

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT PAPER FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 (FIX APPROPRIATE USE)
 ORIGINAL
 ADD

Proj. No. 6690285
 PD-MC-057-A
 13p.

2. COUNTRY/REGIONAL ENTITY/GRANTEE
TUNISIA

3. DOCUMENT REVISION: 13p.

4. PROJECT NUMBER
664-11-190-285

5. BUREAU
 A. SYMBOL **NE** B. CODE **4**

6. ESTIMATED FY OF PROJECT COMPLETION
 FY **81**

7. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS)
 RURAL DEVELOPMENT

8. ESTIMATED FY OF ACTIVATION/DEACTIVATION
 A. INITIAL **676** B. FINAL

9. SECONDARY TECHNICAL CODES (MAXIMUM SIX CODES OF THREE POSITIONS EACH)

10. ESTIMATED TOTAL COST (\$000 OR EQUIVALENT, \$1000 = 1000)

A. PROGRAM FINANCING	FIRST YEAR 1976			ALL YEARS		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL						
(GRANT)	(62)	(58)	(120)	(-)	(-)	(120)
(LOAN)	(-)	(-)	(-)	(-)	(-)	(-)
OTHER II.						
U.S. 2.						
HOST GOVERNMENT	-	24	24	-	-	-
OTHER DONOR(S)	-	-	-	-	-	-
TOTALS	62	82	144	-	-	144

11. ESTIMATED COSTS/AID APPROPRIATED FUNDS (\$000)

A. AID APPROPRIATED FUNDS (GRANT/LOAN)	B. PRIMARY PURPOSE	C. PRIMARY TECH. CODE	FY		FY		FY	
			D. GRANT	E. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
FN			120	-	200	-	350	-
TOTALS								

12. ESTIMATED EXPENDITURES

13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS) CHECK IF DIFFERENT FROM PID/PRP

To test and demonstrate ways in which a) changes in the economy of the project area can increase rural incomes, and b) the quality of life can be improved by other means for target communities and households.

14. WERE CHANGES MADE IN THE PID/PRP FACESHEET DATA NOT INCLUDED ABOVE? IF YES, ATTACH A SEPARATE PID/PRP FACESHEET.

Yes No

15. ORIGINATING OFFICE CLEARANCE

SIGNATURE: *[Signature]*

TITLE: Director, U.S. AID Mission to Tunisia

DATE SIGNED: 6/5/76

16. DATE RECEIVED IN AID/PRP, OR FOR AID/PRP PURPOSES, DATE OF BUDGET YEAR

Face Sheet

TABLE OF CONTENTS

PART 1: PROJECT SUMMARY & RECOMMENDATIONS	1-1
B. Recommendations	1-1
C. Description of the Project	1-1
D. Summary Findings	1-3
E. Project Issues	1-4
PART 2: PROJECT BACKGROUND & DETAILED DESCRIPTION	2-1
A. Background	2-1
B. Detailed Description	2-5
C. Statement of Project Outputs (Phase I)	2-6
D. Narrative Summary	2-11
1. Introduction	2-11
2. The Project	2-12
a. General Objectives	2-12
b. Income Generating Activities	2-16
Water Resources	2-17
Arboriculture	2-18
Livestock	2-19
Cooperatives	2-20
Small Industry	2-20
c. Improving the Quality of Life	2-22
(1) Inventory of Existing Social Services	2-22

(2) First Phase Research Program	2-24
d. Immediate Actions in the Project Area	2-27
e. Loan Component	2-30
PART 3: PROJECT ANALYSIS	3-1
A. Technical Analysis	3-1
1. Technological Implications	3-1
2. Environmental Assessment	3-2
B. Social Analysis	3-6
C. Financial & Economic Analysis	3-13
Financial Effect on Project Participants	3-13
Nonrevenue -Producing Elements of Project	3-14
Budgetary Analysis	3-16
Table: Costing of Project Outputs/Inputs	3-17
PART 4: IMPLEMENTATION ARRANGEMENTS	4-1
A. Analysis of the Recipient's & A.I.D.'s Administrative Arrangements	4-1
1. Recipient	4-1
2. A.I.D.	4-3
B. Implementation Plan	4-6
Balance of FY 76	4-6
Transition Quarter (TQ)	4-8
FY 77 - First Quarter (October-December 1976)	4-11
FY 77 - Second & Third Quarters (Jan.-June 1977)	4-12
FY 77 - Fourth Quarter (July-September 1977)	4-13
C. Evaluation Arrangements for the First Phase	4-14

Part 1: Project Summary and Recommendations**B. Recommendations**

Approval is hereby recommended for the first phase of project in rural development in Tunisia:

Development Grant: \$ 670,000

C Description of the Project

This Project Paper covers the first phase only (15 months) of a rural development project to be active in the southern two delegations of Siliana Province. (The project's purpose is to test and demonstrate ways in which changes in the rural economy of the project area can increase rural incomes, and how the quality of life for men and women can be improved by other means for target communities and households. The project will finance a series of studies related to agricultural and social service development, with a view to determining how the Government of Tunisia and the communities in the project area might improve integrated rural development planning and implementation. The results will be applied to design the mature phase (Phase Two) of the program for the project area. Secondly, this project will finance a set of immediate investments which can be undertaken quickly, and will lead either to growth in incomes through the stimulation of the agricultural economy, or will bring some social services to remote communities of the project area.

Set within the framework of southern two of the province's seven delegations, the project will collaborate with officials at this and at the provincial level. Tunis-level collaboration is with the Ministry of Plan

as the primary counterpart agency for the project's first phase at least, with additional links to the Ministry of the Interior and other ministries whose technical offices at the province level will become agents in the integrated project.

Within the population of just under 60,000, most of the men and women of the rural areas and the small town-villages are rural poor by any standard. This project addresses rural poverty by addressing two intertwined issues--the low productivity of agriculture in the area, and the low level of delivery of services to communities and households. The first will be addressed through agricultural development and research; the second, through a concerted effort to generate self-help capabilities to augment increased delivery of government services.

For this PP, the project outputs are mainly a better understanding of the constraints that hinder agricultural development and how these can be overcome. This area clearly will never be the country's breadbasket, but we believe that agricultural incomes can be raised by some 20 percent in a few years. On the communal side, we believe that while rural out-migration likely will continue, significant qualitative and quantitative changes may occur: out-migration may become more selective; migrants would move out mainly to take jobs for which they are trained, and in part be replaced by technical and otherwise trained personnel who find it acceptable to relocate into the area. Basically, then, the project seeks to change this two-delegation zone from an area neglected and avoided to one that is increasingly linked in economic and other ways to the rest of the country.

D. Summary Findings

The effort set forth in this PP is experimental in two ways. First, this is the first phase of a project the future design and scope of which can be sketched but not determined at this time. This first phase represents a comparatively heavy investment in applied research and pilot development. The magnitude of the first phase should not, however, lead to the conclusion that the mature phase will be carried out on a prodigal scale.

This first phase is to test a number of important relationships and interrelationships. It will test the ability of various Tunisian Government organisms to extend their management and technical infrastructure into rural communities which they have in large measure avoided or ignored so far. It will test new ways of interaction between the leadership of these communities and the formal structures of governance that reach down from Tunis. It will also test the ability of the Tunisian Government and AID to collaborate in a localized program such as this project, which offers challenges to bilateral cooperation which neither the Tunisian Government nor the U.S. AID Mission have faced hitherto. Indeed, this is the first external assistance project of this kind on this geographical scale in Tunisia.

Another finding is the importance of applied research. We are proposing a heavy investment in various research efforts in agricultural and other income-producing activities, as well as applied studies relating to community organization and the behavior of households in this rural context. We find that we need more information, but that this information

is best obtained in a setting in which the justification for research--development--already takes place. This research also will test some new modes of collaborative efforts between Tunisian and other scholars, and may contribute innovatively to mobilizing the Tunisian research community in support of the development of areas such as southern Siliana. This is important, because this area is not unique. There are at least twelve delegations which share with Makthar and Ruhia the same economic and human problems. We are designing this project with a view to permitting replication in the whole mountain and steppe interior of Tunisia with its approximately 400,000-500,000 population.

