLE PRODUCTION OF BASIC STAPLES (FOOD GRAINS), AND THEIR AVAILABILITY AT REASONABLE AND STABLE PRICES OVER TIME. REASONABLE PRICES WILL ENCOURAGE MAINTENANCE OF COMPETITIVE WAGE RATES, WHILE LONG TERM PRICE STABILITY WILL ENCOURAGE INCREASED RURAL INVESTMENT, INCLUDING PRODUCTION OF A WIDER RANGE OF PRODUCTS.
4. FOOD AID IS LIKELY TO INCREASE IN THE 1990S; STABILIZATION OF BASIC STAPLE PRICES CAN BE FACILITATED BY THE USE OF SUCH FOOD AID PROVIDED UNDER LONGER-TERM, MORE RELIABLE AGREEMENTS.

5. DISCUSSION: ALTHOUGH THE LARGEST SOURCE OF NEW DEMAND FOR COUNTRIES IN THE REGION WILL COME FROM THE DOMESTIC ECONOMY, INTERNATIONAL TRADE WILL BE STRATEGICALLY IMPORTANT. THE COMBINATION OF PROTECTIONIST POLICIES IN DEVELOPED COUNTRIES AIMED AT POTENTIAL LDC EXPORTS, AND INDUSTRY-SPECIFIC PROTECTIONIST POLICIES IN DEVELOPING COUNTRIES HAS LEAD TO NON-LABOR USING GROWTH. WHILE PROGRESS TOWARD MORE APPROPRIATE EXCHANGE RATE POLICIES HAS BEEN MADE, PARTICIPANTS RECOMMENDED FURTHER REMOVAL OF INDUSTRY-SPECIFIC PROTECTION AND ADOPTION OF A POLICY OF MODEST FOREIGN EXCHANGE UNDER-VALUATION IN ORDER TO: A) PROMOTE LABOR USING EXPORTS AND IMPORT SUBSTITUTES; B) GENERATE DOMESTIC MARKETING, POLICY AND OTHER INSTITUTIONAL CAPACITY TO FACILITATE ECONOMIC FLEXIBILITY; AND C) PROVIDE A FOREIGN EXCHANGE RESERVE CUSHION TO LESSEN THE POTENTIAL IMPACT OF WORLD MARKET INSTABILITY ON DOMESTIC ECONOMIES.

C. PRICING AND STABILIZATION POLICY

1. FLUCTUATIONS IN THE PRICES OF MAJOR STAPLES (RICE, WHEAT) SHOULD BE STABILIZED ALONG THE TREND OF LONGER TERM WORLD PRICES.
2. USE OF INPUT SUBSIDIES IS ONLY JUSTIFIED TO ENHANCE EFFICIENCY OF RESOURCE ALLOCATION.
3. DISCUSSION: PRICE STABILIZATION OF MAJOR CEREALS CAN LEAD TO MORE STABLE EMPLOYMENT AND FOREIGN EXCHANGE BALANCES THROUGH HIGHER INVESTMENT RATES BY RURAL AND URBAN PRODUCERS, AND THROUGH ENHANCED FOOD AND PRICE SECURITY FOR THE POOR. STABILIZATION CAN ALSO ENHANCE RURAL DIVERSIFICATION AND GROWTH IN DEMAND FOR LABOR, WITH RESULTING POSITIVE EQUITY IMPACTS. THE EFFICIENT IMPLEMENTATION OF A STABILIZATION PROGRAM REQUIRES A DELICATE BALANCE BETWEEN DIRECT PUBLIC SECTOR INTERVENTION AND THE PROMOTION OF PRIVATE SECTOR INVOLVEMENT. GOVERNMENTS MUST BE WILLING TO MANAGE MAJOR FOOD GRAIN MARKETS THROUGH THE USE OF PUBLICALLY ANNOUNCED FLOOR AND CEILING PRICES, AND BE PREPARED TO DEMAND ANNOUNCED PRICES THROUGH ACTIVE DOMESTIC MARKET INTERVENTIONS USING STOCKS PURCHASED LOCALLY OR ABROAD. ALSO, FLOOR AND CEILING PRICES MUST BE SET FAR ENOUGH APART TO INDUCE ROBUST PRIVATE SECTOR MARKET PARTICIPATION. PARTICIPANTS DID RAISE CONCERNS ABOUT THE COSTS AND BUDGETARY INSTABILITY THAT CAN ARISE IN IMPLEMENTING A PRICE STABILIZATION POLICY, AND THE POTENTIAL NEGATIVE IMPACT THE POLICIES MIGHT HAVE ON CROP DIVERSIFICATION IN CERTAIN SITUATIONS.

