

PN-ARE-789
63476

MANAGING DEVELOPMENT: A REVIEW OF EXPERIENCES
IN ALTERNATIVE WAYS OF CARRYING OUT
AGRICULTURAL ASSISTANCE PROGRAMS

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A Review of Recent AID Experience
In Alternative Ways of Carrying Out
Agricultural Programs

I. RATIONALE FOR THE REVIEW

A. Rationale

During its post World War II history, the U.S. has carried out an extensive foreign assistance program in agriculture and rural development. As will be discussed in the background section below, the means for carrying out the programs have been through open ended, broad, sector programs or through projects with very definite budgets and purposes and sometimes with combinations of assistance methods. The programs have also used various combinations of extensive numbers of direct hire staff with limited numbers of contractors, or conversely with extensive use of contractors and limited number of direct hire staff. While the objectives of the various programs were always to have a demonstrable affect on the agricultural sector the structure of the assistance methods provide different degrees of assurance that objectives will be achieved, and will be measurable in the short run, or indeed measurable at all.

As AID continues to seek ways to make its investments more productive, and to do so while conserving use of the direct hire staff, it should be instructive to review several cases representing alternative methods of packaging and managing assistance programs.

The central issues which the review can be expected to shed light on are: (1) whether non-project assistance, as compared to projects, appears to have comparable developmental results, (2) whether non-project assistance, or modifications thereof, may be desirable in certain instances and (3) what are the management implications of various approaches.

B. Procedures Used in Carrying Out the Review

The methods used to review the experience were to (a) study the basic project documentation (project papers, evaluations and contracts) (b) to carry out some 44 detailed interviews throughout the United States with AID and University personnel involved in the projects and several less formal interviews with staff now overseas and (c) analyze the results of respondents statements and the official project documentation and the author's first-hand knowledge of project experiences generally and the projects under review specifically. Interviews involved personnel who assisted in project planning, design, implementation, evaluation and also with personnel not directly involved. The latter were representatives of BIFAD and development officers formerly associated with AID who have had experience with various assistance modes and sector analysis endeavors.

II. BACKGROUND

In the 1950's and through the early 1960's U.S. assistance agencies carried out programs in both technical assistance and capital assistance. Capital assistance generally meant roads,

dams, electric power generating facilities and other types of infrastructure projects and industrial plants. Many of the capital projects were loan funded as they had revenue generating capability to repay the investment. The borrowing governments or the private sector recipients, were often required to employ private U.S. architect or engineering service contractors to assist in project implementation. These contractors and the U.S. AID agencies direct hire staff involved in capital projects were few in number. Their function was usually to insure timely and satisfactory completion of the physical project. This was somewhat in contrast to the technical assistance projects which usually had a much more predominate element of institutional development as part of their objectives.

The technical assistance (TA) projects in agriculture and rural development -- as well as in health, education, public administration and public safety -- were much more open-ended than capital projects with respect to their objectives, funding and estimated time of completion. The implementation staff consisted of several U.S. direct hire federal employees. In the large programs in Iran, South Korea, Nigeria and Taiwan there were dozens of agricultural and rural development officers at the national and provincial levels. The work of this staff was to carry out technical work and to advise the counterpart staff of newly emerging institutions. The objective of the endeavors was the provision of services and the development of institutions to continue necessary public services.

An early and notable exception to the use of direct hire staff in TA projects was the successful contract use of U.S. Land Grant Universities to assist new agricultural colleges overseas. This experience, along with other use of contractors for capital projects, has a continuing bearing on present assistance methods.

With the legislation which created the Agency for International Development in 1961 the Development Loan Fund (capital projects operations) was merged with the International Cooperation Agency (largely technical and program assistance). This move, along with concerns to use less direct hire staff, (and hence more contractors) and the increasing money value of TA projects led to the TA projects being increasingly cast in the capital project mold. That is, the purpose, funding level and time frame for completing the projects were specified with greater detail and precision. Inputs and outputs were spelled out in an attempt to provide an increased level of assurance that something measurable would be achieved by a prescribed date. It also became increasingly easier to contract for a set of technical services. Use of contractors became the standard method of supplying technical services. In due course, AID adopted a uniform project format and implementation documentation for both technical and capital assistance. Projects became the preferred means of carrying out development assistance. Some of the "costs" attendant to the project mode will be discussed below.

Along with project assistance AID, and prior assistance agencies, have always had an array of non-project assistance instruments to carry out various aspects of their overall programs. Briefly, non-project assistance is generally used to transfer resources for purposes of balance of payments relief or disaster relief. The means of resource transfer may be either loans or grants and generally consist of PL 480 commodity transfers, cash grants or U.S. financing for commodity import programs. The U.S. resources, when sold to end users in the recipient country, generate local currency which can be programmed for certain uses, or the generated currency may simply become a part of the general budgetary revenue. The resources can also be an outright grant to a country. Non-project assistance (also known as program assistance) destined for a given sector thus becomes a type of developmental assistance and is an alternative to specific project assistance. (Recall that project assistance refers to a detailed endeavor, with specific inputs designed to be used in a manner to meet a pre-specified outcome.)

As currently practiced, program assistance is usually directed to a sector and may be widely used throughout the sector. The resources may be allocated to a particular sub-sector such as agricultural credit or for use in several sub-sectors or activities such as research or extension. The actual use of either the dollars or local currency in program

assistance is much more flexible than under projects. The uses for which the funds are spent depends upon the agreed uses as brought out in sector assessments and various programming documents rather than a discrete project design.

As noted above "projects" have the benefit of specificity of purpose and relative ease of judging impact. They also have a set of costs which may be higher than alternative methods of providing developmental assistance. Among the costs are:

1. The lack of flexibility to shift resources among competing needs - even within a narrow context of use on various crops if the project were crop specific or between institutions such as research or extension.
2. AID's requirement that if several projects are to be developed a sector assessment should be completed (a similar requirement is needed for program assistance).
3. A project identification document needs to be prepared and processed for approval.
4. A project needs to be designed for each major expenditure and the single project design requirements may be nearly as burdensome as the design of an entire sector program.
5. Because a project has a stated set of inputs and outputs approved by AID these need to be monitored and evaluate to assure accountability.
6. By its very nature a typical project addresses only a limited topic. While the "thoroughness" of the approach

would give greater assurance of success it may be arguable that the marginal productivity of investments might be higher if critical elements of several topics are addressed rather than one topic being more completely dealt with. As will be shown below a very wide range of expenditures are being made on various topics both in the project mode and in the program assistance mode.

7. For both AID and the host governments project assistance is marginally much more labor intensive of skilled and scarce personnel, than is program assistance. Program assistance usually fits into existing programs. Whereas project assistance often requires a small, but new, management unit. For either program or project assistance an institutional structure must exist to manage the event.
8. Project assistance is not generally the preferred mode of assistance for the host government.
9. Project assistance, per project, usually has a smaller dollar value than a bundle of resources allocated for program assistance and therefore program assistance discussions may offer a better entry point for policy discussions and possible reform.

Whichever the advantages and disadvantages of projects may be project assistance is the clearly stated method of choice for

AID. Program assistance is the exception and must be justified on a case by case basis as being preferable to project assistance.

Attendant to the evolution from open ended technical assistance type programs to more discrete type projects was the move to use of contractors as the providers of technical assistance. And, as noted above, the U.S agricultural university community had been used successfully to provide contract assistance to new colleges overseas. This successful experience, and an ever increasing need for additional contractors, led to the 1975 Title XII portion of AID legislation which encouraged AID to more fully involve the U.S. agricultural colleges in its programs with developing nations. The legislation encouraged the development of long term relationships in the many facets of agricultural development, not just for the establishment of new colleges.

