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FROM OLD TO NEW DIRECTIONS
COMPARISON OF 1973 AND 1979 PORTFOLIOS

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Summary of "From Old to New Directions;
Comparison of 1973 and 1979 Portfolios"

To gauge AID's response to the New Directions mandate we have compared along several dimensions the current project portfolio, FY 1979, with the last "Old Directions" portfolio, FY 1973. At one level of comparison, a New Directions change is evidenced by the increased proportion of funds allocated for projects in the food, health and education sectors. As proposed in the 1979 Congressional Presentation, 88 percent of the functional program funds were in these target categories, compared with 39 percent in the 1973 CP. At another level of comparison, we analyzed Agency activity by evaluating project proposals themselves (as summarized in the 1973 and 1979 CPs) for their responsiveness to six selected New Directions criteria: participation of the poor, rural poor beneficiaries, urban poor beneficiaries, nutrition, women beneficiaries, and specific sectoral norms expressed in sections 103-106 of the FAA. We examined only each year's new project proposals. Otherwise, we would be including legacies from previous policies rather than measuring current responsiveness. By rating projects from 0 to 3 on each criteria, we created a 6-digit project score that allows simultaneous consideration of several Congressional objectives. At the same time, because these objectives are sometimes disparate (as reflected in several negative and near-zero correlations between pairs of criteria) it is difficult to compare projects and aggregations of projects.

In order to validate our scoring procedure, we used two kinds of "quality controls." Comparing CP-based scores with ratings of the same documents based on PPs and PIDs, we found the former to be lower, but not significantly different for most criteria. The exceptions were "nutrition ($t = 2.45$) and "participation" ($t = 2.00$). A check of scorer reliability by comparing our scores on ten projects with scores of four division colleagues found

only the "special sectoral norms" criterion to have an insignificant correlation between judges. Given these results, we are able to present the following findings:

** New FY 1979 projects are considerably more responsive to New Directions concerns than were new FY 1973 projects. The former score three times higher on the criterion of "beneficiaries are rural poor"—the major emphasis of New Directions and a criterion validated by our quality control. The overall improvement is reflected across every region and type of project we examined. Compare:

	Part	B R	B U	Nutr	B W	Spec
1973 average scores	.7	.7	.4	.5	.2	1.0
1979 average scores	1.5	2.3	.2	.7	.3	2.4

** Despite this improvement, in no region or sector do new FY 1979 projects average an outstanding degree of compliance with any of the criteria examined. For FY 1979, 71 percent of the proposed spending for new projects is allocated to projects that receive a "3" in at least one criterion. For FY 1973 the figure is 9 percent. This comparison perhaps best demonstrates both the change since New Directions and the room left for improvement.

** Asian projects are most responsive to New Directions in FY 1979 and show the most improvement over FY 1973. The Asia Bureau also has the highest funding level for new projects, and is therefore most responsible for the higher overall FY 1979 scores. A Regional comparison shows:

	AFRICA	ASIA	L.A.	NEAR EAST
1973 scores *	.7 .8 .5 .4 .3 1.3	-.1 .6 .1 .9 — .5	1.3 1.2 .1 .6 .1 1.4	.2 .5 — .5 — .1
1979 scores *	.9 2.3 .2 .7 .4 2.3	1.7 2.5 .1 .6 .2 2.5	1.6 2.2 .4 .7 .2 2.5	1.3 2.0 .1 .5 .8 2.2

** Among sectors, Agriculture and Health had the highest scores in both years and the highest funding levels in FY 1979. A sectoral comparison shows:

	Agriculture	Health, Pop	Education	Selected Activities
1973 scores *	1.0 1.2 — 1.0 — 1.2	-.1 -.8 -.6 — -.9 1.5	-.7 — .4 — — — .4 —	— .3 — .3
1979 scores *	1.7 2.5 — .8 .1 2.4	-.8 2.3 .4 -.4 1.4 2.4	-.8 1.8 .1 1.3 — .6 2.1 —	-.7 1.9 — 2.1

** In FY 1979 a different region is associated with the highest scores in each of the three main sectors. In Agriculture, Asian projects do best; in Health and Population, African projects average some of the highest scores; and in Education, Latin America projects score highest.

** Security Supporting Assistance projects do not meet the New Directions mandate. In fact, FY 1979 SSA projects are little better on this account than those in FY 1973. Compare:

*Mean ratings for six criteria (along which projects were graded from 0 to 3):

Participation	Benefits to rural poor	Benefits to urban poor
Nutrition	Benefits to women	Specific sectoral norms

SSA FY 1973*			SSA FY 1979*		
.5	.3	—	.2	.4	.2
—	—	.7	.3	—	.7

** Although the multiple scores hinder comparability, within most sectors, the Agency is allocating most new money to those subcategories that are most responsive to the New Directions mandate. See Table B.

** Grant activity fares the same as projects funded by loans. Compare:

	Part	B R	B U	Nutr	B W	Spec
Newly proposed grants	1.2	2.1	.4	.6	.6	2.5
All FY 1979 new projects	1.5	2.3	.2	.7	.3	2.4

** The Agency's automated data systems are of limited value in identifying longitudinal trends. In particular, several special concerns codes examined have little validity as indicators that projects so coded address these concerns with major emphasis.

Other comparisons led to these findings:

** The rural infrastructure subcategory within Agriculture has by far the largest percentage allotment of new project funds for FY 1979—38 percent, up from 4 percent in FY 1973. This change contrasts with the finding in

*Mean ratings for six criteria (along which projects were graded from 0 to 3):

Participation	Benefits to rural poor	Benefits to urban poor
Nutrition	Benefits to women	Specific sectoral norms

the recent "Agriculture Development Policy Paper" that the major increase in the Agriculture sector has been in other subcategories. (The scope of projects analyzed is different.)

** In FY 1973, 84 percent of the new (non-SSA) project funds were proposed for countries or regions with GNP/Capita less than \$150 (in 1975 dollars) or life expectancy less than 50 years. In FY 1979, 52 percent of new project funds is allocated to such countries. These poverty indicators, however, may not be valid.

We concluded that at the very least, we were able to quantify the change in Agency rhetoric and to point out where and how New Directions policies are being put into words in designing and presenting new Projects. We were not able to answer how valid these words are and how projects themselves have changed along with the words. In the pursuit of this larger question, we suggest that upcoming Studies Division reports employ an evaluation strategy that accounts for multiple and changing objectives. The New Directions criteria can serve as measuring rods of program effectiveness and could be examined as cross-cutting issues in various studies.