4. DISCUSSION OF INPUT PRICE SUBSIDIES FOCUSED PRIMARILY ON FERTILIZER. PARTICIPANTS EMPHASIZED THAT PHYSICAL AVAILABILITY AND COMPETITIVE MARKETING AT THE FARM LEVEL ARE PREREQUISITES TO EFFICIENT USE, AND THAT PRICING POLICY CAN ONLY BE EFFECTIVE IF THESE TWO BASIC PRECONDITIONS ARE MET. IN CIRCUMSTANCES WHERE BASIC FERTILIZER MARKETS EXIST AND FERTILIZER USE IS SUBSTANTIALLY BELOW EFFICIENT LEVELS, A PRICE SUBSIDY MIGHT INCREASE THE EFFICIENCY OF USE. HOWEVER, THERE WAS CONCERN BY PARTICIPANTS THAT SUBSIDIES BE CAREFULLY DESIGNED SO AS TO ACTUALLY BENEFIT FARMERS AND RESULT IN INCREASED USE.

D. IRRIGATION

1. A STEADY RATE OF GROWTH IN EFFECTIVELY IRRIGATED AREA IS NEEDED TO KEEP PACE WITH INCREASING DEMAND FOR BASIC CEREALS. THE 50 PERCENT DROP IN IRRIGATION INVESTMENT RATES IN THE 1980S MUST BE CORRECTED.
2. SIGNIFICANT GAINS IN CROP PRODUCTION CAN BE ACHIEVED THROUGH IMPROVED WATER MANAGEMENT, IMPROVED OPERATION AND MAINTENANCE OF EXISTING SYSTEMS, AND BETTER DESIGN OF NEW SYSTEMS. LOW COST WATER HARVESTING AND MOISTURE MANAGEMENT TECHNOLOGIES NEED INCREASED EMPHASIS.
3. DISCUSSION: WHILE THERE WAS GENERAL AGREEMENT ON THE NECESSITY OF CONTINUING INVESTMENT TO EXPAND EFFECTIVELY IRRIGATED AREAS, THERE WAS CONSIDERABLE DISAGREEMENT AS TO THE RATE AT WHICH NEW AREAS SHOULD BE BROUGHT UNDER IRRIGATION GIVEN THE MEDIUM TO LONG TERM FORECASTS OF AGRICULTURAL PRICES, THE RISING PER HECTARE COSTS FOR NEW IRRIGATION INVESTMENTS AND COMPETING DEMANDS (I.E., URBAN AND INDUSTRIAL) FOR WATER. WHILE CERTAIN COUNTRIES OPERATE RELATIVELY EFFICIENT SYSTEMS WORTH EXPANDING, DECISIONS REGARDING MAJOR NEW IRRIGATION INVESTMENTS SHOULD BE BASED ON LONG TERM PRODUCTION PROSPECTS AND NEEDS RATHER THAN SHORT-TERM SURPLUSES OR DEFICITS. NEW AND REHABILITATED SYSTEMS SHOULD BE DESIGNED FOR FLEXIBLE OPERATION, SHOULD MAXIMIZE INDIVIDUAL OR COMMUNITY MANAGEMENT AND MUST TAKE ADVANTAGE OF IMPROVED WATER MANAGEMENT TECHNOLOGIES IN WATERSHEDS AS WELL AS COMMAND AREAS. THERE WAS EVENTUAL CONSENSUS ON THE NEED TO CONCENTRATE ON "EFFECTIVELY IRRIGATED AREA", RATHER THAN SIMPLY CONTINUE TO EXPAND "NOMINALLY IRRIGATED AREA". THE FORMER FORMULATION PROVIDES FOR NEW INVESTMENT, WHILE SIMULTANEOUSLY FOCUSING ON IMPROVING MANAGEMENT OF WATER RESOURCES AT ALL LEVELS.