To achieve these objectives AID established internal rules whereby interested universities could both design and implement projects, and in some cases, whole programs. The terminology for allowing a university to engage in both design and implementation of projects is called collaborative assistance. This term refers to both a contracting method and to certain types of projects wherein:

1. The nature of the project precludes defining in advance precise and objectively verifiable contractor inputs (and hence a need for flexibility in project design, contracting and implementation).

2. The problems being addressed are of great complexity and varying uncertainty.
3. There is a desire by AID, the contractor and the host government to increase the long-term joint implementation authority and responsibility of the contractor and the host government (relative to AID's normal level of involvement).

It is apparent that the "collaborative assistance" approach to agricultural development recognized the need for flexibility in providing assistance (a hallmark of program assistance) while preserving the name--project - and presumably its attributes of assurance something useful and readily identified would be accomplished. Collaborative assistance type projects, and contracts, also recognize the need to economize AID staff. While availability of AID staff is not supposed to be a reason to chose one assistance method over another it is nevertheless a significant concern of AID management.

AID is thus faced with several related problems. They are:

1. The need to provide effective assistance consistent with competing interests and issues wherein:
 - The host governments generally prefer program assistance as it is easier to manage with their normal budget and institutional arrangements.
 - AID prefers project assistance with its presumed greater assurance of successful use of a given resource.

It is not readily apparent just which assistance instrument may ultimately be more effective provided a good sector analysis identified an important developmental issues in the first instance.

2. There may be a possible need to adjust assistance methods consistent with staff abilities to manage various programs - some of which are more labor intensive than others.

The balance of this paper will review actual project and program experiences which may provide some lessons relevant to future choices of action.

III. TYPES OF PROJECTS AND PROGRAMS CARRIED OUT

A. General

In recognition of the situations mentioned above, the old Near East bureau initiated, in the late 1970's, two programs to contract out the bulk, if not the entire, agricultural development programs of Egypt and Yemen, to the Universities of California System and the Consortium for International Development, respectively. The view was that these two large institutions operating under the Collaborative Assistance Mode (CAM), (i.e., having both project design and implementation responsibility) would (1) provide, through subprojects, effective agricultural assistance and an efficient means of program and project design, while (2) minimizing AID staff involvement, but yet retaining AID's responsibilities for major programmatic decisions and accountability. That is, AID hoped

for the best of all worlds - funding and contractual arrangements on a program basis, yet with substantive activities having the attributes of projects.

In addition to the Egypt and Yemen efforts (which were a sort of program/project hybrid), AID's Africa Bureau established a straight forward program assistance effort in Zimbabwe. In addition, other agricultural sector programs were carried out in the 1970's in Ethiopia and Tanzania.

B. Non-Project Assistance - Africa

The Africa Bureau has at various times undertaken to provide non-project assistance to agriculture in the form of sector assistance. This has included sector loans or grants to Zimbabwe, Ethiopia and Tanzania. Common characteristics of the sector assistance were a major emphasis on local currency financing and simplified procedures for disbursing and accounting for funds which kept AID, particularly in AID/W, from being involved in project details. Two of the programs were directed towards bringing about substantial policy reforms while the third was intended to support recently initiated policies which were generally acceptable and required only marginal adjustments. Although two programs were terminated earlier than planned, all can be considered to have been reasonably successful in bringing about intended policy changes and increasing investment in productive agricultural enterprises.

1. Zimbabwe

While normally non-project or program assistance is largely justified on the basis of balance of payments requirements, this was not the case in Zimbabwe. Rather, balance of payments requirements are pretty much, though not entirely, ignored. The justification of the program makes explicit that balance of payments is not an important factor. "Use of the Commodity Import Program (CIP) mechanism is an approach only to generate the local currency requirements." Some of the dollars were used for specified procurement of services rather than just the CIP. Of course, whether an objective or not, the assistance did provide balance of payments support.

Justification of non-project assistance was based on the finding that the Government of Zimbabwe (GOZ) had the continuing institutional capability and a record of accomplishments which demonstrated they could plan and carry out development activities successfully. In view of this it was concluded that sector rather than project assistance was the preferred mode. The confidence which AID had in the capability of the GOZ permitted it to fund sector assistance which provided desired program flexibility.

While one-third of program funds were to be used for the direct procurement of training and technical assistance for an expanding bureaucracy to carry out development activities among small-holders who had previously only been marginally engaged in the development process, the Program Assistance Approval

Document (PAAD) identified the program as a controlled resource transfer in the form of budgetary support targeted to meet resource gaps in seven constraint areas which directly affected small-holders. These seven areas were research, extension, credit, marketing and input supply, land and water use, training and policy and planning. These areas had been identified as critical constraints in an agricultural sector assessment. It should be noted that policy reform was not an objective of this resource transfer. Rather, the paper explicitly stated that major policy reforms were not required. There would be some minor policy refinements but what was needed to bring about development was capital, financial and human, to permit expansion of development activities in the agriculture sector.

The program was tied to the annual GOZ planning and budget cycle. Utilization of program funds was accomplished through the following flexible process. First, development of programs and activities in the agriculture sector by the GOZ; second, agreement by an inter-ministerial Working Group on priorities and funding requirements; third, USAID review of proposals against general criteria and agreement on funding; and fourth, tranced release of local currency funding. Disbursements were monitored to assure funds were used at agreed levels and to determine if additional funding was required. In addition, the program was evaluated annually.

It should be noted that this program assistance deviated from normal non-project assistance in two respects, (other than

the absence of a balance of payments rationale). Technical assistance was contracted for directly by the USAID rather than being procured by the GOZ from program funds. Similarly, training was financed directly by the USAID. The reason given for these somewhat peculiar arrangements was a GOZ desire to minimize involvement in contract administration.

While it is clear that during development of the program some of the people involved in preparation wanted to projectize specific activities, this was not done, largely, it appears, for administrative, legal reasons. The program is still operating and still does not use AID standard procedures in preparing and approving projects/activities. Rather, the GOZ system is used to prepare projects and approval is by a GOZ inter-ministerial committee with AID concurrence required. While not all activities funded have achieved all objectives, none of the activities could be rated as less than satisfactory. Among activities carried out were such things as development of an agriculture faculty, installation of a radio communication system including successful trials of solar power, small scale irrigation schemes, vaccine improvement and a national resource development program.

2. Ethiopia

Agricultural sector lending started in Ethiopia in 1970 and there were a series of 4 loans, the last in 1974. The sector assistance was terminated for political reasons not because of problems with the program. The initial effort proposed for

non-project assistance was a straight forward balance of payments, commodity import program based on an AID special assessment of the state of the Ethiopian economy. The proposed program was rejected by AID/W for internal policy reasons with a recommendation that the feasibility of sector assistance be examined. This led to the development of an agricultural sector loan.

The first loan had as its major purpose changes in conservative fiscal and monetary policies which led to an insufficient generation of government revenues to provide local currency financing for many agricultural sector activities. The loan was conditioned on willingness of the Imperial Ethiopian Government (IEG) to make major policy changes with respect to revenue allocations for development. The changes consisted of altering policies that were directed almost solely to maintaining fixed exchange rates and stable prices to more expansionist policies that would produce revenue for development. The loan was also directed towards removing balance of payments constraints that severely limited the capability of the IEG to expand the money supply. Thus balance of payments support was an essential element of the first loan but became progressively less important as new loans were made. The primary justification for suitability of sector lending was that the 3rd five year plan contained a comprehensive analysis of the agricultural sector and that planned development activities were appropriate.