TABLE A-1

NEW FY 1973 PROJECTS RATE POORLY
ON NEW DIRECTIONS CRITERIA

Key: Each cell gives mean ratings for six criteria (along which projects were graded from 0 to 3) and size and number of projects:

Participation Benefits to rural poor Benefits to urban poor
Nutrition Benefits to women Specific sectoral norms
(Proposed funding in \$ m) (Number of projects)

	Agriculture			Health, Pop			Education			Selected Activities			AVERAGES		
AFRICA	.8 1.0 (\$4.5)	1.1 — (15)	— 1.2	.1 — (\$2.9)	.7 .8 (5)	.7 1.6	1.1 — (\$4.5)	— — (7)	.6 —				.7 .4 (\$12.4)	.8 .3	.5 1.3 (27)
ASIA	.1 1.0 (\$2.1)	.7 — (4)	— .5	— — (\$0.04)	2.0 — (1)	— 2.0	.4 — (\$0.5)	.4 — (4)	.4 — (4)	— — (\$0.2)	— — (1)	— — (1)	.1 .9 (\$2.9)	.6 —	.1 .3 (10)
L.A.	2.0 .8 (\$1.4)	2.0 — (2)	— 2.0	1.0 3.0 (\$0.1)	1.0 2.0 (1)	1.0 2.0	.5 — (\$0.7)	— — (4)	— — (4)	— — (\$0.1)	— — (1)	1.0 1.0 (1)	1.3 .6 (\$2.3)	1.2 .1	.1 1.4 (8)
M.I.	1.5 1.0 (\$0.6)	1.0 — (2)	— .3	— — (\$0.3)	2.0 2.0 (1)	— —	— — (\$1.2)	— — (3)	— —				.2 .5 (\$2.1)	.3 —	— .1 (6)
AVERAGES	1.0 1.0 (\$8.6)	1.2 — (25)	— 1.2	.1 — (\$3.4)	.8 .9 (8)	.6 1.5	.7 — (\$6.9)	— — (18)	.4 .1	— — (\$0.3)	— — (2)	.3 .3	.7 .5 (\$19.2)	.7 .2	.4 1.0 (51)
S.S.A.													.5 — (\$14.5)	.4 —	— .7 (10)

Notes:

- Overall FY 1973 projects rate poorly on all criteria.
- Among regions, Latin American projects fare best.
- The average scores for regions and sectors are meaningful. Due to the small number of projects in most individual cells (e.g., Africa—Health & Population) these scores are not robust.

NEW FY 1979 PROJECTS RATES HIGHER
ON NEW DIRECTIONS CRITERIA

Key: Each cell gives mean ratings for six criteria (along which projects were graded from 0 to 3) and size and number of projects:

Participation Benefits to rural poor Benefits to urban poor
Nutrition Benefits to women Specific sectoral norms

	Agriculture			Health, Pop			Education			Selected Activities			AVERAGES		
AFRICA	1.1 .8 (353)	2.2 .1 (34)	.1 2.1	.6 .6 (330)	2.3 1.3 (17)	.4 2.9	.7 .2 (33)	1.1 — (5)	.2 .9	.1 — (32)	— — (4)	1.7 1.4	.9 .7 (386)	2.3 .4 (60)	.2 2.5
ASIA	1.8 .8 (3208)	2.8 — (32)	.1 2.6	.5 .4 (315)	1.5 1.7 (5)	.6 1.8	.4 — (32)	1.4 1.2 (3)	— 1.8	3.0 — (30.1)	3.0 — (1)	— 3.0	1.7 .8 (3230)	2.5 .2 (41)	.1 2.5
L.A.	1.9 1.1 (3113)	2.5 — (28)	.1 2.5	1.1 .3 (330)	2.4 1.4 (10)	.3 2.5	.8 — (314)	2.4 — (8)	.1 2.6	1.4 — (327)	.7 — (15)	2.1 2.1	1.6 .7 (3144)	2.3 .2 (59)	.4 2.5
N.E.	1.3 .8 (39)	2.4 — (6)	.1 2.5	1.8 — (24)	2.6 .8 (2)	.1 2.6	.3 — (35)	.9 2.1 (5)	.2 1.4	1.0 — (30.8)	1.0 — (1)	1.0 2.0	1.3 .3 (318)	2.0 .7 (15)	.1 2.2
CENTRALLY FUNDED	— 1.5 (311)	1.3 — (2)	.5 2.0	— — (31)	1.0 — (1)	— —	— —	— —	— —	.5 — (32)	1.0 — (3)	.7 3.0	— 1.2 (314)	1.2 — (6)	.5 2.1
AVERAGES	1.7 .8 (3384)	2.3 .1 (100)	.1 2.4	.8 .4 (3817)	2.3 1.4 (33)	.4 2.4	.8 — (324)	1.8 .6 (21)	.1 2.1	1.3 — (332)	.7 — (22)	1.9 2.1	1.3 .7 (3532)	2.3 .3 (179)	.2 2.4
S.S.A.													.2 .3 (3797)	.4 — (34)	.2 .7

tes:

- Overall, every criterion but "Benefits to urban poor" shows improvement over FY 1973. This is also true for almost every region and sector.
- Average scores for every region and sector are less than 2.6.
- Asian and Latin American projects generally fare better than African and Near East projects.
- Agriculture and Health & Population projects generally fare best among sectors.
- The Africa—Health & Population cell has the highest scores among individual cells.
- A different region is associated with the highest scores in each of the three main sectors.
- Security Supporting Assistance scores are very low.

From Old to New Directions;

Comparison of 1973 and 1979 Portfolios

As part of the Bureau's ongoing review of Agency effectiveness, we have compared the current New Directions (ND) project portfolio, FY 1979, with the last "Old Directions" portfolio, FY 1973. How well has the Agency responded to the Congressional mandate? How are Agency policies being implemented in project design? What regional and sectoral programs are most attuned to ND concerns? The answers are needed to satisfy Congressional queries - more so to guide internal policy planning. At one level of analysis, a New Directions change is evidenced by the increased proportion of funds allocated for projects in the three key areas of basic needs--food, health and education. We document this trend and suggest more useful ways of analyzing the Agency's portfolio. Besides recommending an increased emphasis on these three functional categories, Congress asked the Agency to stress various concerns such as ensuring the participation of the poor in development, meeting basic needs of the poor majority, and integrating women into development. We analyzed project descriptions in order to assess changes along these lines.

METHODOLOGY

Initially we had hoped to use the Agency's automated Activity Identification and Classification System (AICS) to categorize projects and identify trends. We found the automated systems of limited value in this task and instead used the information summarized on the project activity data sheets included in the Congressional Presentations (CPs) for the respective years. The CPs are easily accessible and internally consistent. They are also the only documents that describe in some detail the portfolio as it is formulated before

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Congressional changes and mission-level modifications. The CPs are therefore the best data source for analyzing Agency policy.

Short summaries have disadvantages. Much information is lost.

(See p. 15 for a discussion of the validity of the summaries.)

Furthermore, relying on the Congressional Presentation as a baseline source overlooks the fact that many of the projects presented either drop out or are altered along the way to implementation. Perhaps half of the projects presented to Congress are never funded. (For example, only 27 of the 51 projects newly presented to Congress for FY 1973 had obligated expenditures in either of the next two years.*)

We examined only each year's new project proposals.** Otherwise we would be including legacies from previous policies, rather than gauging current thinking and responsiveness. This method afforded a reasonable policy comparison and allowed us to focus on a more manageable number of projects.