E. TECHNICAL CHANGE

1. SUPPORT FOR RESEARCH IN BASIC STAPLES MUST BE MAINTAINED AT CURRENT OR ENHANCED REAL LEVELS. THIS WOULD CONSIST OF SUPPORT TO IARCS IN GERMPLASM PROTECTION, INFORMATION EXCHANGE AND BASIC STRATEGIC RESEARCH, AND SUPPORT TO NARS ON CROP AND RESOURCE MANAGEMENT RESEARCH.
2. THE PRIVATE SECTOR CAN AND SHOULD PLAY A MAJOR ROLE IN GENERATING AND DISSEMINATING TECHNOLOGY. TO FACILITATE INCREASED PRIVATE SECTOR PARTICIPATION, APPROPRIATE LEGAL MECHANISMS NEED TO BE DEVELOPED TO ASSURE THAT INVESTORS CAN CAPTURE ADEQUATE RETURNS.
3. DISCUSSION: IN LIGHT OF DECLINES IN THE GROWTH RATES OF ASIAN RICE AND WHEAT YIELDS SINCE 1983, PARTICIPANTS AGREED THAT SIGNIFICANT INVESTMENTS, AT LEAST AT CURRENT LEVELS, ARE NEEDED TO MAINTAIN GROWTH IN PRODUCTION AT LEVELS SUFFICIENT TO MEET DEMAND. WHILE THERE MAY BE GREATER POTENTIAL FOR GENETIC IMPROVEMENTS IN THE MINOR CROPS, PARTICIPANTS FELT THAT INVESTMENTS IN THOSE CROPS SHOULD NOT BE AT THE EXPENSE OF THE MAJOR FOOD STAPLES. PARTICIPANTS AGREED THAT WHILE THERE MAY BE SOME POTENTIAL FOR RAISING AVERAGE RICE AND WHEAT YIELDS THROUGH BIOTECHNOLOGY, THERE WAS LITTLE IMMEDIATE HOPE FOR IMPROVING THE GENETIC POTENTIAL TO THE EXTENT ACHIEVED PRIOR TO THE START OF THE GREEN REVOLUTION. THE SOURCES OF IMPROVED PRODUCTIVITY DURING THE 1990'S WILL COME PRIMARILY FROM IMPROVED MANAGEMENT PRACTICES AND WILL BE MORE DIFFICULT AND COSTLY TO ACHIEVE THAN THE PAST GENETIC IMPROVEMENTS.
4. PARTICIPANTS AGREED THAT THE INTERNATIONAL CENTERS SHOULD CONTINUE TO PLAY A CRITICAL ROLE IN THE PRESERVATION AND PROVISION OF FOOD GRAIN GERMPLASM AND IN MAINTAINING TECHNOLOGY-RELATED INFORMATION SYSTEMS WHICH LINK NATIONAL AND INTERNATIONAL CENTERS. IN ADDITION, CONTINUED INVESTMENT IN HUMAN CAPITAL FORMATION, PARTICULARLY AT THE POST-GRADUATE LEVEL, IS A CRITICAL COMPONENT IN IMPROVING THE LONG-TERM PERFORMANCE OF THE NARS. IT WAS AGREED THAT IMPROVEMENTS IN THE CEREAL AND MINOR CROP VARIETIES FOR RAINFED AREAS WOULD IMPROVE EQUITY AND NATURAL RESOURCE MANAGEMENT. HOWEVER, IN THE ABSENCE OF MAJOR INVESTMENTS IN INFRASTRUCTURE, RETURNS TO SUCH INVESTMENT WOULD BE LOW. FINALLY, PARTICIPANTS UNANIMOUSLY AGREED THAT THE PRIVATE SECTOR COULD PLAY A FUNDAMENTAL ROLE IN BOTH GENERATING AND DISSEMINATING

TECHNICAL KNOWLEDGE (PARTICULARLY THE LATTER). IN ORDER TO PROMOTE THIS INVOLVEMENT, GREATER ATTENTION WILL BE REQUIRED TO LEGAL INSTITUTIONS (CONTRACT LAW, INTELLECTUAL PROPERTY RIGHTS, AND GRADES AND STANDARDS) WHICH WILL PROTECT PRIVATE RETURNS FROM RESEARCH INVESTMENTS.

F. NATURAL RESOURCES

1. IMPROVED NATURAL RESOURCE MANAGEMENT IS CRITICAL TO SUSTAINABLE AGRICULTURAL GROWTH IN THE 1990S. IMPROVED MANAGEMENT SHOULD INCLUDE: (A) REFORM OF GOVERNMENT POLICIES THAT DAMAGE THE PRODUCTIVE CAPACITY OF THE AGRICULTURAL RESOURCE BASE; (B) ADOPTION OF POLICIES TO ENCOURAGE PRIVATIZATION, SECURE OWNERSHIP, EFFICIENT RESOURCE PRICING AND PRIVATE AND/OR COMMUNAL MANAGEMENT OF NATURAL RESOURCES; (C) INCORPORATION OF WATERSHED PLANNING AS AN INTEGRAL PART OF IRRIGATION SYSTEMS MANAGEMENT THROUGH SELF-FINANCING MECHANISMS, COST RECOVERY AND PRIVATE SECTOR INVOLVEMENT; (D) EXPANDED RESEARCH ON THE IMPLICATIONS OF AGRICULTURAL INTENSIFICATION FOR THE PHYSICAL RESOURCE BASE, ENVIRONMENTAL QUALITY AND RURAL HEALTH; AND (E) THE INCLUSION OF ENVIRONMENTAL COSTS INTO AGRICULTURAL INVESTMENT DECISIONS.
2. DISCUSSION: PARTICIPANTS AGREED THAT POVERTY IS A LEADING CAUSE OF ENVIRONMENTAL DEGRADATION IN LDCS, AND RURAL INCOMES NEED TO BE RAISED THROUGH LABOR-ABSORBING DIVERSIFICATION, TENURE REFORM, LABOR INTENSIVE TECHNOLOGIES AND OFF-FARM EMPLOYMENT. ALSO, STAGNATING REAL RURAL WAGES (I.E. POVERTY), AND INAPPROPRIATE PRICES WHICH FAIL TO REFLECT THE TRUE SOCIAL (AND OFTEN TRUE MARKET) COSTS OF RESOURCES USED IN AGRICULTURE ARE MAJOR CAUSES OF RESOURCE DEGRADATION. ALL PARTICIPANTS AGREED THAT PROPER USE AND MANAGEMENT OF OUR NATURAL RESOURCE BASE UNDERLIES ALL SUSTAINABLE AGRICULTURAL GROWTH.
3. IN THE SHORT RUN, FACTOR PRICE DISTORTIONS WITH THE MOST DAMAGING ENVIRONMENTAL CONSEQUENCES NEED TO BE IDENTIFIED AND CORRECTED. IN CRITICAL AREAS, RESOURCE BASE ENHANCING PROGRAMS SUCH AS REFORESTATION, TERRACING AND MINIMUM TILLAGE NEED TO BE CAREFULLY DEVELOPED AND IMPLEMENTED. IN SEVERELY IMPACTED FRAGILE LANDS, EFFORTS TO GENERATE OFF-FARM EMPLOYMENT AND OUTMIGRATION MAY BE THE FINAL ANSWER. PARTICIPANTS DID AGREE THAT SIGNIFICANT DOMESTIC POLITICAL SUPPORT COULD BE GENERATED AROUND THE ENVIRONMENTAL CONCERNS WHICH UNDERPIN SUSTAINABLE AGRICULTURE. WHAT AND HOW MUCH CAN BE DONE NOW, HOWEVER, IS SIGNIFICANTLY CONSTRAINED BY