The first loan was intended (1) to provide budgetary support for agricultural sector development activities and (2) through self-help activities required [of the IEG] by the loan to devote proportionately greater resources generally to development and agriculture development in particular. These changes would become a permanent feature of the Ethiopia planning and budgeting process.

The first agricultural sector loan contained the following requirements:

- a. Domestic financed capital expenditures for Ethiopia fiscal year 1970 must at least be equal to the budgeted amount.
- b. Fiscal and monetary reforms to increase revenue were to be instituted.
- c. Improvement of planning, organization and administration of agricultural programs.
- d. Budgeted levels of capital expenditure during 1971 were to be no less than 1970.
- e. Ordinary budgetary levels of development ministries were to be high enough to assure that development activities were adequately supported.

Local currency was originally to be generated by a commodity import program using special letter of credit procedures. However, it was found that generations were too slow to meet program requirements and direct reimbursement was substituted for commodity imports.

The first loan largely addressed general economic issues with an agricultural bias. The second and subsequent loans were directed primarily at the agricultural sector. The major concerns of Agricultural Sector Loan II were that the IEG allocate increasing amounts of resources to the agricultural sector and capital budgets as a whole and secondly that various institutional constraints to agriculture development be removed. The loan agreement continued the following undertakings for the IEG:

- a. The self financed capital expenditures for the agricultural sector in 1972 would be greater than in 1971 by an amount more than proportional to the increase in domestic revenues.
- b. Assure that self financed capital expenditures in 1972 increase significantly over those of 1971 at least by an amount more than proportional to the increase in domestic revenue.
- c. Continued progress in agricultural development through improvements in institutional capacity and absorptive capacity.

Subsequent agricultural sector loans contained refinements and expansion of the quantitative and qualitative undertakings of the second agriculture sector loan. In all four sector loans AID financing was used to support agriculture projects and activities included in line items of the development budget. Projects to be financed were selected and included in loan

agreements and AID provided reimbursement financing on receipt of satisfactory evidence of IEG expenditures on approved activities.

As noted above, agricultural sector lending in Ethiopia was suspended, along with other types of assistance, for political reasons. All evaluation and audits concluded that the sector loans had successfully achieved objectives. Necessary policy changes were made; government revenues for ordinary and development budgets were increased at least as much or more than required; institutional constraints were being reduced; and absorptive capacity was increased and agriculture production was trending upward in a satisfactory manner.

3. Tanzania

As with the other two agriculture sector loans discussed above, the Tanzania loan had as a major element the provision of financing to meet, at least partially, a domestic resource gap so as to increase investment in agriculture production. Local currency generated through direct purchase with U.S. dollars was to be used to finance budgetary line items. Another major purpose of the loan was balance of payments support. Balance of payments support was considered essential because the Government of Tanzania's (GOT) ability to undertake development activities was seriously constrained by foreign exchange shortages

The sector loan was intended to assist in bringing about policy reforms that would provide incentives to farmers to

increase production and shift budgetary allocations from social services to productive agricultural enterprises. Not only was the sector loan intended to influence policies within the agricultural sector but it was also supportive of broader economic policy reforms which were a part of the World Bank program in Tanzania.

The agricultural sector loan was conceived of as being the first of at least three consecutive annual loans. The major objectives of this planned multi-year assistance effort were to increase the size of the agriculture development budget by 73 percent over three years, set priorities for making agriculture development more effective, decentralize government operations, increase production among small-holders and expand maize production.

The program was terminated after one year even though it did play an important role in helping the GOT to carry out policies which brought about substantial increases in maize production and shifted resources towards productive agricultural activities. Termination occurred both because of political problems and the continuation of structural constraints which made it unlikely that future sector lending would produce fruitful results.

C. The Egypt Program (Original Design)

Considerable time and effort on the part of AID, UC/Davis and Egyptian government officials were spent on developing the

core project.^{1/} This is in keeping with the collaborative assistance approach. Specifically, the development of the Egypt program consisted of the following steps:

1. October 1976: reconnaissance team of university administrators visited Egypt to determine, and to certify to, the university's interest in undertaking the long term program.
2. January/June 1977: Core Project Paper (PP) jointly written by AID and UC/Davis and the GOE. Project approved, September, 1977.
3. Long term advisors authorized and funded by another project while long term host country contract being negotiated.
4. First long term advisor arrived: April, 1978.
5. Host country contract signed: January, 1979.
6. First subproject paper (Horticulture) approved: June, 1979.

^{1/} Throughout this review, core refers to the basic paper which describes the project. As an action element, the "core" provides logistic and administrative support to the subprojects short and long term advisors not within a subproject. The core also provides support services for further development of substantive subprojects. GOE refers to the Government of Egypt and YARG refers to the Yemen Arab Republic Government.

The core project, Agriculture Development Systems (263-0041), was very broad and provided the means for development of an entire program or series of subprojects, and other activities. The overall project purpose was to:

"create within the Ministry of Agriculture and related agencies an improved capacity for planning developmental programs and for delivery of services which will enable farmers to increase production profitably."

The means to achieve program objectives were:

1. Major Subprojects - multi-million dollar efforts similar to any AID project
2. Joint Research Activities - research not associated with subprojects - up to \$300,000 limit.
3. Technology Transfer - short term consultancies on any agricultural problem.
4. Feasibility Studies and Subproject Design Activities - those studies and subproject designs necessary to develop a comprehensive set of developmental activities.
5. General Training - long or short term training which is not an integral part of subproject.

The initial funding for the Egypt project was for \$11 million dollars and about \$5 million worth of Egyptian pounds.

The original project paper for Egypt set up funding for the core project and identified horticulture and agriculture economics as the first two subprojects to be subsequently written up and funded. In keeping with the objectives of

overall sector programming and building of long term relationships, a governing body - much more elaborate than would be normal for just a single project - was set up to oversee the program. The Joint Policy and Planning Board's responsibilities were as follows:

1. To identify policies that affect the agriculture sector and its development in Egypt;
2. To advise the GOE on questions of current policy and the development of policies affecting the agriculture sector;
3. To identify the problems limiting the productivity of the sector and the utilization and marketing of its products;
4. To determine priority needs for agriculture sector development;
5. To administer research, training and extension activities within the project;
 - a. To organize the planning and preparation of project activities to meet the needs of broad areas of the agriculture sector for approval and funding by USAID and GOE;
 - b. Within the scope and resources of approved activities, to allocate funds to and administer appropriate research, training, extension and development activities;
 - c. To administer related general training, joint research, technology transfer, feasibility studies and subproject design activities;

6. To evaluate the accomplishments of the project;
7. To serve as the primary planning and advisory body for USAID supported projects in Egypt in the agriculture sector.

From the various objective statements, the management structure and the variety of program activities authorized, it was clear that the intent, the means, and the authority existed to create a broad agricultural assistance program under the Egypt/California Project.

D. The Yemen Program (Original Design)

The design of the Yemen Program - named Agricultural Development Support (279-0052) - was done by collaboration among CID, the AID mission and the Yemen government (YARG).

The schedule was as follows:

1. Winter/Summer 1978: (a) CID fielded a Reconnaissance Team and (b) the USAID mission prepared the PID, PID approval: Fall 1978.
2. CID Design Contract approved April 1978.^{2/}
3. Core Project Paper approved December 1979.
4. Second subproject, Poultry Extension and Training approved August 1982.
5. Horticulture Subproject approved December, 1983.
6. Faculty of Agricultural Sub-project approved April, 1985.

^{2/} CID/New Mexico designed a Secondary School Project ahead of the Core Project in 1978 and this subproject eventually became a part of the entire program.

7. Secondary Agricultural Education II July, 1985.
8. Core II approved November, 1985.
9. Irrigated Farming Practices, an approved subproject but not financed, designed September, 1985.