*If the drop-out rate for new projects is this high, PPC staff concerned with expansion of the Agency's budget might profitably regard this tendency as a variable over which they have some leverage. Because new projects claim nearly 40 percent of the proposed FY 1979 funds (see p. 16), a high drop-out rate has important policy implications.

**New projects are most of those identified in the activity data sheets as new. We excluded several FY 1979 Sahel projects that were identified as new but that had prior funding from the Foreign Disaster Assistance Act of 1975 or from the regular program. Among the projects counted as new in both years were projects presented to Congress previously that never were implemented for one reason or another. These we included because they represented new funding decisions.

Each project was rated from "0" to "3" along the following six criteria:

—Does the project support participation of the poor in development through participation in project planning or participation in the development process (self-help as opposed to welfare projects)? Projects that emphasize strengthening relevant local institutions, guaranteeing small farmer access to credit, or training the poor for productive employment, for example, were graded high on this criteria.

—Are the project's beneficiaries the rural poor? Because any project might claim to indirectly benefit the rural poor through trickle-down notions, we distinguished between projects generating immediate benefits directly to the poor, and those providing only indirect benefits with the bulk of the immediate benefits going to other groups (government employees, for example) who receive jobs and training. Projects were graded high on this criteria only if they were of immediate and direct benefit to the rural poor.

—Are the project's beneficiaries the urban poor? Again we distinguished between direct and indirect benefits. The urban and rural poor beneficiaries criteria are exclusive except in cases where projects were aimed at benefiting the poor without distinguishing between urban and rural beneficiaries. These projects were usually rated as "1" or "2" on both criteria.

—Will improvement in nutrition standards be an important by-product of the project? Agricultural projects aimed at increased production for domestic consumption scored high on this criterion as did health projects directed at nutritional improvement.

—Are women expected to be the main beneficiaries? By definition, most family planning projects were scored as "2" on this criterion.

—Does the project meet the specific sectoral norms stated in sections 103-106 of the Foreign Assistance Act with respect to the four functional areas? (See Appendix 1 for excerpts from legislation.)

The above list, we think, incorporates the major emphases of New Directions. We considered including several other criteria—use of appropriate technology, equity, sustainability, and replicability—but found during trail attempts that they were too difficult to judge objectively.

The AICS coding system is supposed to contain useful codes for the six criteria chosen, as well as other special Congressional concerns. However, because of large gaps in the availability of FY 79 PIDs (from which projects are usually coded), the limited history of automated project planning data (back to 1977) and uneven coding procedures, the special concerns codes turned out to be of little use in our study. We checked FY 1979 projects identified with AICS special concerns codes comparable—or identical—to our criteria to see how they fared. "Not much better than the average project", is the answer demonstrated in Appendix 2. We conclude that none of the AICS coder examined has much validity as an indication that projects so coded address these concerns with major emphasis.

In rating projects, a score of "3" meant the criterion was the major focus of the project. Integrated or multifaceted projects received a "3" only if all parts emphasized the criterion. Projects were graded as "1" if we could reasonably infer that some of the intended beneficiaries were rural poor, say, but that the benefit incidence would be long-run and indirect. A "1" therefore meant "minor emphasis". A "2" was used for the gray area in between "major emphasis, 3" and "minor emphasis, 1". A "0" was assigned to projects that made no mention or hint of the criterion.

By judging along six criteria, we came up with a 6-digit score for each project that allows simultaneous consideration of several of the sometimes disparate objectives of the Congressional mandate. Projects graded high on involving women in development, for example, rarely scored high on the other criteria. And our "benefits to urban poor" criterion was negatively correlated (though only slightly) with the first three criteria listed. (See Appendix 3 for correlations.) Rather than

judge which of the six criteria are most important, the multiple scores allow different conclusions. In this way our procedure avoids some of the criticism directed at a previous project grading scheme by Ray Prosterman of the University of Washington. In 1977, Prosterman graded 200 Agency projects along an A-F scale reflecting his interpretation of their appropriateness of New Directions. AID's overall program merited a C+, he concluded.* Although our scores are also subjective, we hope our biases are diffused by giving each project six chances to prove itself.

RESULTS OF COMPARISON BY ATTENTION PAID TO NEW DIRECTIONS CONCERNS

Tables A-1 and A-2 show how the newly proposed FY 1973 and FY 1979 projects came out on the six criteria by region and sector. When aggregating, all scores were weighted by project size. If our rating procedure is valid, the following conclusions can be made:

1. FY 1979 projects fared considerably better on all criteria except "benefits to urban poor", an indication of the rural orientation of the current portfolio. On the criterion of "benefits to rural poor" -- the major emphasis of New Directions -- the current portfolio has a score three times higher than the FY 1973 portfolio of new projects, with every region and sector contributing to the improvement. A responsiveness to particular New Directions concerns is demonstrated by the FY 1979 score of "2.4" in the "specific" criterion, a variable highly correlated (.74) with "benefits to rural poor." Compare:

	Part	B R	B U	Nutr	B W	Spec
1973 average scores	.7	.7	.4	.5	.2	1.0
1979 average scores	1.5	2.3	.2	.7	.3	2.4

*R.L. Prosterman and C.A. Taylor, "'Grading' Bureaucratic Compliance: A Briefing Paper on AID's FY 1977 Presentation to Congress", March 11, 1976 (draft). Prosterman appears to have few admirers in the PPC Bureau.

TABLE A-1

NEW FY 1973 PROJECTS RATE POORLY
ON NEW DIRECTIONS CRITERIA

Key: Each cell gives mean ratings for six criteria (along which projects were graded from 0 to 3) and size and number of projects:

Participation Benefits to rural poor Benefits to urban poor
Nutrition Benefits to women Specific sectoral norms
(Proposed funding in \$ m) (Number of projects)

	Agriculture			Health. Pop			Education			Selected Activities			AVERAGES		
AFRICA	.8 1.0 (34.5)	1.1 — (15)	— 1.2	.1 — (32.9)	.7 .3 (5)	.7 1.6	1.1 — (34.5)	— — (7)	.6 —				.7 .4 (52.4)	.8 .3	.5 1.5 (27)
ASIA	.1 1.0 (32.1)	.7 — (4)	— .5	— — (30.04)	2.0 — (1)	— 2.0	.4 — (30.5)	.4 — (4)	.4 .4	— — (30.2)	— — (1)		.1 .9 (32.9)	.6 —	.1 .5 (10)
L.A.	2.0 .8 (31.4)	2.0 — (2)	— 2.0	1.0 3.0 (30.1)	1.0 2.0 (1)	1.0 2.0	.3 — (30.7)	— — (4)	— .1	— — (30.1)	— — (1)	1.0 1.0	1.3 .6 (32.3)	1.2 .1	.1 1.4 (8)
N.E.	1.5 1.0 (30.6)	1.0 — (2)	— .8	— — (30.3)	2.0 2.0 (1)	— —	— — (31.2)	— — (3)	— —				.2 .5 (32.1)	.5 —	— .1 (6)
AVERAGES	1.0 1.0 (38.6)	1.2 — (25)	— 1.2	.1 — (33.4)	.8 .9 (8)	.6 1.5	.7 — (36.9)	— — (18)	.4 .4	— — (30.3)	— — (2)	.3 .3	.7 .5 (319.2)	.7 .2	.4 1.0 (51)
S.S.A.													.3 — (314.3)	.2 —	— .7 (10)

Note:

- Overall FY 1973 projects rate poorly on all criteria.
- Among regions, Latin American projects fare best.
- The average scores for regions and sectors are meaningful. Due to the small number of projects in most individual cells (e.g., Africa—Health & Population) these scores are not robust.