This project meets, for the scope of this first phase PP, all applicable statutory criteria. It is responsive to Congressional mandates on the rural poor, integration of women into national economies, and in general about food and nutrition.

E. Project Issues

This project, even in its first phase, raises some of the classic issues related to rural development. Here is a poor area in which historically agriculture has gone downhill. The project addresses the means through which the further erosion of the productive milieu can be arrested and reversed. Collaborative and integrated efforts will seek to identify the means to reduce unemployment and underemployment and improve the level of output in an area in which serious constraints to agriculture are manifest and will remain. In terms of Tunisia's total agricultural economy, this area will remain marginal. However, since agriculture is the mainstay of

the monetized and nonmonetized income of the population, an improvement of 20 percent over the next few years may significantly add to household incomes, and in many ways beneficially alter the lives of small farmers.

Important issues lie in the social and communal fabric of this ethnically homogenous population. Only the male half of the population now participates in decision-making, in local political life, and in the complex articulation of the Tunisian political system, and even not all of them do. Women are not organized, do not function except within their household, and thus are restricted to a narrow set of roles which in fact makes them more than fully employed, albeit in a totally non-monetized sense. Our hypothesis is that this project can serve to alter greatly the roles both of men and women, affording greater opportunities to both. But our approach in effect is an issue. This is because we are choosing to address simultaneously different problems that face men and women of the area, and hope thus better to integrate the male and female halves of this rural society.

As is shown in this PP and the accompanying background paper on the project area, rural development is given great importance by the Tunisian Government, and yet the Tunisian system of governance has not yet devised a clear managerial system for RD. We are stepping onto the rural development scene at a time when these organizational issues remain unanswered. There is the issue of timing. Is our intervention in rural development in Tunisia premature? Or can our involvement accelerate improved management of rural development at delegation, province, and national levels? We believe the latter to be true.

Part 2. Project Background and Detailed Description**(A) Background**

The project addresses some of the fundamental problems of an area in Siliana Province which lags well behind the development not only of the balance of the province but of much of Tunisia. Siliana is part of the mountain-and-steppe interior which suffers from a number of serious constraints to the development of agriculture, yet offers few prospects for other forms of economic development. It has been relatively neglected in comparison to areas in which the Government of Tunisia has made greater investments of human and financial resources, given greater opportunities for return. It contains population which lacks access to the means for self-development, and has been a source of "rural exodus" for decades. Historical reasons have contributed to this situation over the last two centuries; they include the impotence of Beylic rule over this part of the realm, and the relative neglect which the French authorities bestowed on the unruly tribes of this part of the Protectorate.

The Government of Tunisia is serious in its intentions to redress the balance between zones such as the project area and Siliana as a whole, and the modernized parts of the country. It lacks a coherent methodology for such an effort, in part because insufficient pilot zones have been established in which to find answers to tactical and strategic issues

that face the Tunisian development planner especially in rural areas such as these.

Since 1974, USAID and the Government of Tunisia have sought to define a means for AID collaboration in rural development. The quest for such a definition included the choice of the scope of an AID project as well as, at a later stage, the selection of a project area. With respect to the former, a combination of technical assistance, capital grants, and capital loans were approved, in a general manner, at the meetings of the Tunisian-United States Joint Commission in October 1975. As to the choice of a geographical area, it narrowed down to Siliana Province, then late in 1975 to its two southern delegations.

Initially the Ministry of Plan had suggested two different approaches, combined with each other. They were the intensive development with an AID financial participation of some 20 million dollars, of the Al Hariya-Ruhia plain, a flat area part of which lies in Ruhia Delegation, and where there may be promise of intensive irrigated agriculture. Along with this assistance, of which some technical assistance was to be part, The Ministry of Plan also suggested the possibility of another financial contribution of 20 million dollars to support the nation-wide rural development program charted by the Ministry of Plan for implementation throughout Tunisia. The USAID and senior representatives of the United States at the October 1975 Joint Commission meetings stressed a two-fold

reservation about these proposals: first, that with respect to the Al Hariyah-Ruhia plain, these are complex, and would require expensive, extensive and protracted studies. Second, with respect to both schemes, the scale of magnitude of the Tunisian proposals exceeded the resources which AID can apply to its programs in Tunisia.

A background study by the Centre National d'Etudes Agricoles (CNEA), a research and development organization attached to the Ministry of Agriculture, has been submitted in first draft. Its completion date, anticipated not before the end of April 1976, precludes USAID from using its findings authoritatively in the preparation of this PP. Elements of the proposed project have been studied by TDY specialists from AID/W and elsewhere. Aspects of development of Hababsa sector were reported on by a Swedish rural sociologist Christian Anderson, in October 1973. The road component mentioned herein as a loanable activity has been explored by Mr. John Benoit and Mr. Rod MacDonald, respectively with USAID/Morocco and SER/Engineering. Dr. E. McJunkin of the American Public Health Association explored with experts from CARE/MEDICO in Tunisia questions relating to potable water development and rural sanitation. Dr. André Karam, a community development specialist from Lebanon, twice helped USAID/Tunisia in studying the area. Ms. Grace Langley has made several visits in connection with the project's development, and was accompanied on one of these by her colleague in NE/TECH, Mr. James Dalton. As this PP

is being drafted, further TDY help is anticipated.

However, in an important sense, this project does not benefit from completed studies. Both the CNEA study and this PP will identify issues that need to be clarified through further inquiry and research (of different degrees of investigative rigor). To assist in studies undertaken or to be undertaken, and in the drafting of this PP, knowledge has been gathered from a number of sources, including earlier reports not specifically addressed to Siliana province or to the smaller project zone, though including these in their coverage. The disaggregated findings of these studies, conducted for the most part about agriculture by agricultural investigators, must be assessed and validated by closer examination of the project zone. USAID/Tunisia and CNEA staff already has built up some data through field trips and consultations with Officials and technical staffs at the province and sub-province level. Such data available to USAID is reflected in a report being submitted in conjunction with this PP.

Part 2 B. Detailed Description

A. Statement of the Project Goal:

1. The Goal:

To increase incomes and generally improve the quality of life of the poor populations in the steppe-zone of Central Tunisia.

2. Measurements of Goal Achievement:

- a. Increases in income levels
- b. Reduction in mortality/morbidity rate affecting target population
- c. Population more fully engaged in productive and rewarding activity

3. Important Assumptions

- a. GOT policies remain supportive of rural development
- b. Target population desires change

B. Statement of Project Purpose

1. The Purpose: To test and demonstrate ways in which a) changes in the economy of the project area can increase rural incomes and b) the quality of life can be improved by other means for target communities and households.

2. Conditions indicating purpose has been achieved:

- a. results of agricultural services provided in pilot zones have positive impact on farm income
- b. Determination possible that health and social infrastructure in pilot zones is responsive to population needs

- c. Studies and tests completed indicate agricultural economy throughout project area will be responsive to integrated program to increase rural incomes.
- d. Studies and tests completed indicate quality of life can be improved through modified government programs and other forms of community action.

3. Assumptions for achieving purpose:

- a. GOT policies support program of agricultural development and improved social infrastructure in project area to include willingness to change current patterns of development.
- b. GOT and USAID provide financial resources and managerial direction of program on timely basis.
- c. Target population receptive to studies and immediate actions scheduled for first phase.

C. Statement of Project Outputs (Phase I)

A. Outputs and Output Indicators:

<u>Outputs</u>	<u>Indicators</u>
a. Systematized knowledge of the types of crops and animal production, cultural practices, and water use that are best adapted to various sub-zones (defined in terms of soil and climate conditions) of the project area.	a. Agronomic survey completed, as well as specialized studies and recommendations for action.