Similar to the Egypt project, the central purpose of the Yemen program was deliberately broad. As amended, the project (program) purpose was to:

"improve the capacity of the YARG to plan and monitor a national agricultural development program supportive of private sector production and marketing."

In this regard the purpose of the program was similar to that in Egypt. The Yemen program also had a governing body and an objective of building long term relationships. The governing body worked through a Joint Annual Field Review of the program. The Yemen program was more explicit than the Egypt program in identifying a long list of targeted subject matter areas. The following list of "end-of-project objectives" shows the comprehensive nature of both programs.

END OF PROJECT STATUS (OUTPUTS)

Egypt

1. A comprehensive set of development activities in one or more commodity areas
2. An agricultural economics capability in comprehensive sector analysis and planning of action programs
3. Scientist trained, organized and equipped to participate in problem solving
4. Joint research carried out on critical sector problems
5. Established institutional relationships whereby U.S. technology can be brought to bear on sector problems

Yemen

1. A Ministry of Agriculture (MOA) with program analysis, design and implementation capability
2. A national research system in place
3. A national, responsive, extension system in place
4. An agricultural education system in place
5. Efficient farmer use of resources
6. Government control mechanism to protect natural resources
7. Increased women participation flowing from better education and extension programs
8. An agricultural credit system mobilizing savings and serving farmers and agri-business
9. Marketing infrastructure in place
10. More farmer participation in water users associations, cooperatives and local development associations

While the substantive areas for involvement in the Egypt project were less explicit than for Yemen, two subproject areas were set forth in the original project (program) paper. These were subprojects for agricultural economics and horticulture. The content of the subprojects were to be designed by staff of the core project or other specialists to be hired by the core project.

In regard to means for developing subprojects, the Egypt project was quite explicit in mentioning feasibility studies and subproject design on authorized activities. Such activity was less explicit in the Yemen project, but clearly feasibility studies would be needed in order to identify just what was to be done in the long list of substantive areas targeted for assistance.

The Yemen project explicitly set forth the requirement that the project undertake sector-wide assessment or sector analysis. This type of overall planning was begun in the design phase of the core project. The Egypt project set forth objectives of (1) identifying sectoral problems and policies, (2) determination of sector priorities, (3) administering some activities in research, training and extension, (4) serving as the primary planning and advisory body for USAID agricultural projects in Egypt and (5) evaluating all of the above. Clearly, a sector-wide assessment, and continuous updating, would be necessary to meet the stated objectives.

In summary, the two programs had common objectives of:

1. Identifying sector-wide agricultural growth opportunities through sector assessments or feasibility studies and through governing board's discussions.
2. Addressing the agricultural problems through standard AID projects (called subprojects in this instance). The programs also allowed for minor efforts, if that was required, i.e., small scale research or technical consultancies.
3. Establishing long term relationships among the Ministry of Agriculture, related agencies and the major contractors.
4. Vesting much more authority with the external contractors for initial program studies and design and implementation, than normally is the case with AID.

E. The Programs Which Ultimately Emerged - Egypt and Yemen

As might be expected when setting up a somewhat open-ended program, what ultimately emerged might be different - and, perhaps, should indeed be different - than what was originally expected. Furthermore, what was "expected" will vary from person to person as the "expectations" were not all that clearly spelled out.

In any event, the summary type statements set forth below are about what eventually occurred. The interpretation about their relevance for improving agricultural productivity or for external assistance programming and management will be addressed in the final chapters of this review.

1. The Egypt Program

The major activities which emerged in the Egypt program are very well documented in a report published by the project entitled, The Accomplishments of a California-Egypt Research Collaboration. Essentially, the Egypt program consisted of the core logistics support and two subprojects and several related activities. The actual development activities consisted of a number of collaborative research grants to American and Egyptian scientists and the development of the University of Cairo horticultural laboratory. The activities are listed below in Table 1.

TABLE 1 Major Project Activities and Expenditures - Egypt

	<u>Dollars</u>	<u>\$000's</u> <u>& Egyptian</u>	<u>Total</u>
<u>Horticultural Subproject</u>			
The Central Laboratory	927	170	1,097
The Horticulture Library	113	13	126
Improved Tomato Production	149	207	356
Improving Olive Cultivation in Egypt	192	74	266
Introduction and Improvement of Deciduous Fruits	116	110	226
Improvement of Citrus Crops	88	160	248
Mango Disease Control	84	121	205
Fruit and Vegetable Postharvest Losses	245	210	455
Improvement of Garlic Production	46	117	163
Improvement of Cucurbit Production	142	197	339
Improved Grape Production	74	87	161
Improved Techniques for the Egyptian Nursery Industry	56	25	81
Cut Flowers for Export	35	43	78
New Ornamental Plants	54	41	95
Aromatic and Medicinal Plant Production	46	71	117
Clonal Propagation of Plants by Tissue Culture	220	30	250
Vegetable Seed Production & Certification	135	48	183
Improved Date Palm Production	59	55	114
Improvement of Banana Production	9	14	23
Sub-total	2,790	1,793	4,583

TABLE 1 Major Project Activities and Expenditures - Egypt (cont.)

	<u>Dollars</u>	<u>\$000's</u> <u>& Egyptian</u>	<u>Total</u>
<u>The Economics Subproject</u>			
The Impact of Pricing on Land and Water Allocation	13	3	16
Rural Labor Supply	142	57	199
Price Policy and Trade	23	9	32
Food Security & Agricultural Price Policy	316	71	387
Food Consumption in Rural Egypt	156	20	176
Export Marketing Potential for Vegetables	76	53	129
Farm Mechanization and Public Policy	78	25	103
Price Policy and Food Subsidies	81	26	107
The Economics of Egyptian Livestock Production	95	33	128
Cotton Markets and Government Policy	135	15	150
The Efficiency of the Egyptian Farm	33	22	55
Improvement in Agricultural Cooperatives	78	45	123
Economic Constraints to Poultry Production	38	30	68
An Economic Evaluation of Northern Lakes Development	74	63	137
Economic Evaluation of Postharvest Losses	49	12	61
An Evaluation of Biogas Technology	33	18	51
Economic Efficiency and Resource Use on the Egyptian Farm	45	37	82
Interconnections of Egyptian Food and Agriculture Policy	43	34	77
Economic Analysis of the Egyptian Citrus Industry	44	12	56
Commodity Systems Analysis	26	34	60
Rural Development and Patterns of Consumption	32	7	39
Integrated Village Studies and Policy Evaluation	99	7	106
Sub-total	<u>1,709</u>	<u>633</u>	<u>2,342</u>

<u>Independent Projects</u>			
Breeding Improved Honeybees	97	52	149
Thermal Detection of Ovulation and Pregnancy in Sheep	51	30	81
Development of a Small Power Unit for Irrigation	60	24	84
Agricultural Law Study	23	8	31
Biosalinity Conference	8	8	16
Tomato Processing	62	47	109
Improved Production of Cheese and Related Products	73	93	166
Sub-total	<u>374</u>	<u>262</u>	<u>636</u>
Total Research and Other Activities	4,873	2,688	7,561

2. The Yemen Program

The Yemen Program which emerged, over time, was essentially that which was envisioned but recently enacted contractual arrangements may lead to fairly major changes in the program operations. The program now consists of (1) a core subproject which provides logistic support to the various subprojects and advisory services, in various specialities, to the Ministry of Agriculture and (2) a series of subprojects in secondary agricultural education, horticulture, poultry, higher agricultural education and a new subproject (not yet funded) in irrigated farming practices.