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NEW FY 1979 PROJECTS RATES HIGHER
ON NEW DIRECTIONS CRITERIA

Key: Each cell gives mean ratings for six criteria (along which projects were graded from 0 to 3) and size and number of projects:

Participation Benefits to rural poor Benefits to urban poor
Nutrition Benefits to women Specific sectoral norms

	Agriculture			Health. Pop.			Education			Selected Activities			AVERAGES		
AFRICA	1.1 .8 (553)	2.2 .1 (34)	-.1 2.1	-.6 .6 (530)	2.8 1.3	-.4 2.9 (17)	-.7 .2 (5)	1.1 —	-.2 .9	.1 — (32)	— — (4)	1.7 1.4	.9 .7 (586)	2.3 .4	-.2 2.3 (60)
ASIA	1.9 .6 (5208)	2.6 .1 (32)	— 2.8	-.5 .4 (519)	1.5 1.7	-.6 1.6 (5)	-.4 — (32)	1.4 1.2	— 1.8 (3)	3.0 — (50.1)	3.0 — (1)	— 3.0	1.7 .6 (5230)	2.5 .2	.1 2.5 (41)
L.A.	1.8 1.1 (5115)	2.5 — (28)	— 2.5	1.1 .3 (330)	2.4 1.4	-.3 2.5 (10)	-.8 — (314)	2.4 —	-.1 2.6 (8)	1.4 — (527)	.7 — (13)	2.1 2.1	1.6 .7 (5184)	2.2 .2	-.4 2.5 (59)
N.E.	1.3 .8 (99)	2.4 .1 (6)	— 2.5	1.8 — (34)	2.6 .8	— 2.6 (2)	-.9 — (55)	-.9 2.1	-.2 1.4 (5)	1.0 — (50.5)	1.0 — (1)	1.0 2.0	1.3 .3 (518)	2.0 .7	-.1 2.2 (23)
CENTRALLY FUNDED	— 1.3 (511)	1.3 — (2)	.5 2.0	— — (31)	1.0 —	— — (1)	— —	— —	— —	.3 — (52)	1.0 — (3)	.7 3.0	— 1.2 (514)	1.2 —	.5 2.1 (6)
AVERAGES	1.7 .8 (5394)	2.3 .1 (100)	— 2.4	-.8 .4 (5817)	2.3 1.4	-.4 2.4 (35)	-.8 — (524)	1.8 .6	.1 2.1 (21)	1.3 — (532)	.7 — (22)	1.9 2.1	1.5 .7 (5532)	2.3 .3	-.2 2.4 (179)
S.S.A.													-.2 .3 (5797)	-.4 —	-.2 .7 (34)

Note:

- Overall, every criterion but "Benefits to urban poor" shows improvement over FY 1973. This is also true for almost every region and sector.
- Average scores for every region and sector are less than 2.6.
- Asian and Latin American projects generally fare better than African and Near East projects.
- Agriculture and Health & Population projects generally fare best among sectors.
- The Africa—Health & Population cell has the highest scores among individual cells.
- A different region is associated with the highest scores in each of the three main sectors.
- Security Supporting Assistance scores are very low.

2. No region or sector rates outstanding on any criterion.

The absence of any score higher than 2.5 indicates that the Agency still has a way to go if Congressional concerns are to be entirely satisfied, although low scores are at least partly explained by the impossibility of satisfying all criteria at once. One way to avoid this problem is to ask what percentage of projects received a "3" on any criterion. In FY 1979 71 percent of the total proposed spending for new projects (exclusive of SSA) was allotted to projects that received at least one "3". For FY 1973 the figure is 9 percent. This one comparison perhaps best demonstrates both the change since "Old Directions", and the room left for improvement.

3. Among regions, Asian projects generally do best in FY 1979 and shows most improvement over FY 1973 when most of their scores were lower than scores for projects in Africa and Latin America. Because more than half the funding for new projects (exclusive of SSA) in FY 1979 is for Asia, that region's showing raises the overall average.
Compare:.

	AFRICA			ASIA			L.A.			NEAR EAST		
1973 scores	.7	.8	.5	.1	.6	.1	1.3	1.2	.1	.2	.5	—
	.4	.3	1.3	.9	—	.5	.6	.1	1.4	.5	—	.1
1979 scores	.9	2.3	.2	1.7	2.5	.1	1.6	2.2	.4	1.3	2.0	.1
	.7	.4	2.3	.6	.2	2.5	.7	.2	2.5	.5	.8	2.2

4. Among sectors, Agriculture and Health projects had the highest scores in both years, probably because these sectors are inherently more likely to have poorer beneficiaries than the Education sector, a large focus of which is still directed to programs of higher learning
Compare:

	Agriculture			Health, Pop			Education			Selected Activities		
1973 scores	1.0	1.2	—	.1	.8	.6	.7	—	.4	—	—	.3
	1.0	—	1.2	—	—	1.5	—	—	.4	—	—	—
1979 scores	1.7	2.5	—	.8	2.3	.4	.8	1.8	.1	1.3	.7	1.9
	.8	.1	2.4	.4	1.4	2.4	—	.6	2.1	—	—	2.1

5. In FY 1979 a different region is associated with the highest scores in each of the three main sectors. In Agriculture, Asian projects do best, and within Asia, Agriculture projects are highest. In Health and Population, African projects have some of the highest scores, and again, vice versa. In Education, Latin American projects score highest.

6. Security Supporting Assistance (SSA) projects do not meet the New Directions mandate, despite directives to the contrary. In fact, the current portfolio of SSA projects looks worse on the "participation" criterion than in FY 1973, and not too much better on any other criterion. Even eliminating from consideration a \$250 million commodity support program for Egypt that strikes out on every criterion does not bring the FY 1979 SAA scores appreciably higher than the comparable FY 1973 scores.

Compare:

SSA FY 1973	SSA FY 1979	SSA FY 1979 minus Commodity Import Program
.5 .3 —	.2 .4 .2	.4 .6 .3
— — .7	.3 — .7	.4 — 1.0

Disaggregation by Subcategory

To see what kinds of projects within each sector best meet the New Directions criteria, we disaggregated by the subcategories that PPC/PB staff used to classify FY 1979 functional account projects. The subcategory scores along with the funding levels proposed for new projects in each subcategory are given in Table B. Two conclusions can be drawn from this breakdown:

1. Multi-attribute objectives, as reflected in multiple scores, preclude simple comparisons. Within the Agriculture sector in particular, the subcategories cannot be ranked for responsiveness before the objectives themselves are ranked. Within this sector, nutrition projects, for example rate lowest in "participation" and "benefits" to rural poor", and next-but-lowest in "special sectoral norms". They rate highest, however, in "nutrition" (obviously), "benefits to women", and "benefits to urban poor".