- b. Systematized knowledge of social setting to determine appropriate mix of government sponsored social services as well as alternate means of organizing and delivering these services, including community organizations.
- c. Identification of possibilities for development of new or expanded processing, manufacturing or service enterprises, both in towns and at household level, among rural population (including training needs).
- d. Determination as to whether ag and other services can and should be provided by local level organizations (e.g., coops), and (if judgement is positive) accomplish preliminary steps toward such organization.
- b. Studies completed with recommendations for action.
- c. One or two studies with action recommendations.
- d. Study and recommendations completed. Possible creation of organization to deliver ag services.

- e. Extension to pilot zones of technologies and delivery systems being applied in other areas by GAT ag agencies (principally related to livestock, cereals, and arboriculture), but which are not generally now available in project area.
 - f. Improved access to potable water supply and health delivery services in selected pilot zones.
 - g. Improved access, especially by women and children, to social services and skills training programs in selected pilot zone.
 - h. Other forms of community-based activities are identified which can supplement government services, and trial implementations begun.
- e. Series of demonstration activities on individual farms in 2 or 3 pilot zones.
 - f. Wells reconstructed following plan under development by volag; one staffed health clinic in Hababsa; health education program underway.
 - g. UNFT center reconstructed, staffed and functioning; social workers housed and functioning in Hababsa
 - h. Studies completed with recommendations for action; new delivery systems being tested if appropriate.

2. Assumptions with respect to outputs:

- a) Cooperation of Government and target population.
- b) Studies will be appropriately structured to yield useable data and information for project phase II.
- c) GOT supplements RU budget for CY 1976 to permit immediate beginning of actions in pilot zones.
- d) GOT technical agencies provide management and technical staffing for pilot activities.

<u>D. Project Inputs</u>	(\$000)
1. <u>Inputs - U.S.</u>	<u>670</u>
a. <u>U.S. Technicians</u>	<u>238</u>
Project Manager (16mm)	(-) *
Steppe-zone Agronomist (12mm)	55
Consultants/Contractors (51mm)	183
b. <u>Commodities</u>	<u>37</u>
1. vehicles	28
2. eg demonstration and misc. equipment and supplies	9
c. <u>Participant Training</u>	<u>20</u>
Observation Tours	20

*/ Non-add i.OB

	<u>(SOCC)</u>
d. <u>Budgetary Support</u>	<u>350</u>
1. Agricultural projects	315
2. Hababsa construction (UNFT, dispensary)	35
e. <u>Social Science Research Fund</u>	<u>25</u>
f. <u>OPG's</u>	
a. Potable Water Supply	(-)
b. Community Organization	(-)
2. <u>Inputs - Tunisian</u>	<u>995</u>
a. <u>Project direction</u> <u>and management</u>	n.a. **
b. <u>Budgetary Support</u> <u>to project activities</u>	<u>350</u>
1. Agricultural projects	315
2. Hababsa construction (UNFT, dispensary)	35
c. <u>Other budgetary support</u> <u>to project area</u>	
a) RD budget	555.0
b) Various ministry activities	n.a.
d. <u>Trust Fund Support to</u> <u>U.S. technicians and participant Travel</u>	<u>90</u>

* Non-add

** not available

D. Narrative Summary

1. Introduction

This PP covers the first phase (15 months) of what USAID anticipates will be a two phase five year rural development project located primarily in the two Southern delegations of Siliana Province (Ruhia and Makthar). The PP requests approval only for \$670,000 of development grant funding to be obligated on an incremental basis covering the three fiscal periods FY 1976, transition quarter and FY 1977, and essentially to finance further project research and design costs and some immediate project activities. Funds for phase II will be requested if phase I objectives are achieved and a determination is made by the GOT and A.I.D. to launch a fully integrated RD program in the project area. The PP revision covering phase II will be submitted in the Summer of 1977.

Parallel with the development of this two phased grant project, the GOT and A.I.D. plan to design a program of capital inputs to upgrade rural development infrastructure in the project area. The loan program is described below. During the Tunisian-American Joint Commission meeting in Tunis, October 1975, the American delegation indicated that a tentative level of \$5 million had been reserved for transition quarter authorization in support of rural development. The loan program will concentrate primarily on the project area identified in this PP, although contiguous geographic areas may also be included. This PP does not provide the rationale for loan authorization. It is proposed to establish a loan team, including AID/W participation on a TDY basis, and that the team begin analysis and preparation of the loan paper in June 1976.

2. The Project

a. General Objectives

USAID recognizes that rural development is an extremely complex process and that projects of this nature must be designed carefully and in full recognition of the particular social, economic and political milieu in which they are being implemented. In Tunisia, rural development project design is complicated by the absence of an integrated Tunisian rural development management system. Rural development is incorporated in many agency programs, and RD funds available to the provinces supplement national programs, but do not replace them. It is doubly important, therefore, that the first phase approach permit maximum flexibility to design research activities as the project is developed, and to ensure compatibility with plans, including the Five Year Plan, CY 1977-81, now in the draft stage.

The purpose of the project during the initial phase is: "to test and demonstrate ways in which: a) changes in the economy of the project area can increase rural incomes and b) the quality of life can be improved by other means for target communities and households." USAID anticipates that the recommendations for future project development emerging from the first phase will assist in revising this purpose statement and charting the course for phase II.

With respect to family income improvement as described in Section IV of the background document, the basic local source of income of the vast majority of families in the project area is agriculture, based on traditional methods of production of cereals and livestock.

The project envisages three means of increasing family incomes:

- a. increasing productivity for traditional kinds of agricultural production; i.e., cereals, livestock, and tree cultures;
- b. introducing and/or promoting new kinds of crop and animal production which are better suited to local conditions and have a greater economic return;
- c. creating new full-time or part-time jobs outside the agricultural production sector but within the project area.

The first phase of the project will involve mainly the first category of activities. This is being done in full recognition of a certain risk -- that if farmer's incomes from their traditional production increase, it may become even more difficult to convince them to switch to other types of production that are more in their long-term interest.

This risk is being taken for a number of reasons. Proven and adapted technology for demonstrating immediate increases in output of traditional production exists in Tunisia, as do the governmental structures for delivering the technology. Unfortunately, both the substantive technology and the delivery methods are designed best to serve the northern, more fertile areas of the province and the balance of Tunisia's main agricultural

zones. The project, therefore, is faced not only with the problem of providing the means and motivation to get these resources directed into the project area, but also with the problem of technological substance. On the other hand, determination of what crops are best suited to the area will require a good deal of study and experimentation, as will the development of new approaches to reaching small farmers. To rush in before this with new-type action programs to promote new crops would be to court disaster and would constitute a far greater risk than that of possibly reinforcing the farmer's attachment to his traditional crops and livestock, or delivery systems not fully compatible with the area's requirements.

Moreover, since any conversion to new kinds of production must be accomplished through persuasion and is bound to be a gradual process, it is very likely that the project's initial success, even if limited, in bringing about increases of production of traditional commodities may be a strong factor in the winning of the farmers' confidence that subsequently permits him to be convinced, not only to try new practices with old crops, but entirely new crops as well.

There is a kind of intermediate mix between the two categories of strictly traditional and entirely new crops. Some tree crops have been grown in certain areas of the project zone for a number of years. It is likely that in some cases they may have proven themselves sufficiently to justify attempts to encourage wider planting.

Non-agricultural job creation will be accomplished both directly and indirectly. Activities such as improvement of the Makthar-Hababsa and Ruhia-Jamilat roads (and its subsequent maintenance) or construction of stock ponds, should these prove to be justified, will be conducted to the extent possible in the inactive periods of the agricultural cycle using labor-intensive methods and local labor. The possibility of creating specific small new manufacturing, marketing, processing or service enterprises, particularly those based on agriculture, will be thoroughly investigated. While these will be located, for the most part at least, in the towns or at least agglomerations, an attempt will also be made to identify possibilities for development of cottage industry, particularly that which can be engaged in by women.

Indirect job creation will come about, particularly in the service sector, simply by virtue of the increased level of economic activity expected in the area, especially because of the disproportionately large increase that will be reflected in the money economy.