THE LACK OF TRAINED PERSONNEL IN THE AGENCY.

4. CRITIQUE: IT WAS NOTED THAT ESTABLISHING AND APPLYING ENVIRONMENTALLY ADJUSTED PRICES IS NOT GOING TO HAPPEN IN THE NEAR TERM. NATURAL RESOURCES SHOULD BE VIEWED IN AN ECONOMIC AND MARKET FRAMEWORK; MARKET PRICES ARE THE ONLY PRACTICAL ONES WE HAVE TO WORK WITH NOW. GETTING MARKET PRICES RIGHT IS THE MOST IMMEDIATE, IF NOT ULTIMATE, CHALLENGE AND SHOULD IMPROVE RESOURCE USE DECISIONS AND EFFICIENCY. THE ANALYTICAL AND SKILL BASE TO ADDRESS THE LONG-TERM NATURAL RESOURCE QUESTIONS IS NOT UP TO THE CHALLENGE AT HAND IN MOST ANE COUNTRIES.

G. CROSS-CUTTING PROPOSITIONS (APPLICABLE TO PRECEEDING FIVE SUBJECT AREAS) AND DISCUSSION

1. INVESTMENTS IN RURAL INFRASTRUCTURE (ROADS, COMMUNICATIONS, MARKETS, ELECTRICITY) WILL ENHANCE RETURNS TO INVESTMENTS IN ALL AREAS AND WILL FOSTER PARTICIPATION BY PRIVATE SECTOR.

2. TRANSLATING RECOMMENDATIONS TO COUNTRY SPECIFIC SITUATIONS WILL REQUIRE GREATLY ENHANCED HOST COUNTRY AND DONOR ANALYTICAL CAPACITY.

3. DISCUSSION: CONSIDERABLE EVIDENCE WAS PRESENTED ON THE EFFICIENCY ENHANCING ROLE THAT RURAL INFRASTRUCTURE PLAYS IN GROWTH OF THE AGRICULTURAL ECONOMY AS WELL AS IN GENERATING OFF-FARM EMPLOYMENT. PARTICULAR ATTENTION WAS FOCUSED ON THE CONTRIBUTION OF RURAL INFRASTRUCTURE TO LOWERING MARKETING COSTS AND SPEEDING THE PROCESS OF RURAL DIVERSIFICATION. CONCERNS WERE EXPRESSED OVER THE SUBSTANTIAL COSTS INVOLVED IN MOUNTING AN EFFECTIVE RURAL INFRASTRUCTURE INVESTMENT PROGRAM, THE CHOICE OF TECHNIQUE IN CONSTRUCTION AND MAINTENANCE, AND LOCAL FINANCING MECHANISMS TO COVER RECURRING MAINTENANCE COSTS.