2. Within most sectors, the Agency is spending most new money in those subcategories that best meet New Directions—if our six criteria are ranked to give most emphasis to benefitting the rural poor and meeting the specific norms spelled out in the legislation. If objectives are weighted differently the conclusion is less clear, but the most heavily funded subcategories fare well in any ranking.

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TABLE B

SUBCATEGORIES OF NEW FY 79 PROJECTS FUNDED MOST HEAVILY RATE HIGH ON NEW DIRECTIONS CRITERIA.

	(\$ m)	Part	BR	BU	Nutr	BW	Spec
FOOD PRODUCTION & NUTRITION							
Rural Infrastructure	(\$200)	1.8	2.7	—	.5	—	2.7
Crdt. Input Supply, Mktg. etc.	(\$ 89)	2.1	2.5	.1	1.3	.1	2.6
Dev. & Diffusion of New Tech.	(\$ 52)	.8	1.8	.1	1.1	.1	2.0
Local Institutions & Land Refrm	(\$ 32)	2.5	2.5	—	1.1	—	2.6
Planning & Policy Analysis	(\$ 21)	1.1	1.5	—	.6	—	1.6
Nutrition	(\$ 2)	.5	1.4	1.2	3.0	1.7	2.0
HEALTH							
Health Delivery Systems	(\$ 40)	1.6	2.5	.1	.4	1.3	3.0
Environmental Health	(\$ 14)	1.2	2.8	.1	.5	1.0	2.9
Disease Control	(\$ 9)	—	1.1	1.1	—	1.9	2.1
FAMILY PLANNING							
Training & Institution Bldg.	(\$5.3)	.5	.8	.5	.1	1.3	1.3
Population Delivery Systems	(\$4.8)	.3	1.1	.9	—	1.1	.9
Research & Data Collection	(\$3.5)	—	1.0	—	—	.8	—
Contraceptives & Supplies	(\$2.8)	.4	1.1	.9	—	2.0	.4
Administrative & Managerial	(\$1.6)	1.0	1.0	1.0	—	2.0	1.0
EDUCATION							
Elementary	(\$ 10)	1.0	2.4	—	—	—	3.0
Professional & Scientific	(\$6.6)	.5	.9	.1	—	1.4	1.1
Vocational & Technical	(\$4.9)	.9	.7	.2	—	.5	2.0
Administrative & Managerial	(\$1.6)	.5	1.0	—	—	1.1	1.0
Research	(\$.9)	—	1.0	1.0	—	—	1.4
Adult & Community	(\$.2)	3.0	3.0	—	3.0	—	3.0
SELECTED DEVELOPED ACTIVITIES							
Appropriate Technology	(\$ 14)	2.3	—	2.7	—	—	2.8
Urban Dev. & Housing	(\$7.9)	.8	.8	1.2	—	—	1.1
Research	(\$6.9)	.1	1.7	1.7	—	—	1.8
Private & Voluntary Orgs.	(\$2.4)	1.0	1.0	—	.7	—	3.0
Other	(\$1.0)	1.1	1.5	.8	—	—	2.2

Note:

- Few subcategories within each sector are dominated on all six criteria.
- Subcategories with highest funding levels generally have high scores, particularly for "B R—benefits to rural poor," and "Spec—special norms."

Loan, Grant Similarity

We were surprised to find that grant activity fared no better on our criteria than projects funded by loans.

Compare:

	Part	B R	B U	Nutr	B W	Spec
Newly proposed grants	1.2	2.1	.4	.6	.6	2.5
All FY 1979 new projects	1.5	2.3	.2	.7	.3	2.4

QUALITY CONTROL

In order to validate our scoring procedure we used two kinds of "quality control". One method tested the validity of the CP summaries by comparing how identical projects were graded based on their descriptions in other documents. Another method checked scorer reliability by comparing how different people scored the same ten projects. Neither test proved that our procedure is valid; rather, using the double negative hedging peculiar to statistics, the tests showed that our scores are not invalid.

Validity of CP Summaries

We rated 31 projects based on their project papers and compared the results with scores based on the Congressional Presentation summaries of the same projects. CP ratings were slightly lower across all criteria and the correlation between pairs of scores was not very high (from $r=.85$ for "benefits to urban poor" to $r=.42$ for "benefits to women"). On the other hand, the scores weren't divergent enough to force the conclusion that the two sets of documents described different projects. A t-test of

significance between mean scores showed the difference between CPs and PPs to be significant only for the "participation" criterion ($t = 2.11$). When scores were transformed to rankings to account for the ordinal nature of scores, and a Mann-Whitney test performed, no significant difference in scores was apparent ($Z = .95$ for "participation").

Checking 12 FY 1979 CPs against PIDs rendered the same results — a similar pattern of lower scores for the CPs, but no evidence of statistically significant differences—except for the "nutrition" criterion, which did show significant differences ($t = 3.28$, $Z = 3.64$). Putting the two samples together obscures the differences if only ranks are considered ($Z = 1.1$ for "participation" ; $Z = 1.36$ for "nutrition"), but the raw scores still show differences ($t = 2.00$ for "participation"; $t = 2.45$ for "nutrition"). These two criteria should therefore be eyed with some suspicion. Appendix 4 contains the results of these various tests.

Reliability of ratings

The check of rater reliability by comparing our scores on ten projects with scores of four division colleagues found a wider variation than we would have hoped for. Except for the "specific sectoral norms" criterion, however, all variables had significant correlations between judges, based on the Friedman index for ranked scores. By ranking the scores of each judge, then comparing rankings rather than raw scores, this statistical test controls for individual tendencies to rate consistently high or low. (Our scores tended to fall between the extremes of the other judges.) With sample

size of ten, the Friedman index must be larger than 16.9 for 95 percent confidence. Our quality control found the following:

	Part	B R	B U	Nutr	B W	Spec
Friedman index	17.8	24.1	43.5	28.3	22.8	10.1

The exception for "Special sectoral norms" is reason to disregard it in presenting the results. We have left it in, rationalizing that we did not fully explain the scoring rules to the other judges, but caution that scores of this criterion should be treated with some scepticism.

Based on our scoring criteria, some meaningful statements can be made about portfolio trends. The conclusions stated above regarding Table A are valid as indicators of New Directions responsiveness in project design. Conclusions of another sort derive from the control testing procedure itself. In several cases where no mention of New Directions concerns was expressed in the CP we knew from other evidence (Project Papers, PIDs, Agency professionals) that projects clearly addressed these priorities. Given the need for CP brevity, the oversight may be inevitable. In addition, CP write-ups serve little function other than PR and undue importance should not be placed in their preparation. If we are right, however, in supposing that Agency policy should be reflected in the CPs, the variations found in both control tests might indicate the need for more clear policy delineation. Given a clear Agency policy for supporting participatory development, for example, it is reasonable to suppose that this emphasis would be more evident throughout the documented history of projects.