In order to carry out a program which was clearly larger than any one university could reasonably be expected to implement, the contract was let with the Consortium for International Development (CID).^{3/} However, AID is now in the process of phasing out the CID contract and is negotiating separate contracts for the subprojects.

^{3/} On the same principle, the Egypt program was with the University of California Systems--not just the Davis Campus.

This will change (a) the way in which the subprojects relate to each other, (b) how the Yemen government perceives the program and (c) how USAID/Sanaa relates to the program, and to the subproject administration and to the Yemen government regarding the effort in its entirety. Prior to the current arrangement, the Core Subproject Team Leader also served as the Chief of Party for the entire program. The current role of the Core Subproject Team Leader and the subproject personnel are yet to be determined in actual operations although the various activities are still funded under the umbrella project, ADSP. It is planned that the Team Leader for the Core is to have a major role as the Chairman of Program Coordinating Committee but the future of the various activities as a "program" remain uncertain.

3. Program Costs

The total costs of the ADS/Egypt program was approximately \$18 million, including contribution in kind and Egyptian Pounds contribution valued at 1 £ to the dollar which was roughly the average exchange rate over the life of the project. As noted in Table 1 the costs for the research activities were about 42% of total costs. The balance of the costs were for on campus support, training, resident staff and office maintenance in Cairo.

The dollar value of the Yemen program is large and growing. Table below shows the value of obligations and expenditures as of March 31, 1986.

The Yemen Agricultural Program - As of March 31, 1980
 Table
 (\$000's)

Activity	Obligations	Expenditures
CORE*	24,900	23,221
Secondary Agricultural Education	12,410	11,344
Poultry	6,186	3,809
Horticulture	11,752	7,132
Higher Agriculture Education	8,305	478
	<u>63,543</u>	<u>45,984</u>

*Core supports other subprojects and also incurs pre-implementation expenses for other subprojects prior to their full scale implementation.

IV. SUMMARY OF RESULTS OF DIFFERENT APPROACHES

Determining the results of the different project approaches were carried out (1) by reviewing documentation which is on file from formal evaluations of the various activities, (2) from compiling respondents answers to questions about major accomplishments, (3) from noting problems, and (4) from assessing the current state of play of the projects. Recall that the projects in Yemen and Egypt had a set of objectives which are embodied in the sub-projects and an additional set of objectives regarding further program development to be derived from carrying out sector assessments, development of a series of new projects and generally developing long-term relationships which would exist beyond the life of the project. Accordingly, this section will deal with (1) sub-project results, (2) results of the additional

objectives according to original project expectations, (3) problems encountered, and finally (4) what we can learn from this experience.

A. Non-Project Assistance - Africa

As mentioned in the chapter above, the results of the non-project assistance efforts in Africa were positive and may have been much more extensively used had it not been for political upheavals which transcended any type of assistance being offered. A formal evaluation has been done for the Zimbabwe program and the findings were that a second program should be started. The recommendations for improvement centered on developing fewer but larger projects to reduce the relatively large workload inherent in smaller projects, to develop a better set of guidelines for preparation and approval of proposals and to more clearly define the goals and human resource needs in the higher agricultural education sector. None of the recommendations implied a challenge to the assistance mode or its effectiveness in promoting agricultural growth. In general, it appears non-project assistance has considerable merit with respect to effective use of the scarce AID resource - staff. Non-project assistance can be effective to the extent that:

- An appropriate sector assessment or sector analysis has identified growth opportunities and ways in which growth can be achieved.^{4/}

The resources are allocated in sufficient volume and managed in a manner to make a real difference. The non

project assistance in Africa appears to have influenced major policy decisions and actions of more importance than usually attendant to project assistance.

Among the virtues of non-project assistance are the practice of (a) financing both dollar and local cost items, (b) often joining with other external investors and relying upon their monitoring system, and (c) implementation problems, which certainly must exist, are problems of the host government, not those of the local USAID. Unless, of course, AID insists on carrying out the second stage audit or monitoring of the resource flows according to AID's extensive ground rules. In this case AID will inherit a number of problems simply by having parallel but different administrative rules. To some extent, "projects" can be managed in a fashion similar to the manner cited above but for many reasons are seldom managed in this fashion. Non-project assistance can also be something less than effective because, as practiced, one buys into the planning, budgeting and management system of the host government. By definition, a LDC may lack management skills or even be graft ridden. Additionally, if the sector analysis doesn't identify new worthwhile pursuits or if the government is wed to an

^{4/} Sector assessment being defined as reviewing existing data while analysis is roughly defined as formulating new ideas from the data, improving the data base and generally going into greater depth to formulate recommendations.

ongoing series of predetermined investments, the resources could be financing relatively routine projects as contrasted to innovative approaches. In any event, non-project assistance is a good way to husband scarce staff. (There was only one agricultural officer in Zimbabwe.) The mode provides (1) an opportunity to analyze development situations, (2) a forum for policy discussion and (3) a channel for resource use which in some instances may be just as effective as project assistance.

B. Egypt, Agricultural Development Systems (ADS)

1. Sub-Project Results

A formal and final evaluation of this project was carried on in Egypt by AID in June 1983 [1]. The report essentially concluded that the research results from the sub-projects had the potential to make a lasting contribution to agricultural growth and that the tomato research/training and production activity alone may eventually yield economic returns sufficient to justify the total project expenditures and yield a healthy rate of return on the investments. This finding tallies with informal evaluative comments from the interviews which by and large indicated fair satisfaction with the research accomplishments, particularly in horticultural research. With respect to agricultural economics research (where the results of any changed policies are hard to attribute to causal factors) it was generally acknowledged that results were less than hoped for but the publishing papers, and open seminars on price policy, heretofore verboten, may eventually have a major impact on agricultural policy.

On balance, and granting that the diverse research undertakings are a somewhat unusual developmental project, the sub-projects, as duly approved by AID, appear to have met their purpose. The list of topics and activities are listed in the prior section.

2. Objectives Other than Those of the Sub-Projects

As well as results of sub-project, per se, the overall project purpose called for creation of an improved capacity within the Ministry of Agricultural and related agencies for planning and delivery of services which will enable farmers to increase production profitably. As the overall project eventually had only two research sub-projects and was primarily located at the University of Cairo rather than in the Ministry of Agricultural Institutes, it is not surprising that the evaluators faulted the project for achieving less institutional building objectives than called for in the original project paper. Lack of development of sector analysis capability was also acknowledged, long term relationship (other than those stemming from any type of project) clearly cannot be established as the project was allowed to close in 1983 after only six years of operation.

Regarding the respondents' perceptions of the achievement of the objectives beyond those of the sub-projects, it was acknowledged that the various institutional building goals fell short of those desired. Training of Egyptian counterparts in research techniques and management was cited as the major

achievement toward institutional development. While human resource development is certainly a necessary, and essential, condition for institutional development, unless the individual can work in a greatly strengthened organization, the long run state of affairs will not improve much.

C. Yemen, Agricultural Development Support Project (ADSP)

1. Sub-Project Results

The substantive results of the Yemen program were documented in an external evaluation conducted in the fall of 1983 and its conclusions were that while the array of subprojects were slow in getting started, they were beginning to make substantial contributions toward their objectives. The exception was the poultry project which the overall evaluation suggested need to be redesigned. The poultry subproject was subsequently evaluated by another team in April of 1984 which concluded that the subproject did not need to be redesigned but simply needed to be implemented, as designed.

As mentioned above, the program is still in place but is undergoing substantial changes. The program has not reduced the level of USAID staff time, indeed the USAID staff increased. There are now four USAID agricultural officers in Yemen where one was anticipated.