Another important project element concerns improvement of the quality of life in the project area. No government and no foreign donor can contribute more than partially to such an objective, since its definition can be arrived at only in personal and community terms. Tunisian Government rural development policy, however, has been based on the assumption that all Tunisians include (or should include) in their personal definition of the "good life" access to, for example, basic

social services, minimal health care, and education. It is further assumed that as rural inhabitants in the project area perceive an improvement in their life attributable to such programs, they will be receptive to and participate actively in the development of their region. The potential impact of development on future out-migration from the project area is just not known. The project's concern should be with the development of the total human potential of the region, irrespective of whether the rate of out-migration is affected in any material way.

With the above approach in mind, the following is the proposed program of activities for the first phase of the project. These will be largely study-oriented, and their outcome will determine the nature of those for the subsequent phase, which must remain somewhat sketchy and provisional for the present.

b. Income Generating Activities

The first and most urgent action will be analysis of the project zone by a TDY agronomist specialized in steppe and mountain zones such as those of the project area. He will be required for from three to five months to:

Analyze and define subzones of the project area, using field observations, tests (e.g., soil tests) existing reports, interviews with agricultural staffs of province, CNEA, cultivators, etc., as part of his methodology;

- Roughly map out subzones and identify (1) existing practices which ought to be encouraged and rendered more effective, and how; (2) existing practices which ought to be reduced or abandoned; (3) alternative soil and water uses that can be made, for each of the subzones identified and defined;

- Recommend cultural practices; crops, varieties, and types of animals which ought to be "researched", and the nature, methodology, and problem-orientation of such research.

This survey by the steppe-zone agronomist will result in recommendations for further specialized studies and experimentation to be conducted with a view to establishing specific action programs. These studies will be conducted by short-term U.S. consultants (and/or Tunisian experts, as appropriate) under the general supervision of a steppe-zone lands agronomist, who we expect will be assigned permanently to the project

On the basis of what already is known from soils classification maps of the area, weather records, and existing land use patterns, it is anticipated that the following are the most likely studies and an indication of their ultimate purpose, with implementation, for the most part, to be realized during the second phase of the project.

Water Resources

A number of reservoirs were constructed some years ago in the central area of Makthar delegation as part of the AID-assisted Wadi Marguallil project. Most of them are serving as catchment and storage ponds, but at least two do not hold water.

This previous experience can serve as the basis for an evaluation of the need for and feasibility of construction of small water storage facilities in different parts of the project area. Assuming the evaluation to be positive, a specific program of construction would then be designed. The same study might also recommend means of rehabilitating and making better use of existing reservoirs.

A number of shallow hand-dug wells also exist in the Makthar area. It is possible that, if site selection were carefully done, the number could be greatly expanded without causing any damage to existing wells or springs. If study should indicate this to be feasible in the Makthar area or elsewhere, these additional wells could serve a variety of purposes - drinking water; water for livestock; and irrigation of small plots of vegetables, forage, or fruit trees.

Other water use techniques that are likely prospects for special study include cistern construction to capture run-off water for small-scale irrigation purposes and various methods of "water spreading". The latter involves the construction of water diversion dams, terraces, check dams and other devices for channeling water run-off from a larger area and spreading it over a smaller area for irrigation purposes. It could also serve a secondary purpose of erosion control.

Arboriculture

Large amounts of land best suited for tree crops are now planted to cereals. In Makthar delegation alone, it is estimated that of the 26,500 hectares of land best suited for tree crops, only one-third was actually

planted to them. At the same time, however, a considerable variety of trees have been planted on at least a limited scale, including olives, almonds, figs, quince, pears, peaches, cherries and apples.

Hence, a short-term study of these existing plantings by an expert horticulturist specialized in tree fruits should permit judgment of the overall suitability of specific zones of the project area and produce recommendations concerning ways of making short-term improvements in production from existing plantings. The same expert, if major expansion of tree crop production appears feasible, would draw up plans for introduction and testing of new fruits and new varieties. Before a major program of expansion of tree fruit production was undertaken, a market study would be required.

Livestock

Although sheep and goats are by far the most important livestock in the project area and are expected to remain so, the major strength of the Office de l'Élevage et des Pâturages (OEP) (which will be the action agency for livestock programs) lies in the area of cattle production. It may, therefore, be desirable to conduct a special study of conditions in the sheep and goat flocks, including grazing and feeding practices, animal health, general animal care, marketing practices, and the relationships of these to the traditions of the population. Breeding practices would also be studied to determine to what extent genetic improvement of the flocks would benefit livestock farmers. (TDY consultants concerning

sheep production are already tentatively planned under Project 293 Livestock and Production.)

Possibilities appear to exist to develop production of small animals such as rabbits and milk goats (especially where small plots of irrigated forage might be grown), of poultry, and of apiculture. These possibilities should be the subject of further investigation. As in the case of fruit production, any extensive promotion program would have to be preceded by a market study in addition to the study of feasibility of production. Such efforts may, in any event, importantly add to the nutritional level of the rural population even if never monetized.

Cooperatives

The USAID proposes also to pursue study of the desirability of establishment of one or more cooperatives that can provide agricultural service in the project area. During the preparation of the PP, a consultant on cooperatives addressed the question from the point of view of establishment of a nation-wide service cooperatives program as envisaged by the UNA. Further investigation at the field level within the project area is required to assess both the question of whether and how cooperatives can and should be part of the project, and, if so, the most appropriate timing and method of organization.

Small Industry

This study is basically independent of the assessment by the steppe-zone agronomist, but it probably would be most effective if undertaken when at least the initial results of that assessment are known. The

study would require consultants with expertise oriented toward very small-scale activities, basically those of a crafts nature. It would need to identify what goods and services are presently in short supply in the area, or likely to become so, determine the reasons therefor, and suggest ways in which local enterprises could be created or expanded to supply them. It would also identify products available but imported into the area even though local production might be feasible. Thorough investigation would be needed of whether this practice is based on true comparative advantage and what the costs and constraints would be in attempting to change it. Finally, the study should investigate possibilities for processing or manufacturing goods utilizing local raw materials, especially those anticipated from increased agricultural production, and intended for sale outside the project area. Linked to these studies is the subject of training in crafts, which should also be studied.

Either as part of the above-described study or independently of it, the possibilities for developing cottage industries will require investigation. While the most apparent are traditional (in Tunisia if not necessarily in the project area) handicrafts aimed in part at the tourist trade and already introduced with very limited success into the area, other possibilities may exist. These might, like the ones just described, mainly engage women, or they might occupy men in the part of the agricultural season when they are little occupied.

c. Improving the Quality of Life

(1) Inventory of existing social services

Nearly all those services available in the project area which are related to improving the quality of life among rural inhabitants are managed and financed by the Government or government-sponsored institutions. The rural development program provides each Governor with a mechanism for supplementing national programs where national resources are limited, or development policies of national technical ministries insufficient, or where otherwise special needs are perceived. For example, RD finances construction of schools, clinics, housing for government personnel, and women's training centers. Salaries for personnel and equipment can also be financed through rural development. (In Le Kef Province over 60% of the UNFT budget is financed through subsidies from the rural development program.)

Social services in the project area (financed by national ministry funds as well as RD) are extremely limited. The Ministry of Social Affairs and UNFT maintain about a dozen "animatrices sociales" (community workers) and monitors in the Delegations. The community worker is supposed to make house calls in her project area and serves largely as a counselor and purveyor of information to women and girls. In theory she provides information about family planning programs, advises women on health or family planning issues, urges them to visit "salles de soins", mobile clinics or the nearest MCH center for professional medical advice, etc. Some are capable of providing some basic

nutrition education. In rural areas animatrices and monitors are just about the only women (apart from kin and neighbors) in contact with rural women and girls, and therefore her access to the rural home has special significance and considerable potential. However, these para-professionals operate out of the few small rural UNFT centers since the Ministry of Social Affairs usually has no infrastructure outside of the delegation town and their range of access and target audience is very limited. They complement the UNFT monitors; in fact, monitors and community workers appear to have important overlapping roles.