4. IN ORDER TO OPERATIONALIZE THE ABOVE PROPOSITIONS INTO DO-ABLE COUNTRY-LEVEL POLICIES AND PROGRAMS, SUBSTANTIAL ANALYSIS WILL BE NEEDED. THERE WAS WIDESPREAD AGREEMENT THAT THE ANALYTICAL CAPACITY WITHIN AID AND THE DEVELOPING COUNTRIES WAS GROSSLY INADEQUATE FOR THE TASK AT HAND. THERE WAS CONCURRENCE THAT HEAVY RELIANCE WOULD HAVE TO BE PLACED UPON U.S. AND LDC UNIVERSITIES TO CONDUCT THE ANALYSIS REQUIRED TO IMPLEMENT THE PROPOSITIONS. CONCERN WAS EXPRESSED OVER THE NEED TO REPLACE OUTDATED MODELS OF OPERATION WITH MORE COLLEGIAL, COLLABORATIVE MODES. ALSO, THERE WAS CONCERN ABOUT MEANS OF SUSTAINING THE REQUIRED SUPPORT TO U.S. AND FOREIGN INSTITUTIONS FOR A SUFFICIENT PERIOD OF TIME TO ALLOW NEW RELATIONSHIPS TO FORM AND BECOME

PRODUCTIVE. THE FAILURE OF THE USG TO PROVIDE ENCOURAGEMENT AND FLEXIBLE FUNDING TO U.S. INSTITUTIONS WAS CITED AS A CAUSE FOR THE CURRENT PAUCITY OF YOUNG, CAPABLE DEVELOPMENT ANALYSTS.

H. ANALYTICAL AGENDA: THE SYMPOSIUM IDENTIFIED THREE BROAD AREAS NEEDING FOLLOW-UP ANALYSES:

1. THE COMMISSIONED PAPERS EMPHASIZED THAT DEVELOPMENT PATTERNS IN THE ANE COUNTRIES VARIED CONSIDERABLY WITH RESPECT TO NATURAL RESOURCE BASE AND CLIMATE, INFRASTRUCTURE BASE, AND MACRO/MICRO ECONOMIC POLICY REGIMES. LITTLE IS KNOWN ABOUT HOW EACH OF THESE VARIABLES INTERACT WITH OVERALL GROWTH AND DEVELOPMENT. COUNTRY-SPECIFIC STUDIES OF THESE INTERACTIONS, IMPLEMENTED IN A COMPARATIVE POLICY CONTEXT, ARE REQUIRED TO GUIDE DEVELOPMENT OF COUNTRY-SPECIFIC STRATEGIES.

2. SINCE ECONOMIC DIVERSIFICATION IS LARGELY DEMAND DRIVEN, AND MANY ANE COUNTRIES ARE ENTERING INTO A PERIOD OF DEMAND-LED DIVERSIFICATION, A GREATER UNDERSTANDING OF THE DYNAMICS OF DEMAND AND ITS SENSITIVITY TO SPECIFIC POLICY INSTRUMENTS IS REQUIRED TO ANTICIPATE THE IMPLICATIONS OF THE DIVERSIFICATION PROCESS AND DEVELOP POLICIES TO FACILITATE PROGRESS.

3. PRICE STABILIZATION FOR STAPLE GRAINS IS ESSENTIAL TO STIMULATING INVESTMENT, PROMOTING A FLEXIBLE, DIVERSIFIED ECONOMY, AND PROTECTING CONSUMER AND PRODUCER WELFARE. YET MANAGING STABILIZATION IS COMPLICATED AND OFTEN VERY EXPENSIVE. FOLLOW-ON STUDIES OF ACTUAL PRICE STABILIZATION POLICES AND MANAGEMENT IN ANE COUNTRIES WHICH IDENTIFY THE APPROPRIATE ROLES OF THE PUBLIC AND PRIVATE SECTORS, ARTICULATE THE IMPACT OF STABILIZATION ON INVESTMENT, EMPLOYMENT AND INCREASED DEMAND, AND IDENTIFY PRACTICAL MANAGEMENT RULES AND PROCEDURES INSTRUCTIONS SHOULD LEAD TO A MORE SOPHISTICATED UNDERSTANDING OF THIS PROCESS, AND MORE APPROPRIATE AND REALISTIC POLICY DESIGN.

V. IMPLICATIONS FOR DEVELOPMENT ASSISTANCE PROGRAMMING & AID

A. FOLLOWING PLENARY DISCUSSION OF THE PROPOSITIONS, DAA/ANE WILLIAM FULLER PROVIDED HIS REACTIONS, BOTH FOR DEVELOPMENT PROGRAMMING IN GENERAL AND FOR AID IN PARTICULAR. HE EXPRESSED OPTIMISM, BASED ON ACHIEVEMENTS OF THE PAST TWO DECADES, FOR THE CONTINUED APPLICATION OF TECHNOLOGY INSTITUTIONAL DEVELOPMENT AND