D. Problems With The Broad Program/Subproject Approach

As the objective of this review is to judge the utility of various assistance approaches, rather than substantive results of the subprojects, once having ascertained that they are

reasonably satisfactory. The balance of this chapter will thus focus on problems encountered in attempts to contract out an entire agricultural development program using the CAM. The problems may be classified as those "normal" to any project and those which seem to have been derived from the mode of assistance.

1. "Normal" Problems

As the subprojects are indeed similar to other standard AID projects, it is not surprising that the reviewers conclude that there were - by and large - not a set of problems attendant to the Egypt or Yemen subprojects that were beyond those generally encountered in projects.

An interesting coincidence occurred wherein neither of the first Chiefs of Party for the Yemen and Egypt programs completed their tours of duty. Taken together this would be considered an abnormally high turnover but separately it could happen in any project. Overall the turnover in Yemen was high in the horticultural project but not abnormally high for the entire program. Both programs were considered to be "slow" in start up, but slow is a relative term and matters of degree are not that relevant for this review. What is of relevance are the problems inherent in the mode, as listed below.

The assistance mode in this instance was a complex one of project assistance of an experimental sort. The projects consisted of: (a) large, (b) open ended projects, designed under, (c) collaboratories assistance procurement and management

procedures and using, (d) subprojects as the primary intervention. In addition to agricultural development, the objective of the experiment was to see if AID could economize staff by fully involving Title XII institutions in the development process. All of these factors influencing the projects ultimately led to results which were different from those expected. From this it is concluded that similar projects or approaches should not be tried again, given the AID project system. Not necessarily in order of importance, the findings from the field survey and literature review revealed the following general information regarding the type of assistance mode and problems inherent therein.

2. Size - A Problem Attendant to the Collaborative Assistance Mode

It was decided, correctly, that the assistance to be provided to the agricultural sectors in Egypt and Yemen was too large to be provided by one university. Contracts were therefore concluded with a large university system and a consortium of universities. These entities were believed to be large enough to command an adequate supply of professional and other resources. As things worked out, this did not prove to be the case.

For the Egypt program, the University of California at Davis was chosen as the lead university by the University of California system. The UC/Davis campus limited the scope of the program largely to two activities, horticulture and agriculture economics. UC/Davis had sufficient staff resources to provide

most of the necessary personnel for the activities, as they were structured, and only in a few isolated instances did UC/Davis reach out to other campuses. Whether or not UC/Davis could have successfully commanded resources from other campuses in the system in order to carry out the program as originally envisioned is not known. However, as UC/Davis did not attempt to do so, this is probably an indication, to some degree, that the UC/Davis campus had doubts about being able to do so. For the Yemen program the evidence is quite clear. CID attempted to implement the Yemen program as originally conceived and devoted considerable effort to it. However, the consortium was unable to command resources from member universities in the sense of being able to make decisions about allocating resources to activities. CID was a creation of the participating universities and the university representatives made up the CID board of directors. Authority then flowed from the universities to CID, not the other way around as would be necessary if CID were to be able to command resource allocation. While CID did select a university to undertake the Core subproject, provide logistic support and provide a Chief of Party for the project, the Core subproject university was never able to exert much authority with respect to other participating universities. In the absence of any operable command and control system, CID was unable effectively to manage a large program of assistance to the Yemen agricultural sector.

Nor is there any indication that awarding the prime contract to a lead university would have produced any different results.^{5/}

3. Openness

Farming out responsibility for an entire program of assistance to an agricultural sector made it necessary to have a project design and, indeed, contracts with a good deal of openness about what specific things were to be done. These were CAM arrangements where the nature of the project precluded defining in advance precise and objectively verifiable contractor inputs and the problems to be addressed were complex and uncertain. While project openness was deliberate and necessary, this openness led to misunderstandings on a number of issues. These included: the relative role of AID and the contractor; determination of who was in charge of what; the commitment of university resources to the agriculture program; the proper role for universities in developing and carrying out projects.

The University of California system resolved the problem by limiting their role to one with which they felt comfortable.

^{5/} This is not to say that the normal practice of appointing a lead university for a single project and using a few personnel from other universities doesn't work. The case in point is for a whole program.

They decided "to concentrate on what the University of California does best, namely teaching, research and institution building.^{6/} AID tacitly accepted the California position as evidenced by the USAID decision to proceed to develop a substantial number of large agriculture projects with their own or other contract resources. On the other hand, AID only at the 11th hour gave partial, formal recognition to the de facto situation by revising the project paper in accordance with the existing situation. Needless to say, this led to substantial confusion with respect to the performance of California in carrying out its responsibility.

In the Yemen situation CID took just the opposite position and attempted to move forward and take on responsibility for the USAID agriculture program. However, the consortium did not have the opportunity to fashion an assistance program as it saw the need. The USAID had two projects which were phased out, but had fallen far short of expectations. The USAID really wanted the projects to show some success and so they were incorporated into the CID program. They were not included because CID had identified them as important development activities in the agricultural sector. At the same time AID was moving ahead on development of a secondary agricultural school project which was initiated before the CID program got under way and was incorporated in the program.

^{6/} The Accomplishments of a California-Egypt Research Collaboration, Edited by R. D. Blond.

Again the consortium took on a project that was not a product of their efforts.

Thus, in contrast to what occurred in Egypt, AID narrowed the openness of the CAM and limited the contractor's options. The consortium was forced to focus the bulk of its attention on preparing and implementing projects already in place, or designated, rather than allocating major resources to analyzing the agricultural sector and identifying project opportunities. This led to confusion about the role of CID and the USAID in program and project development. To date, the interested parties are still trying to resolve this issue.

4. Collaborative Assistance Project Design and Implementation

CAM, as defined in Policy Determination No. 65 of January 16, 1976, is a type of procurement in which an interested and qualified educational institution is awarded, first, a project design contract and secondly a project implementation contract. It also has management implications different from standard contracts. Namely, that the annual work plan is not an integral part of the basic contract, which is rather general, and the annual work plan is developed as the project moves forward. The work plan is developed by the contractor with the host government and approved by all parties. It then becomes a de facto part of the contract. CAM has been promoted as the preferred mode by BIFAD and the survey of university staff indicate that to be involved in the design of projects is preferable to not being involved. Certainly collaboration in a

general sense is preferable to not collaborating. The above points notwithstanding, the analysis of interviews and project implementation problems observed lead to a conclusion that CAM, as currently practiced, leaves a lot to be desired. The issues center on design, ownership of the project, and implementation ambiguities.

a. Design and Ownership Concerns

"Ownership" concerns arise in many AID projects because the project is generally designed to AID criteria with host government participation in various degrees. Then a project grant is agreed to between AID and the host government, but with a third party contractor deeply involved in implementation of "technical assistance" or "institutional development" type projects. The grant agreement with the government has a number of stipulations regarding U.S. procurement rules and general provisions which make some governments think is a U.S. project rather than their own. Further, where host country contracts are involved, the host may believe the contract is really a U.S. contract executed by their government. Depending upon the subsequent degree of USAID involvement, and the contractors commitment to the design, there can, and have, arisen implementation issues about overall commitment to the project. To improve quality of design and commitment to the project, procurement rules were established to allow the CAM design/implementation mode. Accordingly, the University of California and CID were involved in the original project designs.