Validity of Rhetoric

Although the finding that CP summaries are less rosey than PP and PID descriptions suggests that the former are not simply exercises in rhetoric, it does not prove that the summaries are valid indicators of what projects actually accomplish. We had hoped to be able to take one bite at this question by looking at implementation and evaluation documentation for a sample of projects identified as strong in meeting New Directions concerns to compare them with projects weak on our criteria. Due to inconsistencies in availability and content, however, the evaluation documentation available in AID/Washington cannot easily sustain such an effort. We could not find up-to-date evaluations of most projects selected for a sample check. The PARs that are on hand generally state that said program has not been in operation long enough to provide explicit evidence of impact on the goal level—where New Directions concerns are most evident.*

*The impression gathered from reading 20 or so evaluations is that the New Directions concerns are more difficult to implement. See, for example, the March 1978 evaluation by Development Alternatives, Inc. of the Latin America Regional "Agriculture Information Management" project, 5960048:

It is difficult to find the connection in this project between work that has gone on and the small farmers. The market news and techpac components were to be directly responsive to the needs of small producers. Subsequent study has shown that this may be very difficult to do for the market news component, and that much more work remains to be done before the techpac becomes a reality. Many of the officials we talked to considered the project to be related to small farmers in only an indirect fashion.

OTHER PORTFOLIO COMPARISONS

Comparisons by Functional Categories

Table C compares the 179 new FY 1979 projects (non SSA) with the 54 comparable projects from FY 1973. (We classified by hand the FY 1973 projects into the nomenclature currently used by PPC/PB.) Because the totals are so disparate, almost every category and subcategory shows a huge increase.* Which increases are most significant is indicated by the relative percentage mix of total yearly funds. Allocations for the "rural infrastructure" subcategory increased most, from 4 to 38 percent—far more than any other subcategory. Within Agriculture, "asset distribution and access", and "credit, input supply, etc." also show percentage increases. These figures contrast with a finding in the recent Agriculture Development Policy Paper which stated that the major increases since 1975 has been in "asset distribution and access", "planning and policy analysis", and "development and diffusion of new technology." (The years and the scope of project analyzed are different.)

*The striking contrast between the totals, \$19 million in FY 1973 and \$530 million in FY 1979 is misleading because although 4/5ths of the FY 1973 program was for loans—much of which were new activity—the 1973 CP contained no summary descriptions of loan activity. The \$19 million figure is best considered as 9 percent of the \$221 million total amount proposed for grants in FY 1973 (excluding SSA). For FY 1979, \$530 million is 39 percent of the overall total, but the percentage of new grant activity to total grants is 20 percent, or 25 percent if centrally funded grants are excluded.

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TABLE C
NEWLY PROPOSED PROJECTS
COMPARISON OF FUNCTIONAL BREAKDOWN

	FY 1973		FY 1979	
	(\$ m)	%	(\$ m)	%
AGRICULTURE & RURAL DEVELOPMENT				
Rural Infrastructure				
land & water dev & conservation	(.86)		(95)	
rural electricity			(62)	
rural roads			(43)	
Sum: Rural Infrastructure	<u>.86</u>	4	<u>200</u>	38
Credit, Input Supply, Mktg, etc.				
credit	—		(37)	
input supply	(1.4)		(26)	
marketing & storage	(1.4)		(23)	
rural industry	(.16)		(1.9)	
Sum: Crdt, inpt sup, mktg, rri ind	<u>3</u>	16	<u>89</u>	17
Development & Diffusion of new tech				
international centers	(.95)		(22)	
education & extension	(.75)		(19)	
research by U.S. institutions	—		(11)	
support of LDC research	(.56)		—	
Sum: Dev & Diffusion of new tech	<u>2.3</u>	12	<u>52</u>	10
Asset Distribution & Access				
local institutions	(.53)		(26)	
land reform	—		(5.5)	
Sum: Asset Distribution & Access	<u>.53</u>	3	<u>32</u>	6
Planning & Policy Analysis	<u>1.9</u>	10	<u>21</u>	4
Nutrition	—		<u>1.9</u>	—
AGRICULTURE & RURAL DEVELOPMENT	8.6	44	390	74
HEALTH				
Health Delivery Systems	—		40	
Environmental Health (Water Sup)	—		14	
Disease Control	.04		3.3	
Planning & Policy Analysis	1.6		—	
HEALTH	1.7	8	64	12
POPULATION				
Training & Institution Bldg	.88		5.3	
Population Delivery Systems	.17		4.8	
Contraceptives & Supplies	.29		2.8	
Research	—		2.7	
Education & Information	—		1.6	
Demographic Data Collection	.40		.77	
POPULATION	1.7	9	18	3
EDUCATION				
Elementary	.21		10	
Professional & Scientific	1.3		6.6	
Vocational & Technical	1.1		4.9	
Administrative & Managerial	2.9		1.6	
Research	—		.93	
Adult & Community	—		.15	
Planning & Policy Analysis	1.5		—	
EDUCATION	7	36	24	5
SELECTED DEVELOPMENT ACTIVITIES				
Appropriate Technology	—		14	
Urban Development & Housing	—		7.9	
Research	—		5.9	
Private & Voluntary Organizations	—		2.4	
Industry	.30		—	
Program Support	.12		—	
Other	—		.38	
SELECTED DEVELOPMENT ACTIVITIES	.42	2	32	6
TOTALS	\$19 m	99%	\$530 m	100%
SECURITY SUPPORTING ASSISTANCE	\$15 m		\$800 m	

Comparison by Region and Poverty Indicators

Again, using only the new projects for each year, Table D shows the regions in which the Agency has directed its latest efforts. Note that while most new funding in FY 1973 was for projects in Africa, most new funding proposed in FY 1979 is for projects in Asia and Latin America. A comparison by rough poverty indicators of GNP/capita and life expectancy surprisingly shows that FY 1973 projects did better on the criterion of aiming at the poorest countries. In FY 1973, 84 percent of the new (non SSA) project funds were proposed for countries or regions with GNP/capita less than \$150 (in 1975 dollars) or life expectancy less than 50 years. Only 52 percent of new project funds in FY 1979 are allocated to such countries.

TABLE D

NEWLY PROPOSED PROJECTS
COMPARISON BY REGION AND POVERTY INDICATORS

FY 1973

	Africa	Asia	L.A.	N.E. ^b	Total
GNP/capita and life exp ^a \$150 50	19%	9%	0%	48%	18%
GNP/capita or life exp \$150 50	81	45	65	0	66
GNP/capita and life exp \$150 50	0	45	35	52	16
Region % of total	64%	15%	12%	9%	

FY 1979

	Africa	Asia	L.A.	N.E.	Total ^d
GNP/capita and life exp ^c \$150 30	41%	11%	0%	0%	11%
GNP/capita or life exp \$150 50	59	47	22	51	41
GNP/capita and life exp \$150 50	0	42	78	49	48
Region % of total	17%	44%	36%	3%	

Key:

- a) GNP/capita in 1971 (when FY 1973 projects first identified). Estimates based on 1970 exchange rates with GNP inflated to 1975 dollars.
- b) No Near East Bureau in 1973. Projects in Tunisia, Afghanistan and Turkey included in N.E. figures for comparability here.
- c) GNP/capita in 1975.
- d) Total excludes centrally-funded projects.