Medical services are limited and poor in Makthar and Ruhia. A 40-bed hospital exists in Makthar town staffed by one Tunisian doctor, a foreign one, and some paramedical personnel. Another doctor serves two dispensaries, one in Ruhia town, one in Kissra, and one or two other "salles de soins". No other permanent medical facilities exist at this time. A mobile family planning team operating out of Le Kef visits Ruhia, Kissra and Makthar on an intermittent basis.

The network of primary schools and teachers is the most prevalent government service in the project area. There are some 30 primary schools in Makthar and Ruhia delegations with a total of about 7,500 students, or 50% of the children of primary school age, mostly farm boys. Secondary school facilities are restricted to a high school in Makthar with about 1,423 students, 189 of them girls.

The Sidi Bu Ruwiss agricultural training school, located in northwestern Siliana, provides a two year practical training program

geared to cereals-culture mainly for male primary-school leavers. One of their staff is training a small number of male dropouts at Al Hariyah in the Ruhia plain in improved irrigation practices.

For rural girls, rug weaving and sewing taught at UNFT centers (there are some five in the project areas) constitutes the only alternative or supplement to primary education. Girls also receive elemental instruction in nutrition, health and home economics at a very rudimentary level in some centers. USAID is designing a project with the national-level UNFT to broaden the skills and functions of the UNFT local leadership and upgrade the program of such centers in rural and urban areas.

No other community or government sponsored services exist in the project area at this time so far as is known. The party cell secretary and the sector chief (Omda) attempt to articulate local demand for such services, play an intermediary role in defining needs, and assist the population in obtaining access to the limited services that do exist. The Government assumes that the near-total inadequacy of social infrastructure of this type in comparison to coastal areas of Tunisia is an important factor contributing to out-migration.

(2) First Phase Research Program

Given the low level of government-sponsored services in Makthar and Ruhia, an effort to increase and improve the coverage of such programs in the project area is an obvious need. As part of the first phase of this project, therefore, USAID proposes to finance some social infrastructure development on a matching fund basis for Hababsa sector

of Ruhia delegation. In a broader sense, however, it is not at all certain whether traditional government programs in the social sphere alone can effect any substantial change in the quality of life in Ruhia and Makthar. While the Government has been remarkably successful in establishing primary schools, and staffing them, even in the most remote areas, it has not been successful in providing medical facilities or other social services to rural people. Moreover, it cannot be assumed that new clinics will bring doctors or even good para-medics into the project zone, and that improved housing will attract technical staffs and community workers in sufficient numbers to make a real difference.

What must be determined in the course of phase one of this project is 1) the appropriate level of government sponsored social services infrastructure taking into account GOT resources (financial and personnel), 2) alternate means of organizing and delivering these services to the communities in the project area, and 3) other forms of community based activity which can supplement GOT-supplied services and which are adaptable to the social/administrative/economic patterns in the project area. To this end, the project will support both intensified government programs for Ruhia and Makthar of the traditional sort, and attempt through research financed in the first phase, to find alternatives to existing programs.

The research program (during Phase I) will have the following components:

- Establishment of an improved data base with respect to the character of rural society, and the manner in which it copes with its development aspirations. Out of this effort will hopefully emerge better understanding of the attitudes of the rural population in the project area with respect to development, and a determination as to whether current government-sponsored programs in the area are responsive to popular aspirations.

- Assessment of the availability, need for, composition, and effectiveness of government services, as well as alternate means of organizing and delivering social services. Research will focus on the delivery of community health services, extension and information programs targeted on rural women, and availability and appropriateness of non-formal skills training programs in the project area.

- Examination of other forms of community organization and community-based self help activities which can complement government programs. Research will focus on the potential for and scope of cooperative organizations which might be established to supplement the activities of government administrative personnel.

Out of these studies, and others as appropriate, USAID proposes to develop a set of recommendations with respect to social infrastructure and other programs to be incorporated into Phase II. Most of the studies will be performed on a contract basis. USAID already has located an American social scientist, who will be visiting Tunis in June 1976, as a potential contractor to advise on research

described above. In addition, a special organizational and financial arrangement has been proposed (see TOAID A-031) to encourage collaborative research patterns that can serve this project throughout its lifetime, and help to associate Tunisian scholars with RD in general, and the project in particular.

d. Immediate Actions in the Project Area

Prior to completion of the studies described above, it is proposed to launch a small number of activities which, on the basis of existing information, seem likely to produce a noticeable impact on income and contribute to quality of life objectives within the first phase of the project. These actions build on existing institutions and programs; they are of low risk in that they are not likely to compromise or endanger other activities that may result from future studies; and, by engaging us actively in the project area, they will provide practical experience that will assist and complement the studies.

The activities will be limited for the most part to two or three priority zones, which should reduce managerial problems and concentrate the impact. The mechanism utilized for carrying out the activities will be program support provided on a matching basis with funds from the GOT Rural Development budget. These joint funds will be made available to Tunisian operational agencies to permit them to conduct within the specified zones a level of activities greater than would be possible with their own budgetary resources. The period of implementation contemplated for this initial program support is the

17. month period July 1976 - December 1977.

The choice of activities to be supported was made from recommendations contained in the CNEA study. The Ministry of Plan and USAID have agreed on activities that fall generally into these categories relating to agriculture as it presently exists in the priority zones -- livestock (including forage); cereals, and tree crops -- and implementation will follow the practices currently being used by the implementing agencies. In Hababsa sector, the Ministry of Plan and USAID have tentatively agreed to jointly finance construction of a dispensary, housing for community workers and renovation of a UNFT center. Other activities recommended by CNEA, such as an expanded rural housing program, may be financed directly by the GOT through the provincial RD program, although a decision by the Government on this point has not yet been made.

The major implementing agencies for agricultural activities will be the Office of Livestock and Grazing (OEP) for livestock and forage production; the Cereals office for cereals (including medicago rotation); the Provincial Commissariat for Agricultural Development (CRDA), for arboriculture. Various other organisms, such as the Forestry Directorate, the Office of Lakhmes, and the World Food Program may also play a minor role at this early stage.

A potable water improvement program is being designed by CARE/Medico, with Peace Corps collaboration, for the southern Siliana region, and will be submitted separately for OPG financing during the

Summer of 1976. CARE/Medico has acquired in Le Kef and Bizerte provinces considerable experience with the establishment and management of rural water systems based on wells. The purpose of the undertaking in Siliana will be to increase, in the immediate sense, the availability of clean and useable water for domestic consumption. Additional clean water will be generated (a) by repairing or installing physical infrastructure at existing wells; (b) capping and endowing with appropriate physical facilities springs that qualify for such attention by virtue of their proximity to population; (c) prospecting for new well-sites and preparing the installations. These activities will first reach the two priority zones of the project area which USAID has identified as early foci of attention. The activity also will have a health-extension component.

Depending upon the outcome of the initial set of studies, other American and/or Tunisian voluntary agencies may be asked to submit OPG proposals for the project area which complement activities undertaken during this first phase. For example, a Tunisian private organization, "Association pour le Developpement et l'Animation Rurale" (ASDEAR), already is active in rural development in Tunisia, and finances a small agricultural training center in Al Hariya sector of Ruhia delegation. USAID intends, through the studies undertaken in phase one, to identify ways such organizations can increase their activities. In the area of community organization, USAID foresees a role for other American voluntary organizations as well.

e. Loan Component

A complementary loan component of the project is being developed separately and, it is hoped, will be ready for approval during the Transitional Quarter. Meeting such a target will require the assistance of a loan team from AID/W, arriving if possible during June. The team would have to begin by examining, together with the USAID and the GOT, the potential pieces of a loan package, for which an indicative figure of \$5 million has already been communicated to the GOT. Although it is assumed that the loan funds would be utilized primarily for infrastructure, only a rural road program has been discussed in detail with the GOT as a possible early candidate for loan financing.