In the case of UC/Davis, the jointly designed project called for a broadly defined agricultural development effort. The subsequent host country contract also had language covering many types of possible interventions as well as references to more narrowly defined research efforts. It is clear that during implementation of the project, UC/ Davis early on dropped back to a relatively small effort. The interviews with personnel involved indicated the role of carrying out the broad program was probably impossible, and may not even be a proper role for a university, if it implies standing in for AID to some degree. Clearly AID tacitly agrees to UC/Davis's role, but only in the 11th hour of the project did AID get around to amending the project paper to square with reality. This is not to suggest that the roles which emerged were not the proper ones. Indeed, having UC/Davis do research, which it does very well and USAID developing another series of projects, which it certainly does well, was probably the best division of labor. The issue is, that with jointly designed projects, the commitment to the project can still remain vague, and if the project isn't being followed for good and sufficient reasons, the project paper and contract should be amended to clarify management direction, if not just to reduce the grist for evaluator's and program auditor's mills. For projects developed primarily by the university, a different set of issues seems to emerge, at least from the Yemen experience.

For the Poultry and Horticulture Projects, CID was the designer and standard AID formats were used for the Project Identification Document and the Project Paper. All PID's and PP's had far too many journeys between the Sanaa CID office, USAID/Sanaa, CID/USA, AID/W, Sanaa, AID/W and back to Sanaa. In short, CID was being held to AID standards which indeed differed between USAID/Sanaa and AID/W. As one interviewer put it, the AID community was a rapidly moving target. In retrospect, it seems clear that the spirit of collaboration is hard to define and even harder to follow. This is compounded by the fact that universities, by and large, do not design development projects for their home states and certainly not according to handbook 3 guidance. Yet, without question, technical competence exists. CID later designed the Faculty of Agriculture Project without too many problems. But as a result of the overall experience, USAID/Sanaa engaged non CID staff, as well as CID technical staff, for the development of the Irrigated Farming Practices PID and PP. The design and approval process went much faster and without the acrimony and confrontation attendant to the Horticulture and Poultry Projects. Whether the designs are any better or whether the ultimate university contractor, which will not be CID, feels ownership remains an open question. The designs using mixed AID and university staff may be appropriate but commitment to the project would be on merit not the degree of university involvement. This might also be appropriate.

b. CAM Implementation Problems

(1) Egypt

In Egypt the implementation problems stemming from the CAM were not too pronounced. An elaborate annual work plan preparation, review and approval process was not followed relative to that in Yemen. Rather, research proposals were presented and approved and this became the work agenda. The Joint Board approved the work and UC/Davis largely supervised implementation of the research and the operational support necessary for the research to succeed. USAID/Cairo usually had one officer spending no more, and usually less, than half time on the project. AID/W was very seldom involved after the initial design and approval of the project and by choice AID was only an observer on the Joint Board.

There were a number of poorly resolved issues toward the end of the Egypt project which concerned phasing out the project. These issues, which led to a lot of hard feelings, might have been avoided had a more "collaborative" management style been adopted on the part of both US AID and UC/Davis. These issues were not, however, basically inherent in the CAM. They were more akin to serious differences of opinion which often crop up during completion of a project when one of the parties felt the project should be continued, at least until some research efforts were more nearly completed and scheduled workshops held according to plan. In short, the California/Egypt experience evolved into a project much closer to a standard AID project than a collaborative assistance program.

(2) Yemen

The implementation problems stemming from the CAM in Yemen were financially costly, time consuming and even counter-productive. The major problems derive from two sources. First, those attendant to the work plan development and approval process and secondly from the lack of definition of the USAID project officers role vis-a-vis the collaborative assistance type contractor. In the early stages of the project the work plans were prepared in Yemen and were to have been approved at an annual review which was to be conducted by AID/W contract and technical staff, by CID/US staff, U.S. university staff and most of the USAID and CID field staff. Some annual reviews were later held in the U.S. In practice the reviews took place, but the approval process was always delayed, presumably because of inadequacy of the work plans. Without an approved work plan the work could be stopped. Of course it wasn't, but the absence of an approved work plan has been a major irritant, if not an outright deficiency of the program. In the early course of the program, approval of the work plan shifted from AID/W to Sanaa, but this did not solve the problem of slow approvals of the work plans. It is apparent that the financial and opportunity costs of the work plan preparation and approval process were very costly in terms of its utility.

The second source of problems, that of ambiguity of roles of the US AID officer and the subproject team leaders exists because AID is held responsible for the outcome of its

expenditure of taxpayers dollars and is on site to help meet that responsibility. Yet a collaborative assistance type project is set up (1) precisely to provide flexibility in a situation of uncertainty (2) when inputs can not readily be defined in advance and (3) where there is a desire by AID, the host government, and the contractor to increase responsibility of the contractor and the host government. The net result of the ambiguities between USAID having a normal set of responsibilities, as defined by AID, and yet supposedly divesting itself of certain management responsibilities, has been a gradual increase in USAID's role in the program. There are now four US AID agricultural officers in Sanaa and rather than the one contemplated for the program. The attendant Mission staff is equally involved at a degree higher than originally contemplated. There will now be six or seven separate contracts rather than one main contract and the degree of management from USAID may increase. The latter point is, in part, caused by the lack of guidance for USAID officers (and we presume for contract team leaders as well) with respect to CAM projects.

Standard guidance for AID projects and the project officer's role is set forth in Handbook 3 and is very detailed on the project officer's right (nay, duty) to be deeply involved in the project's implementation. The tendency in the absence of CAM guidance may be to follow standard procedures. From the interviews, this situation has led many university staff to characterize USAID as being involved in micro-management. To

the extent the characterization is true, it would be because USAID feels such involvement is indeed necessary. The point is not to spread blame (or praise) around, but to point up the unsatisfactory state of CAM.

5. Subprojects (projects) and Sector Assessments

While the official AID description clearly indicates that responsibility for sector assessments and all aspects of preparing and carrying out projects is given to the contracting university and the AID role is limited to assuring proper use of AID funds, this position is not unequivocal. Chapter 4 of AID Handbook 3 which deals with exceptions to the project system does not include any reference to the CAM. Thus, subprojects (projects) designed by universities under the CAM are subject to normal AID detailed scrutiny and are expected to conform to the standards set forth in Handbook 3. Where this has been attempted, it has been AID's judgment that the universities have not been able satisfactorily to conform to AID Handbook 3 requirements for design. This has created friction between the universities and AID and AID may require redesign after redesign of project proposal. In Yemen, this has led the USAID to place individuals familiar with AID requirements on university design teams, often in leadership positions.

The situation is not much, if any, better with respect to project implementation. As indicated previously, AID focuses its attention at the input level to assure conformance to design specification and accountability requirements. Leaving aside

whether or not this is the best level of concern for technical assistance/institution building type projects, it does involve AID staff in the day to day micro-management of projects. This again leads to conflicts between university project implementors and AID project managers as AID exercises greater control over project operations than appear to be contemplated under the Collaborative Assistance Mode.

For sector assistance there does not exist with in AID the same kind of formal rules, regulations and standards as exists for projects. However, AID does retain for itself the right of review and approval of sector assessments carried out by universities within the framework of the CAM. To date universities have been unable to satisfy AID requirements for these documents. In the Egypt case, the university opted out and simply did not attempt to prepare such a document. In Yemen the universities were unable to produce a sector assessment acceptable to AID and the USAID twice brought in third parties to produce sector assessments. Again AID had applied its standards to the collaborating university's product and found did not measure up to AID standards.

Our conclusions are that the experiment to contract out a whole agricultural development program has not been very successful as viewed from the current state of events in Egypt or Yemen.

Although the subprojects themselves are reasonably successful, the whole program concept has not worked due to size, open endedness, collaborative assistance approaches and to some

degree the concept of using the projects approach. It appears that AID, the universities and the host government would have been better off with standard projects or even some non project assistance, or perhaps with an alternatives type of assistance which shall be discussed below.