Given the weakness of GNP/capita as a poverty indicator (it does not account for income distribution, irregular exchange rates, etc.), data collection problems for many of these countries, and the supposed better targeting of FY 1979 projects on selected poor populations within the countries as is demonstrated by our "rural poor beneficiaries" scores) we do not place much weight on the comparison by poverty indicators.

Comparison of all FY 73 and FY 79 Projects by Functional Accounts

Table E presents a comparative breakdown of all proposed project funding by major categories as they are summarized in the Congressional Presentations for the two years. It shows the change in the sorts of projects presented; note also, however, that the names of the functional categories themselves have changed, a factor hindering comparability.

The table shows a major shift toward the three key areas of prime concern to the poor—agriculture, population and health, and education—as called for in the New Directions legislation. While \$540 m was proposed for these categories in FY 73, the FY 79 program budgets \$1,200 more than twice as much. Most of the increase was in the agricultural sector, which more than doubled its share of the total development assistance program (exclusive of Food for Peace, Security Support, or Foreign Service Officer retirement funds).

TABLE 6

PROPOSED AID DEVELOPMENT ASSISTANCE PROGRAMS
AS PRESENTED TO CONGRESS

FY 1973	(\$m)	(%)	(\$m)	(%)	FY 1979
Ag & Rural Development	\$277	17%	\$734	38%	Food & Nutrition /a
Health, Nutrition & Pop. health & nutrition	(36)		(157)		Health & Population health /a
population /b	(116)		(175)		population /b
Sum: Hlth, Nutr, Pop.	132	9	333	17	Sum: Health & Pop.
Ed & Manpower Training	110	7	109	6	Ed & Human Resources
Selected Dev. Activities /c					Selected Dev Activities /c
industry, transp & urb dev	(234)	(14)	(14)		urban dev & housing
disaster assistance	(130)		(25)		disaster assistance
program dev & support /d	(106)		(275)		operating expenses
research	(11)		(17)		research
other	(11)		(73)		other
Sum: Selected Dev Actvts	492	30	404	21	Sum: Selected Dev Actvts
Selected Countries & Orgs					Selected Countries & Orgs
nonproject loans	(345)				priv dev asst support
private dev asst support	(13)		(42)		
Sum: Sel. Countries & Orgs	358	22	42	2	Sum: Selected Orgs.
Intl Orgs & Programs /b	187	11	312	16	Intl Orgs & Programs
Am Schools & Hosp Abroad	16	1	3	.4	Am Schools & Hosp Abroad
Intl Narcotics Control	37	2			
TOTALS /e	\$1,629	99%	\$1,962	100.4%	TOTALS /e

Source: AID Congressional
Presentations FY 73, FY 79

Notes:

- a) Of \$90 m proposed for the Sahel Development Program, \$81 is included in the Food and Nutrition category, and \$9 m in Health.
- b) An additional \$9 m in FY 73 and \$30 m in FY 79 earmarked for UN population programs that we included in the Intl Organizations & Programs category is included under Population in the Congressional Presentation summary tables.
- c) Selected Dev Activities not included as a separate functional account in FY 73. For FY 79 we have included funds other than those earmarked for Sec. 106 of the Foreign Assistance Act.
- d) \$47 m for program development & support in regional bureaus; \$59 m for program support, mainly in Washington.
- e) Totals exclude Security Support Assistance and P.L. 480 funds.

The shift in AID emphasis toward basic needs was already established by 1975. The 1975 report to Congress, "Implementation of 'New Directions' in Development Assistance", included the following table demonstrating that 92% of the functional program funds proposed for FY 76 were in the three target categories:

Table F

DEVELOPMENT ASSISTANCE FUNCTIONAL PROGRAMS, FISCAL YEARS 1973 THROUGH 1976
(Dollar amounts in millions)

	Fiscal year							
	1973		1974		1975 estimate		1976 proposed	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Food production and nutrition..	225.4	26	274.4	35	410.3	54	582.3	61
Population planning and health..	154.1	18	181.6	23	166.0	22	201.5	21
Education and human resources...	88.4	10	89.0	12	79.6	11	95.3	10
Selected development problems..	229.2	26	119.7	15	60.0	8	46.8	5
Selected countries and organizations	177.8	20	113.7	15	38.6	5	31.9	3
Total ¹	874.9	100	778.4	100	754.5	100	957.8	100

¹For purpose of comparability fiscal year 1973-75 data excludes operating expenses. In fiscal year 1976 operating expenses are proposed as a separate account.

Source: AID, "Implementation of 'New Directions' in Development Assistance", July 22, 1975, p. 5.

The 1975 report seems to show a more striking change than our Table E because it excludes from the 100 percent baseline figure miscellaneous categories not strictly assigned to the functional accounts. Deleting these from Table E we see the following comparison:

TABLE G

PROGRAMS AS PRESENTED IN FY 1973 and FY 1979 CP

	FY 73		FY 79	
	Amount	Percent	Amount	Percent
Sec. 103.				
Food production	\$ 287 m	22%	\$ 754 m ^a	55%
Sec 104.				
Population & health	111	9	333 ^b	25
Sec. 105.				
Education & Human resources	109	8	109	8
Sec. 106				
Selected development problems	418	33	111	8
Selected countries and organizations	358 ^c	28	42 ^d	3
TOTALS	\$1,283	100%	\$1,369	99%

Key:

- a) Includes \$81 m of Sahel Development Program.
- b) Includes \$9 m of Sahel Development Program.
- c) Mainly non-project loans.
- d) PVO support.

CONCLUSIONS

Although caveats abound, we conclude that evaluating project design by rating CP summaries is a meaningful way of analyzing Agency programs. At the least, our scoring procedure is a means of quantifying the change in Agency rhetoric and of demonstrating where and how New Directions policies are being put into words in designing and presenting new projects. The question we were not able to answer is how valid these words are. Answering this question is, we suppose, a principal task of the Office of Evaluation, and not a question we could satisfy in one summer in any case. In the pursuit of this larger question of effectiveness, we hope the findings summarized in preface to this report are of value. In addition, we modestly propose that our report might be helpful in emphasizing the importance in upcoming Studies Division reports of considering:

—the multiple and changing objectives of the Agency and their potential trade-offs; and

—Congressional interests and concerns. Congressional concerns, as stated in the New Directions legislation, can serve as measuring rods of project and program effectiveness. The New Directions criteria of benefit incidence, participation of the poor, and sustainability could be examined as cross-cutting issues in various studies.