Specifications for the improvement of two access roads to the project area have been defined by two AID engineers. Their approach is to address the worst parts of the road, and bring the entire "T"-shaped system up to a level that gives access for about 320 days per year to vehicles other than four-wheel drives and tractors. It would facilitate access from Makthar to Hababsa on the MC 77, and access from Ruhia to the MC 77. Cost of the effort, including money set aside to provide equipment to the highway unit responsible, is \$700,000.

GOT plans for the upgrading of these roads are more ambitious (and expensive), and it remains to be seen whether mutual agreement can be reached to permit this road component to be included in the loan package.

Part 3: Project Analysis

A. Technical Analysis

1. Technological Implications

This is a rural development project which addresses the problems of a specific geographic area. The area encompasses two out of the seven delegations of Siliana, one of Tunisia's 18 provinces. The two delegations contain 30 percent of the province's people and 25 percent of its area. This is an integrative project: even in this first phase but especially after the project is fully designed and ready for its mature phase, technologies will be applied which range from agriculture in its several disciplines to public administration, community development, engineering, informal education, preventive health, etc. Additionally, analytical tools reflected in the applied research which is part of the project include rural sociology, political science, economics, cultural anthropology, as well as agriculture, agronomy, soil sciences, hydrology, etc.

Within the typologies of rural development efforts this one comes closer to regional development than it does to traditional community development. We have opted to apply ourselves to the economic and social development of one fairly large area rather than to interventions in a number of small locations. Our analysis has shown that to succeed in Tunisia an RD project must attach itself at least to a delegation, for it is at that level of governance that important levers begin to be available;

they are not present below that level. We chose two delegations because, given the dispersed population, we wanted to ensure that the target population was large enough - it is close to 60,000 people - to warrant mounting a sophisticated and diversified effort.

The delegations we chose, in consultation with the Tunisian Government, are not "easy" ones. They are, from the point of view of development, more complex than many. On the other hand, their problems reflect not only their own constraints but also those of a significant number of other delegations in this general part of Tunisia. Perhaps some 400,000 Tunisians live in delegation-sized areas of this type. We have designed our approach having in mind that this project should be capable of being replicated elsewhere.

This is a first-phase PP because we are not ready to cast the project into its final mold. As explained elsewhere in this PP, there is much further study and analysis required, and these investigative efforts will consume much of the resources applied in FY 76, the TQ, and FY 77. The ultimate technological definition of the project will be made in the revised PP.

2. Environmental Assessment

Ecologically, the project area is a degraded system. Over many centuries, perhaps close to 1500 years, it has sustained damage to its soil. The many ruins of Roman, Lybio-Punic and Byzantine settlements in the region (the project area is dotted with archeological sites dating back to the first five centuries of the Christian era mainly) tell of a once-fertile area, in which sedentary agriculturalists, raisers of livestock, and nature were

in balance; where forests covered significant parts of the terrain; and where man had learned to use and manage water resources. To some extent, perhaps, climatic changes have occurred to worsen the balance. In any event, it is clear that war and pestilence took out skilled agricultural population; that nomadic and other invaders destroyed infrastructure; and that what remained has been ill-used since.

This now is an area scarred by erosion, denuded of forests and much useful flora, emptied of fauna that probably enlivened the countryside in Roman and post-Roman times, and in general deteriorated from the environmental point of view. Current agricultural practices are exploitative, and further exhaust the soil. There is little hydraulic management, little concern to put back into the soil what is taken out. Economic pressures in this area of subsistence farmers force them to plant what are probably the wrong cultures (e.g., cereals) on soils that cannot adequately sustain them; and their lack of modern technology, in part because of the unavailability of government-sponsored agricultural services; fails to encourage proper cultivation and the use of fertilizers. The large livestock population, for which there is a lack of cultivated forage, further damages the plant-and-soil equilibrium. Though semi-arid, the area receives comparatively heavy precipitation during brief periods in winter in most years, and erosion is heavy. The lack of rural road of appropriate quality encourages the use of tractors as means of transportation, and they further damage roads and with them, the road sides. In parts of the area, the clay soils do not absorb water, which runs off on the surface of

roads and fills creeks to overflow during the wet season.

The near-complete absence of sanitation infrastructure degrades the health aspects of the environment. Humans and animals share most water points in the rural areas. Privies are just about non-existent, and most wells and springs are contaminated with excreta and water-borne disease, and often also by being used as sites for washing clothes. Though there have been no major epidemics of cholera or typhus in the area since the middle of the last century, enteric infections and infestations are likely widespread. Hydatid disease, transmitted by sheep to dogs to man, may be assumed to be a serious health hazard here as in many other parts of Tunisia. Malaria, endemic until a few decades ago, has now been eradicated.

Only the air is pure. Though duststorms are frequent in summer, and sandstorms also occur, there is no industrial pollution in the project area, either of air or of water.

This rural development project, heavy on agricultural improvements and on ameliorations in the quality of rural life, can only make the environment better. On the agricultural side, improved methods of cultivation and livestock raising likely will help the preservation of the skimpy layers of topsoil. Various efforts of community action (e.g., installing and maintaining of clean potable water points) will reduce morbidity by improving hygienic practices.

A loan may fund the improvement of selected segments of rural pistes. If so, a principal aspect of this engineering activity will be to control the run-off of water on and across roadbeds. This will

save not only the roads but the surrounding terrain as well.

Though energy requirements in the area may increase as in-comes rise, the pollution of the air through combustion of fuels is not likely to result.

In short, the environmental effects of this project are beneficial, and no negative effect need be feared.

B. Social Analysis

In the most direct sense, the inhabitants of the two delegations, Makthar and Ruhia, are the intended beneficiaries. The rural population which forms some 86 percent of the nearly 60,000 people of the area, lives mostly in small dispersed settlements in isolated areas served neither by readily-travelled roads, nor by modern communication systems. They are small farmers by anyone's definition. According to one source, some 73 percent of heads of household own land, but 94 percent of the farm units are smaller than 40 hectares -- nearly everywhere on very marginal land. Agriculture is mostly at the subsistence level for all but a small handful of more prosperous, medium landowners. The two or three urbanized centers of population are small and underdeveloped from an urban viewpoint. Only Makthar, with a population of about 6,500, has characteristics of a market-town capable of serving at least some of the closer-by rural areas.

Government services of every kind lack the appropriate infrastructure to reach the project area's population. Health facilities are essentially limited to the 40-bed Makthar hospital; the few dispensaries elsewhere in the area fail to provide adequate preventive or curative service. Primary schools exist in the countryside, and a secondary school functions at Makthar. But enrollments are low, especially of girls, and only a few make it through primary school into lycée.

Tunisia's very centralized administrative system places in the hands of the administration not only the provision of social, but also of production-oriented services. The latter also reach the rural populations inadequately. Mostly agriculture in the area is pre-scientific, whether in terms of inputs for its cereals and tree-cultures, or of veterinary services or feed for its rather extensive livestock. Dispersed and isolated, now no longer organized by tribal units and not yet fully with newer forms of social organization, the people of the area wait for development to happen. At the same time, the Tunisian Government, though intent on promoting greater productivity and the extension to this and similar areas of the full range of social benefits that urban and coastal Tunisians enjoy, has not yet developed a capacity of effectively extending downward, into areas such as these, the machinery which quickens Tunisian social and economic development elsewhere. Though the Destourian Socialist Party, and various groups such as the National Union of Agriculturalists (UNA) and the National Union of Tunisian Women (UNFT) have units in the project area, their effectiveness to mobilize the population for action projects at the local level is still limited for several reasons, including the lack of cadres, and the indifference of many in the population to participation in community efforts.

Two societies co-exist in the project area, that of men and that of women. The latter still are less organized than their men-folk, and have virtually no production-oriented roles.

At the same time, women play important roles within the household, including hauling water to the home from the well, often distant by more than a mile. Low female school enrollments, and very low female literacy rates, exacerbate their incapacity to influence their own and the community's future beneficially.