V. AN ALTERNATE APPROACH

It is apparent that the AID method of project preparations and project management is characterized by a highly structured and detailed system which requires the expenditure of substantial quantities of staff time. This method focuses staff attention on the process of preparing and carrying out projects in a manner which necessitates micro-management at each and every step. Because AID is intensely involved in approval of the project design in all of its technical, economic, financial, social, administrative and management aspects, it necessarily believes that AID is responsible for assuring that the design is adhered to during the implementation phase. The Agency focus is on accountability, i.e. was the project carried out as it was designed, were funds expended for the intended purpose. Given this highly structural approach it is, therefore, not possible to make changes at the margin in order to conserve on the use of staff time. That is to move slightly toward more flexible designs or rolling designs would not change the fundamental issue of aspects of project. Yet to make radical changes would mean paying less attention to process and consequently

accountability. This would be directly contrary to the institutional responsibility of AID staff as enshrined in Handbook III and, therefore, unacceptable.

Thus, what is needed in order to make it possible to contemplate doing things in ways that would be more conservative of staff resources is a quantum change --not tinkering at the margin. This change would need to be one which would shift AID staff attention from concern with project process to performance or results. To do this will require a change in the system from a project focus to a program focus. Such a change could be gradual or partial so that some AID activities would continue to be carried out within the framework of the project system while others would be undertaken within the framework of a program system. The following paragraphs outline one example of the kind of system which might be worked out and adopted. It is meant to be illustrative, but is, nonetheless, worthy of consideration as a serious alternative.

In contrast to the AID project system, a program system would emphasize performance responsibility. The program system has as its first objective developing an understanding of the economy/society/polity to which assistance is being provided so that there is reasonable confidence that the important constraints to development in the economy, sector or element of the economy or sector can be precisely identified. To do this requires that continuing analysis of the economy/sector be undertaken based on the collection of an adequate data base.

This can be done unilaterally by AID but preferably in collaboration with the host country. This analysis becomes the basis for an assistance strategy which ranks the major constraints to and opportunities for development in the areas of concern. Thus, the adequacy of policies and necessary modifications can be identified as can necessary interventions to assure activities critical to the development are supported. With the adoption of a system of programming based on continuous analysis of an economy, sector or elements of an economy or sector, the Agency then has the opportunity to shift from the present project system to non-project (program) assistance or to a different project system. Shifting from the current project system becomes possible because there is some inverse relationship between program analysis and project design. That is, the better and more complete the programming (based on a desirable information base and analysis) the greater the chances that a project or non-project intervention will indeed reach the desired end. It thus means that much less concern and attention need be addressed to project preparation and execution processes and more on problem identification.

AID has had substantial experience with non-project (program) assistance of various kinds and this assistance modality will not be elaborated further in this paper. Because AID policy is that projects are the preferred method of providing assistance and because of the specificity of purpose and relative ease of judging impact of projects it is likely

that AID will wish to continue financing projects even with a move towards relying on programming based on continuing analysis. Under the program approach, AID would just identify the issue or problem to be addressed, establish that resolution will make a developmental difference and then chose the modality for providing assistance. If the project mode is selected, AID involvement in the project could be very different to what it is now, at least for some projects. For capital projects, it is likely that the current project preparation and execution system would be followed. However, for technical assistance type projects, there would appear to be little reason for continuing to use the current system. Rather AID could use a system in which AID would not be involved in the preparation or execution process. AID would simply contract with a competent university, private firm or other entity to prepare and carry out the project. There would be the equivalent of a project design but AID would not participate in approval of the project design nor would AID attempt to manage project implementation. Those processes would be the responsibility of the contractor and AID would expend its efforts on evaluating the project to assure that performance was appropriate and that the project did indeed address the selected issue or problem. In brief, AID focus would be on whether or not the expenditure incurred produced the intended result as identified by the sector analysis. Accountability issues would be dealt with in financial post audits.

could it
be done
in a
different
manner?

It seems to be readily apparent that the program system discussed above would be much more conservative in the use of scarce staff resources than the current project system. This, would be true whether the modality used was non-project, (program) assistance or project assistance. The staff time now expended on the process of project design and implementation would be conserved. Some staff time would be involved in programming but much of the analytical effort could be contracted out and some staff time would be expended on evaluation. Particularly with respect to the latter activity, staff time expended should not exceed that now being used for such purposes. Of course, AID has many legitimate concerns that go far beyond consideration of conserving staff time.

Similarly, using a program approach has many other worthwhile attributes in addition to being conservative of staff time. All of this will need to be taken into account in considering whether AID should undertake to carry out some activities using systems which differ substantially from the project modality now utilized by the Agency.

I think
his intervention
might be
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VI. Conclusions

A. The AID projects systems is highly structured and seemingly not very flexible with respect to the responsibilities assigned to AID staff. The system is one which involves AID staff in the project process from project identifications to evaluation and focuses attention on accountability issues. AID staff are responsible for reviewing and approving project design

and then assuring that the project is carried out in accordance with that design. AID staff is also responsible for formal revision of project design which must be done if the project changes or is expanded in any substantial form. AID staff is occupied in the micro-management of the project at all stages. This is a staff intensive system and the quantity of staff resources expended on projects cannot be altered by marginal adjustments to the system.

B. The old Near East Bureau of AID attempted to shift responsibility for providing assistance to the agricultural sector to universities using the Collaborative Assistance Mode within the context of Title XII. Neither experiment was successful with respect to shifting program responsibilities. It proved impossible for either a large state university system or a consortium of universities to administer, manage and operate an assistance across the board for development of the agricultural sector program using the AID project system. AID was obliged to become actively involved in the assistance effort or the scope of the program was drastically cut back and neither micro-management nor level of staff effort was reduced.

C. It would appear to follow from the evidence at hand that it would be necessary for AID to substitute or partially substitute some other system for the current project system in order to conserve scarce staff resources.

D. A different system in which programming is based upon continuing analysis (of an economy, sector or other element of an economy or sector) to identify desirable assistance intervention is a possible alternative. Based on the nature of the identified problems AID would then select the assistance modality. For example, if policy reform was of prime importance non-project (program) assistance might be selected. If technical assistance was the major component of the project, then a project based on performance evaluation might be most appropriate while for certain types of straightforward capital projects such as building a bridge, the current projects mode based on process might (or might not) be deemed appropriate. It would be expected that under the program system use of a project mode which involved AID in the micro-management of the project process would be an exception to normal practice.

E. Because the current project system used by AID is a large user of AID's scarcest resource, staff time, it would appear advantageous for AID to consider alternative ways of providing assistance. It might be desirable for AID to consider altering the internal policy which designates projects as the preferred mode of assistance. AID could then adopt a policy that the modality of assistance used would be determined in relation to the development situation being addressed. This would shift AID attention from project scrutiny to analysis of development problems and opportunities.

F. As noted in the review, sector analysis or sector assessment was not very well accomplished by the principle contractors involved in the Egypt and Yemen programs. Furthermore, it appears that A.I.D. officers spent considerable time on details of project management which are of relatively less significance than analyzing the agricultural situation or evaluating program accomplishments.

According to many interviewees A.I.D. officers comparative advantage lies in working on analysis of the agriculture sector, not in project management where the host government and contractors are thoroughly engaged in implementing of projects. The implications for using scarce staff more effectively are that nonproject assistance or modified project assistance (wherein full implementation responsibility is assumed by the host government and contractors) is the way in which A.I.D. talent can be best used.

To the extent the often asserted comment that AID officers spend too much time tracking inputs the system should be changed. With changes A.I.D. staff could focus on seeing that problems and opportunities are properly identified and results of contractors final efforts evaluated. Agriculturists could then pay much less attention to tracking project inputs and more time on agricultural developmental issues.