POLICY ADJUSTMENT TO SOLVE CURRENT DEVELOPMENT CHALLENGES, POINTING OUT THAT MANY OF THE PROBLEMS EMERGING TODAY ARE THE DIRECT RESULT OF OUR PAST SUCCESSES. HE NOTED THE PROFOUND CHANGE IN DEVELOPMENT THINKING EVIDENT IN THE INCREASED ATTENTION AND ENTHUSIASM, ON EFFICIENCY RATHER THAN IDEOLOGICAL GROUNDS, FOR MARKET SOLUTIONS AND A MORE BALANCED VIEW OF THE APPROPRIATE ROLE FOR THE PUBLIC SECTOR. HE EXPRESSED CONCERN OVER AGRICULTURE'S EVIDENT DECLINING CAPACITY TO ABSORB NEW LABOR AND OUR LIMITED UNDERSTANDING OF WHAT TO DO ABOUT THAT. HE SPECIFICALLY CITED YIELD AND PRICE STABILIZATION OF BASIC STAPLES AS ONE OF THE MAJOR TECHNOLOGICAL AND POLICY CHALLENGES TO BE FACED DURING THE 1990S, AND EXPRESSED CONCERN OVER DONORS' PROPENSITY TO PREMATURELY ABANDON ACTIVITIES THAT ARE LONG TERM AND NOT FULLY REALIZED, E.G., UNIVERSITY DEVELOPMENT AND AGRICULTURAL RESEARCH.

B. WITH ECONOMIC GROWTH HAVE COME SIGNIFICANT CHANGES IN FOOD DEMAND AND, IN TURN, THE GROWING IMPORTANCE OF FOOD PROCESSING, MARKETING AND DISTRIBUTION SYSTEMS. GROWTH IN THESE SECTORS, WHICH IS ESSENTIAL TO PRODUCTIVELY ABSORB THE GROWING RURAL LABOR FORCE, WILL IN LARGE PART BE DETERMINED BY HOW FAR GOVERNMENTS ARE WILLING TO GO TO REDEFINE THEIR ROLES VIS-A-VIS THE PRIVATE SECTOR.

C. RELATIVE TO AID, FULLER NOTED THAT ALTHOUGH BUDGET CONSTRAINTS, EARMARKS AND RELATED INTEREST GROUP POLITICS WILL SURELY CONTINUE, AID NEED NOT BECOME IRRELEVANT IF IT CAN CLEARLY ARTICULATE A VISION OF THE FUTURE AND MARSHALL THE APPROPRIATE STAFF AND PROCEDURES TO IMPLEMENT IT. HE SUGGESTED THAT IN MANY COUNTRIES AID'S ROLE WILL BE THAT OF CATALYST, EXPERIMENTER, HUMAN CAPITAL BUILDER, SOURCE OF IDEAS AND LEVERAGER OF FUNDING, WITH ITS PROGRAM AND PROCEDURES FOCUSED ON SUPPORT FOR (1) POLICY CHANGE; (2) THE SECOND GENERATION INSTITUTION BUILDING PROBLEMS OF MANAGEMENT, INFORMATION SYSTEMS AND NETWORKING, FINANCIAL CONTROL AND ACCOUNTABILITY, QUALITY CONTROL; (3) SUSTAINABILITY, INCLUDING DRAWING IN MORE PRIVATE SECTOR INVESTMENT (E.G., THE WORK GOING ON IN HEALTH SECTOR FINANCING); AND (4) THE CONTINUING CHALLENGE OF BUILDING MORE EFFECTIVE DECISION-MAKING PROCESSES AND INSTITUTIONS.

D. AID MUST HAVE A CLEAR UNDERSTANDING OF HOW THE POLICY ADJUSTMENT PROCESS OPERATES IN ANE COUNTRIES, WHAT AID CAN AND CANNOT DO IN SUPPORT OF THE PROCESS, AND THE TYPES OF PERSONNEL AND ANALYSIS NEEDED TO MAKE

MOST EFFECTIVE USE OF AID RESOURCES. FULLER RAISED QUESTIONS ABOUT CONDITIONALITY, ARGUING THAT, WITH THE EXCEPTION OF A FEW LARGER COUNTRY PROGRAMS, A MORE COLLABORATIVE APPROACH WILL BE REQUIRED, BASED ON TA, SUPPORT FOR RESEARCH, AND DISCUSSION BETWEEN EXPERIENCED AID STAFF AND HOST COUNTRY COUNTERPARTS. BECAUSE OF THE FLUIDITY OF THE POLICY PROCESS, HE SUGGESTED THAT AID WILL NEED MORE FLEXIBILITY TO PROGRAM RESOURCES SO THAT THEY COULD BE REALLOCATED QUICKLY TO TAKE ADVANTAGE OF POLICY OPPORTUNITIES AS THEY ARISE. HE ALSO NOTED THE IMPORTANCE OF SUPPORT FOR A WIDE RANGE OF "EXPERIMENTAL" PROJECTS AND PROGRAMS, FOR EXAMPLE, TESTING NEW TRAINING, ORGANIZATIONAL AND FINANCING SCHEMES FOR FOLLOW-UP BY THE WIDER DONOR COMMUNITY.