It is in terms of the population's needs that the project is designed. It is intended to provide them with a greater capacity to generate within their communities the will and the capacity to help themselves; and to reach government services at the delegation level; to extend governmental services infrastructure downward that extra notch required for that crucial link-up with community structures; and, as an important by-product of both efforts, to help implement collaboratively a number of labor-intensive rural works which improve the environment and at the same time infuse into the local economy badly needed cash.

These needs were identified in the course of many visits to the area; discussions with the two delegates, sector chiefs (Omdas), the Governor, members of his administrative and technical staffs; conversations with individual farmers, with UNFT monitors, teachers, a local UNA leader, and attendance at two group meetings of men of the area. They also are needs which emerge from the technical studies conducted by planners of the National Center for Agricultural Studies (CNEA), and many discussions with officials at the Tunis level, especially with the Ministry of Plan.

In addition to the men and women of the area, a secondary target group of the project are officials at the delegation level and higher levels. The project has been designed with the collaboration of important individual administrators and technical personnel. On the one hand, the project will facilitate their work by helping them to improve the milieu in which they exercise their professional skills and responsibilities.

In the longer run at least, the project is intended to alter the mode of their collaboration with the rural population. A rural population more capable of self-development becomes a group that is less dependent, yet may become more demanding of governmental services, and require new modes of interfacing with Government.

Changes in the beneficiaries' values and social organization are required, but only to a degree that appears achievable. On paper, sufficient organizational infrastructure already is present. The project will to the full extent possible work with existing organisms or help those that now are only blueprinted to be constituted. If and when additional structures are required (e.g., community-level cooperatives) these will be grafted onto existing structures. Otherwise, the existing patterns of social organization, both the traditional ones and those of more recent vintage, are expected to re-inforce the project's efforts-- and to lend the project the measure of their strength.

Changes of values that the project is expected to bring lie in three attitudinal areas. First, the attitude about government and moder-

nization. At the present time, the population of the project area sees development as something to be provided by Government, something that has been promised but as yet has not been delivered. The project will help in changing this posture of dependency to a posture of self-development, albeit with the government's assistance.

A second set of values which this project hopes to affect govern the roles of women and of men in the communities and extended and nuclear families of the project area. At present the roles of women are circumscribed to certain settings or functions, like the household, getting water, and certain tasks ancillary to the men's dominant roles in economic matters. The project will seek to enhance the woman's capacity to function within the household in matters relating to water supply, hygiene, and preventive medicine, yet also reduce the load of drudgery placed on women. Instead, the project will seek to convert to productive purposes the hours thus gained by the female half of society. These purposes may include certain economic roles grafted onto traditional ones, such as raising small livestock, or even adult informal education. These changed roles must be accepted by women and by men alike. They well may come to alter some of the men's roles, too, for instance in decision-making about the finances of the household, about marketing, and about travelling away from the family dwelling.

For both officials and the population, a third attitudinal shift may also be required. This has to do with attitudes related to the roles

and functional of para-professional personnel, especially para-professionals recruited from within the area to serve its people. To-date, nearly all professionals and technicians bringing modern skills to the area have been outsiders. Modernization has come to be associated with specialists who "import" it. Professionalism has become associated with formal education at the secondary level and above. To the extent that the project helps define new roles for para-professionals, and trains men and women of the area for such roles, and has them exercise their skills not in the urban settings where they are exercise now but in the rural areas, attitudes about acceptance of modern services may have to be revised. The problem may be compounded, for men and women alike, when women para-professionals exercise functions associated hitherto with male professionals.

We do not foresee any die-hard resistance to these new attitudes. In a sense, the present deprivation of the population in itself is the project's ally in many respects. So are the territorial and other officials, whose sincerity in wishing the improvement of the quality-of-life in the area is beyond doubt. Perhaps the ultimate arbiters of the project's success will be the omdas, and the leadership of existing grass-roots organizations. The men of the area look to them as the transmitters and interpreters of the signals received from that other Tunisia that lies beyond the territories long associated with the Ayar tribe. One again

-3-12-

the shaykh may be called upon to assist in explaining events and trends, and providing the leadership that makes it possible to adjust to changed circumstances.

C. Financial and Economic Analysis

Financial Effect on Project Participants

Of the \$670,000 to be obligated in the first phase of the project about \$315,000 will be for purposes which can be expected to have a direct financial effect on project participants, i.e. on a group of small farmers in the priority zones. This sum will be matched by a GOT contribution and supplemental to some extent by contributions, mainly in-kind, from the individual farmers.

However for two reasons one cannot calculate either the magnitude of the expected net return to the farmer from this input, nor the extent to which it may mean immediate cash availability as opposed to non-monetary investment (i.e., wages paid for planting trees versus forage given in kind). The first is that, although it is generally agreed that it will be comprised principally of efforts in the area of cereals, livestock/forage, and arboriculture, the exact mix and nature of activities will be determined through discussions and negotiations between the project management and the specific implementing agencies. The second reason is that, although the technologies and extension methods to be utilized (at least in the cases of cereals and livestock) have proven successful from both the technological and financial feasibility points of view in other regions, the response under the special conditions of the project area

is largely unknown. While we believe it will be positive, it is to determine the degree of success in the project area, among other reasons, that we plan to undertake these activities.

Nonrevenue Producing Elements of Project

During the initial phase of the project, those elements without a direct financial impact on project participants are of two kinds.

The first, and by far the smallest, is the approximately \$35,000 (to be matched by GOT funds) that will be used for construction in Hababsa sector of a dispensary, lodging for animateurs, and improvements to the handicrafts center. A part of this sum will, in fact, constitute a one-time increase in the incomes of some families through the participation for wages in this construction activity.

However, by far the largest element of the project which is not directly revenue-producing is made up of the various studies which will be financed with an AID contribution of \$208,000, and an estimated GOT contribution of \$65,000 through the Trust Fund for consultants' per diem plus in-kind support in the form of logistics and counterparts. No attempt will be made here to distinguish between those studies that might be considered economic and those might be termed sociological. In many cases, the latter may, in fact, be essential to making a judgment about the potential economic success of a proposed undertaking.

The financial return (indirect) from these studies, of course, depends upon the nature and success of the income-producing activities

that result from them and which are to be undertaken in the second phase of the project. Therefore, quite frankly, one can only speculate at this point. A basic underlying assumption of the project is that, despite the limitations imposed on agricultural production by natural conditions in the area, the present nearly total lack of development of cultural practices leaves scope for significant improvement in the net return to agriculture.

To obtain some notion on the order of magnitude involved, one can refer to findings of the Kef study which indicate that the net return to farmers from agricultural activities in the project area may have a monetary value of about \$3 million. It does not seem unrealistic to expect to bring about a 25 percent increase in this return, when one considers the fact that the average present wheat yield of 6 quintals per hectare is less than half the yields being obtained in the same area by a few small farmers using improved seeds and methods.

We have no basis at this time for estimating the amount of revenue that might be generated through non-agricultural enterprises that may eventually be a direct result of the project. In addition to these, moreover, a considerable amount of indirect revenue generation can be expected in the towns as agricultural incomes increase in absolute terms and, in addition, as a greater proportion of these revenues are channeled into the money economy.

Budgetary Analysis

The primary source of funds for the GOT contribution to the project will be the Government's Rural Development fund which is included within the Ministry of Plan Budget. The regular program under this fund is divided equally among the Provinces, with each receiving TD 800,000 (\$1.9 million) for 1976. This amount has been increased regularly in each of the recent years and can be expected to continue to grow as Provinces demonstrate an improved ability to program better the use of the funds. In addition, there is a budget, amounting to TD 8.5 million (\$ 20. million) in 1976, for special rural development projects.