APPENDIX

EXCERPTS FROM FOREIGN ASSISTANCE ACT

As one of six criteria, projects were rated from 0 to 3 according to how closely they followed the specific norms prescribed by Congress for the four functional areas:

Sec. 103. Food and Nutrition.—(c) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of local or small-scale rural infrastructure and utilities such as farm-to-market roads, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer water, and improved seed, in ways which assure access to them by small farmers.

Sec. 103A. Agricultural Research.—Agricultural research carried out under this Act shall (1) take account of the special needs of small farmers in the determination of research priorities, (2) include research on the interrelationships among technology, institutions, and economic, social, and cultural factors affecting small-farm agriculture, and (3) make extensive use of field testing to adapt basic research to local conditions. Special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both new and existing improved technology.

Sec. 104. Population Planning and Health.—(c) Assistance provided under this section shall be used primarily for extension of low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and to the poorest economic sectors, using paramedical and auxiliary medical personnel, clinics and health posts, commercial outreach; health programs which emphasize disease prevention, environmental sanitation, and health education; and population planning programs which include education in responsible parenthood and motivational

programs, as well as delivery of family planning services and which are coordinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the standard of living of the poor.

Sec. 105. Education and Human Resources Development.—(b) Assistance provided under this section shall be used primarily to expand and strengthen nonformal education methods, especially those designed to improve productive skills of rural families and the urban poor and to provide them with useful information; to increase the relevance of formal education systems to the needs of the poor, especially at the primary level, through reform of curricula, teaching materials, and teaching methods, and improved teacher training; and to strengthen the management capabilities of institutions which enable the poor to participate in development.

Sec. 106. Technical Assistance, Energy, Research, Reconstruction, and Selected Development Problems.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the extent that such activities are not authorized by sections 103, 104, and 105 of this Act:

(1) programs of technical cooperation and development, particularly the development efforts of United States private and voluntary agencies and regional and international development organizations;

(2) programs to help developing countries alleviate their energy problems by increasing their production and conservation of energy, through such means as research and development of suitable energy sources and conservation methods, collection and analysis of information concerning countries' potential supplies of and needs for energy, and pilot projects to test new methods of production or conservation of energy;

(3) programs of research into, and evaluation of, the process of economic development in less developed countries and areas, into the factors affecting the relative success and cost of development activities, and into the means, techniques, and such other aspects of development assistance as the President may determine in order to render such assistance of increasing value and benefit;

(4) programs of reconstruction following natural or manmade disasters;

(5) programs designed to help solve special development problems in the poorest countries and to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance; and

(6) programs of urban development, with particular emphasis on small, labor intensive enterprises, marketing systems for small producers, and financial and other institutions which enable the urban poor to participate in the economic and social development of their country.

APPENDIX 2

AICS SPECIAL CONCERNS CODES

As the following table shows, newly proposed FY 1979 projects identified with selected AICS special concerns codes did not fare much better in our criteria than other new FY 1979 (non-SSA) projects.

Special concerns code	Number of projects	Our comparable criterion	Mean* score on our crit.	Mean for all projects	t-test
PART	11	Participation	1.9	1.5	1.56
BS	44	Ben rrl poor	2.5	2.3	1.07
BF	11	" " "	2.3	2.3	.22
BR	67	" " "	2.0	2.3	2.34
BU	13	Ben urb poor	1.0	.2	3.50
BW	23	Ben women	1.0	.3	3.27
NUTR	9	Nutrition	1.7	.7	2.8

Key:

- PART = Participation of the poor in development is supported, including strengthening of concerned institutions.
- BS = Beneficiaries are small farmers with substantial impact expected on subsistence farmers.
- BF = Beneficiaries are small farmers, but with little impact expected on subsistence farmers.
- BR = Beneficiaries are rural poor, general or multiple categories.
- BU = Beneficiaries are urban poor.
- BW = Women are expected to be the sole or primary beneficiaries; women are beneficiaries on a significant scale.
- NUTR = An improvement in nutrition standards will be an important byproduct of the project/activity.

t-test — A statistic greater than 2.0 indicates that the two scores are significantly different. A statistic less than 2.0 indicates that the two scores are not significantly different (with 95 percent confidence).

* Mean unweighted by project size.

Note:

- Projects coded with the first three special concerns codes listed fared no better than the mean for all projects.
- Presumably, projects coded as benefiting subsistence farmers (BS) should have scored higher than those coded as benefiting small farmers with little impact on subsistence farmers (BF). Our scoring procedure found no difference between the two, and no difference between these and those coded simply "BR, beneficiaries are rural poor."
- Projects coded with the last three AICS codes listed scored significantly higher on our comparable criteria. Nevertheless, these projects still received low scores, 1.0, 1.0, and 1.7. We conclude that none of the AICS codes examined has much validity as indicators that projects so coded address these concerns with major emphasis.

APPENDIX 3

CORRELATIONS BETWEEN SIX NEW DIRECTIONS CRITERIA

(Unweighted by project size)

	Part	B R	B U	Nutr	B W	Spec
P	1.00	.55	-.08	.31	.10	.61
B R	.55	1.00	-.26	.35	.02	.74
B U	-.08	-.26	1.00	-.11	.16	.06
Nutr	.31	.35	-.11	1.00	-.10	.31
B W	-.10	.02	.16	-.10	1.00	.00
Spec	.61	.74	-.06	.31	.00	1.00

Key: Part = Participation
 B R = Benefits to rural poor
 B U = Benefits to urban poor
 Nutr = Nutrition
 B W = Benefits to women
 Spec = Specific sectoral norms

Note:

- B R and B U are negatively correlated (by definition), but not very highly (surprisingly).
- B U and B W are negatively correlated with Part and Nutr; and have little positive correlation with any other criterion.
- The highest correlation is between BR and Spec. If this correlation were much higher (.80) we would conclude that the two were not independent criteria.
- Part is rather highly correlated with Spec and B R.

APPENDIX 4

TESTING THE VALIDITY OF CP SUMMARIES

	n = 31					n = 12					n = 24 t
	CP score	PP score	r	t	Z	CP score	PID score	r	t	Z	
Part	.81	1.1	.80	2.11	.95	1.3	1.4	.54	.75	.55	2.00
B R	1.1	1.3	.54	1.27	.48	1.8	2.0	.54	.72	.85	
B U	.4	.4	.85	0	.25	.2	1	.67	1.05	*	2.45
Nutr	.7	.9	.78	1.07	.55	.3	.9	.67	3.28	3.64	
B W	.2	.5	.42	1.88	1.05	.3	.3	.84	0	*	1.75
Spec	1.5	1.5	.50	.70	.23	2.0	2.2	.55	1.92	1.28	

Key:

CP, PP and PID scores unweighted by project size.

r = correlation

t = significance test; t greater than 2.0 indicates significant difference in scores.

Z = Mann-Whitney significance test of difference in means with scores transformed into rankings. Z scores BU and BW from the second sample cannot be computed due to too large a number of tied rankings. Z greater than 2.0 indicates significant differences in rankings.

The last two columns give t and Z statistics for the combined samples.