D. FULLER CLOSED BY POINTING OUT THAT A RICH AND VARIED DEVELOPMENT AGENDA REMAINS, INCLUDING THE DEVELOPMENT OF NEW AGRICULTURAL TECHNOLOGIES, EFFECTIVE AND EFFICIENT FOOD STABILIZATION, IDENTIFICATION OF PRACTICAL WAYS OF STRENGTHENING THE LINKS BETWEEN DEVELOPING COUNTRY AND INTERNATIONAL MARKETS, THE RELATION BETWEEN RURAL AND URBAN INVESTMENTS AND THE DEVELOPMENT OF AGRO-PROCESSING AND MARKETING, AND THE CONTRIBUTION OF CAPITAL AND FUTURE MARKETS TO PRICE AND COMMODITY STABILIZATION. FINALLY, HE CITED THE NEED TO THINK MORE CREATIVELY ABOUT HOW WE CAN ATTRACT TO THE AGENCY THE QUALITY OF PERSONNEL REQUIRED TO THINK THROUGH AND IMPLEMENT THIS CHANGING AGENDA.

VI. ECONOMISTS GET-TOGETHER: AN INFORMAL SESSION WAS HELD THURSDAY EVENING, SEPT. 8; VERN RUTTAN, WALLY FALCON AND JOHN MELLOR AND BOB EVENSON MADE BRIEF PRESENTATIONS ON THE DEVELOPMENT ENVIRONMENT FOR THE 90'S FROM THEIR PERSPECTIVES, FOLLOWED BY GENERAL DISCUSSION. DISCUSSIONS LARGELY PARALLELED THOSE OF THE LARGER GROUP IN TERMS OF PROSPECTS FOR LONGER-TERM PRICES, PRODUCTION, AND RESEARCH AND ANALYSIS NEEDS AND PROSPECTS. A FULL REPORT WILL BE CONTAINED IN THE PROCEEDINGS.

VII. CONCLUSIONS: JIM LOWENTHAL, IN HIS CONCLUDING REMARKS, EMPHASIZED THAT THE CHALLENGE CREATED BY THE CHANGES IN THE WORLD OVER THE LAST TWO DECADES PLAYS TO OUR COMPARATIVE ADVANTAGE AS A DEVELOPMENT ASSISTANCE AGENCY--NAMELY, OUR UNIQUE CAPABILITY TO COLLABORATIVELY DEVELOP THE HUMAN RESOURCE AND INSTITUTIONAL CAPACITY IN THE THIRD WORLD TO EFFECTIVELY ADDRESS THE PRODUCTION, INCOME AND NATURAL RESOURCE CONCERNS HIGHLIGHTED IN THE SYMPOSIUM. IF THE 60'S WAS THE DECADE OF PRODUCTION,

THE 70'S THE DECADE OF NEW DIRECTIONS AND EQUITY CONCERNS, AND THE 80'S THE DECADE OF THE PRIVATE SECTOR AND POLICY CONCERNS, THE 1990'S WILL LIKELY BE THE DECADE OF SUSTAINING TECHNICAL AND INSTITUTIONAL EXCELLENCE IN SUPPORT OF ECONOMIC DEVELOPMENT. WE WILL EFFECT THIS NOT AS FOREIGN ADVISORS, BUT AS PARTNERS WITH REGIONAL AGRICULTURAL AND SCIENTIFIC ESTABLISHMENTS. AND WE WILL DO IT BECAUSE WE KNOW HOW TO OBTAIN THE ANSWERS, AND BECAUSE WE UNDERSTAND THAT FINDING THOSE ANSWERS IS IN OUR IMMEDIATE AND LONG-TERM NATIONAL INTEREST.

VIII. COMMENT

1. IT IS APPARENT THAT THE ANALYSES AND DISCUSSIONS OF THE ANE STRATEGY SYMPOSIUM ARE ALREADY AFFECTING THE DELIBERATIONS IN THE OTHER INITIATIVES MENTIONED IN PARA II.C ABOVE. THE RECENTLY CONCLUDED BIFAD SYMPOSIUM MADE FREQUENT REFERENCE TO OUR STRATEGY WORK, AND THE DEMAND FOR COPIES OF THE COMMISSIONED PAPERS AND PROCEEDINGS IS HIGH. WE CAN EXPECT A LOT OF INTEREST AND VISABILITY AS WE CONTINUE OUR WORK.
2. IT BECAME APPARENT THAT A LOT OF WORK WILL BE REQUIRED OVER THE NEXT DECADE IN AGRICULTURAL RESEARCH, BOTH THROUGH THE IARCS AND NARS. RETURNS TO INVESTMENT IN RESEARCH ON CEREALS WILL REMAIN HIGH. AND THIS IS AN AREA OF COMPARATIVE AID ADVANTAGE.
3. RURAL INFRASTRUCTURE, INCLUDING IRRIGATION, WILL CONTINUE TO BE AN IMPORTANT AND HIGH-RETURN AREA OF INVESTMENT, BOTH FOR DONORS AND LDCS. ALTHOUGH AID NO LONGER HAS THE RESOURCES TO DIRECTLY FUND LARGE-SCALE INFRASTRUCTURE INVESTMENTS, WE SHOULD BE ABLE TO WORK CLOSELY AND EFFECTIVELY WITH OTHER DONORS AND HOST COUNTRIES ON RELATED POLICY, HUMAN RESOURCE AND INSTITUTIONAL SUSTAINABILITY ISSUES.
4. IMPROVING ANALYTICAL CAPABILITY OF LDCS WILL ALSO BE CRITICAL IN MANAGING THE ONGOING TRANSFORMATIONS, IN AREAS OF TRADE, PRICING POLICY, NATURAL RESOURCE CONSERVATION.
5. INSTITUTIONAL SUSTAINABILITY AND HUMAN RESOURCE CONCERNS WILL UNDERLIE ALL DEVELOPMENT EFFORTS, AND SHOULD AGAIN REPRESENT AN AREA OF COMPARATIVE AID STRENGTH.
6. IT SEEMS CLEAR THAT THE ARDO OF THE 90'S WILL REQUIRE INCREASINGLY BROAD CAPACITY TO UNDERSTAND AND ADDRESS THE INTERRELATIONSHIPS OF AGRICULTURAL PRODUCTION OPTIONS WITH TRADE, NATURAL RESOURCES, PRICE POLICY, RURAL-URBAN LINKAGES AND OFF-FARM EMPLOYMENT.

AND THE INTEGRATION OF FOOD AID WITH DEVELOPMENT ASSISTANCE.

IX. FOLLOW-UP

A. IN ADDITION TO THIS CABLE, ANE MISSIONS WILL RECEIVE A FULL SET OF SYMPOSIUM PAPERS (DUE IN EARLY OCTOBER), JULIA CHANG BLOCH'S AND WILLIAM FULLER'S OPENING AND CLOSING COMMENTS, A SUMMARY OF THE PROCEEDINGS, AND AN EDITED VIDEO TAPE OF THE CLOSING PLENARY SESSION.

B. IN CONJUNCTION WITH THE STRATEGY FORMULATION ITSELF, TR/ARD HAS COMMISSIONED RICHARD MEYER (FORMER AGENCY EXEC. SECRETARY, FORMER DIRECTOR USAID/OUAGADOUGOU) TO PREPARE A 2-PART ARDO (BS 10, 14, 15 & 30) PERSONNEL ANALYSIS. PART I, WHICH DESCRIBES THE PRESENT SITUATION, IS LARGELY COMPLETE AND WILL BE PROVIDED TO FIELD POSTS ALONG WITH OTHER SYMPOSIUM MATERIALS. PART II WILL INTEGRATE THE PART I FINDINGS WITH THE STRATEGY CONCLUSIONS/DIRECTIONS AND FORMULATE A REALISTIC, FORWARD-LOOKING PERSONNEL PLAN FOR THE ARDO CADRE, CONSIDERING RECRUITMENT, RETENTION, PROMOTION AND IN-SERVICE TRAINING. PART II WILL BE COMPLETED FOR SUBMISSION WITH THE DRAFT FINAL STRATEGY PRIOR TO THE PLANNED FEBRUARY 1989 ARDO CONFERENCE.

C. ANE/TR/ARD IS EXTREMELY INTERESTED IN MISSION REACTIONS TO THESE PROCEEDINGS AND PAPERS. WHILE THE INITIAL STEPS HAVE BEEN TAKEN TOWARD REFORMULATING A BUREAU STRATEGY, WE ARE CLEARLY A LONG WAY FROM DESCRIBING A COMPREHENSIVE VISION OF DEVELOPMENT IN THE 1990S AND AID'S ROLE IN IT. WE NEED FIELD IDEAS IN THIS REGARD, EITHER IN RESPONSE TO THIS CABLE OR UPON REVIEW OF THE COMPLETE SET OF MATERIALS DESCRIBED ABOVE.

D. THE PAPERS, PROCEEDINGS AND FIELD INPUT WILL FORM THE BASIS OF A DRAFT STRATEGY DOCUMENT WHICH ARD WILL PREPARE IN NOVEMBER AND DECEMBER. THE DRAFT WILL BE FORWARDED TO MISSIONS FOR REVIEW PRIOR TO ANE'S ARDO CONFERENCE NEXT FEBRUARY IN RABAT, MOROCCO. ANE FEELS THAT THIS SYMPOSIUM HAS MADE A SIGNIFICANT CONTRIBUTION TO THE INTELLECTUAL UNDERPINNINGS OF DEVELOPMENT ASSISTANCE IN THE 1990'S AND WELCOMES MISSION PERSONNEL TO DISCUSS STRATEGY AND CONFERENCE ISSUES WITH BUREAU STAFF WHILE ON TDY TO WASHINGTON.

44