The project proposed in this paper would, once designated as a "special integrated project", presumably be eligible to draw upon this fund. Alternatively, the Ministry of Plan may prefer to budget a part of the GOT support for the project which is of a general nature, e.g., Trust Fund, and, therefore, does not fit within the specific categories of the regular Rural Development Program, simply as a separate line item in its own regular budget. Whatever way the Ministry may choose to originate the funds, it is clear that the amounts required from the GOT in support of the project (even though they amount to 40 percent of total direct project cost in the first phase-or 60 percent when other GOT rural development budget allocations to the project area are taken into consideration) are relatively small compared to the total resources from

which they can be drawn.

The other aspect from which the budgetary question must be examined is that of the implementing agencies, who eventually should be expected to incorporate into their regular programs and budgeting at least a good many of the activities generated under the project.

This is not being done on an agency by agency basis at this time because of the lack of clarity at this point as to which agencies will ultimately be involved and on what scale. (It will however, be a factor taken into consideration in the choice and design of specific activities).

The real issue, in any case, presents itself in other than strictly budgetary terms. The limitations on a given agency's total program are usually more than those related to financial resources; they are as often related to management staffing and technical capacity. There is, then, a natural tendency to focus these limited resources on concentrated and relatively more responsive population groups. Initially, the additional financing provided to these agencies from rural development funds, whether GOT or AID, may function primarily as pump-priming to encourage some redirection of their activities toward the relatively neglected areas such as our project area. In the longer run, though, additional financing required to maintain activities in the area may be quite marginal, e.g., the cost of more gasoline, more frequent vehicle repairs, bonuses to encourage technical personnel to stay in the

area, etc. Even if the operating agencies were unable or unwilling to absorb these marginal costs, it would be entirely reasonable for the GOT to continue to subsidize them to this extent from its Rural Development Fund.

COSTING OF PROJECT OUTPUTS/INPUTS
(In \$ 000 or equivalent)
Project Paper

Project ## 664-11-190-285

Title: Rural Development

New _____

Project Inputs	Project Outputs								TOTAL
	## 1	## 2	## 3	## 4	## 5	## 6	## 7	## 8	
<u>AID Appropriated</u>									
S.T. Steppe Zone Agronomist	18	-	-	-	-	-	-	-	18
Steppe Zone Agronomist (Resident)	25	-	-	5	25	-	-	-	55
Consultants-Agriculture	84	-	-	-	-	-	-	-	84
Social Science Research Fund	-	25	-	-	-	-	-	-	25
One Contract Consultant	-	21	-	-	-	-	-	-	21
Contract Evaluation Indicators	-	10	-	-	-	-	-	-	10
Project Design Team	-	15	-	-	-	-	-	-	15
Non-Ag. Employment Consultant	-	-	19	-	-	-	-	-	19
Community Org. Coops	-	-	8	-	-	-	-	7	15
Program Support for Ag. Activities	-	-	-	-	315	-	-	-	315
CARE-OP/G	-	-	-	-	-	-	-	-	-0-
Program Support/Health Clinics-Hababsa	-	-	-	-	-	24	-	-	24
Program Support-UNFT Centers/Monitors	-	-	-	-	-	-	12	-	12
Observation tours (20 parts)	-	20	-	-	-	-	-	-	20
Vehicles (Two four wheel drive passenger vehicles and one pick up truck)	4	3	4	3	4	3	4	3	28
Miscellaneous Commodities	2	1	1	1	1	1	1	1	9
TOTAL	133	95	32	9	345	28	17	11	670
<u>Host Country</u>									
Trust Fund	29	38	12	2	3	1	2	3	90
RD Budgetary Support	-	-	-	-	314	24	12	-	350
TOTAL	29	38	12	2	317	25	14	3	440
TOTAL	162	133	44	11	662	53	31	14	1,110

Part 4: Implementation Arrangements

(A) Analysis of the Recipient's and AID's Administrative Arrangements

1. Recipient

In the absence of a rural development ministry or agency at the Tunisian national level, responsibility for RD is diffused among the many organs of governance and their related and subordinate units. Importantly, three focal points for RD, in two ministries, exist within the administrative system: The Ministry of Plan's Directorate of Provincial Planning; the Governor's Office at the province level, with its multi-ministerial staff; and the ministry of the Interior, whose Directorate-General of Provincial Administration is the control point for Governors and for developmental activities undertaken under their supervision. The Party, too, plays an important role in the formulation and design of rural development, to which manifestly it attaches great importance.

Within the territorial administration and under the Governor's authority, the delegation is the lowest level of the administrative system at which links exist with units of other ministries and agencies, and at which interagency governmental involvement can be obtained. It thus is a crucial level of governance when programs of development are planned or implemented. For these reasons, the project, emplaced within the context of two delegations in the same province, will be linked to the provincial

and the delegation structures.

At the moment, and likely throughout the planning period, the formal primary counterpart is the Directorate of Provincial Planning in the Ministry of Plan. It contracted out a design study to CNEA, a research unit attached to the Ministry of Agriculture. The USAID is formally linked to the Ministry of Plan through an interministerial RD technical working committee. Practically speaking, however, the actual design of this project has taken place as a result of negotiations between USAID, the Director of Regional Planning in the Ministry of Plan, the CNEA staff and Province of Siliana officials. The Director of Regional Planning has been the principal coordinator on the Tunisian side and final arrangements with respect to A.I.D. and GOT project inputs were discussed with him and concurred in by the Minister of Plan.

As the project enters the implementation stage, the Provincial Government will be the principal implementor on the Tunisian side for immediate project activities to be undertaken with specially budgetted funds. The Governor is considering naming a member of the provincial staff as project coordinator (to date, the Secretary General of Siliana Province has performed this function). The project manager will work directly with the province coordinator and the delegates of Ruhia and Makthar on the management of project inputs and implementation planning. Technical experts brought in under USAID contract will work with the appropriate technical staff offices as well as with the delegates.

Both the GOT and USAID are agreed about the importance of avoiding the creation of a special formal structure to manage this project (e.g., an "office de mise en valeur", of the type used to manage purely-Tunisian development projects) lest a structure be designed and relied upon that may be doomed once the project terminates. Nevertheless, policy level guidance will continue to be required, and for this purpose USAID anticipates that the interministerial RD technical working committee will be retained, under the chairmanship of the Director of Regional Planning. Research activities will involve collaboration with both technical ministries at the national level as well as the province. The Planning ministry may coordinate the research program through management of a proposed research fund, assuming AID/W approval of the proposal contained in TOAID A-031 can be obtained.

2. A.I.D.

In August 1975, USAID/Tunisia for the first time established an Office of Rural Development to manage early efforts in RD project development. Two U.S. direct-hire slots were assigned to this unit, but only one has been filled to-date. Associated with the unit are a Tunisian administrative specialist and a Tunisian secretary.

Present plans are to fill the second AID direct-hire position with an agricultural expert whose special competences include steppe-zone agriculture; it is vital that he be fully competent in French, especially reading, because the documentary sources of the information produced by and

for the Tunisian agricultural establishment is in that language.

Most of the direct field-work will be performed by contractors, OPG grantees, and PASA personnel. USAID is attempting to rent space in liakthar for a field facility that will combine office space with space for overnighting for several days at a time. Such space in liakthar is hard to come by; elsewhere in southern Siliana it is non-existent.

This project will, at least for the next 18 months, be demanding on USAID and AIL/W for specialized in-house and contracted talent. Such talent will be needed both in highly-specialized areas (e.g., steppe-zone soil science) and in the more general area of RD project planning.

A number of proposed early interventions will require more frequent visits than in the past by the AIL Regional Engineer stations in Rabat, because they, and others that are being considered for later phasing, will require judgements that only a trained engineer should make.

The possibility of use of the technique of fixed cost reimbursement will be explored in the context of loan paper preparation. After careful consideration, however, we have concluded that the grant element associated with the first phase of the project does not lend itself to this approach. The method proposed for disbursing USAID program support funds in this phase is as follows.

An initial advance will be made to a special account. This account will be replenished periodically in amounts for which there is evidence supplied by the Tunisian authorities that expenditures have been made for

agreed purposes. The USAID will also require evidence, beginning no later than 9 months after commencement of the project, that the GOT has deposited into the same account and expended for agreed purposes an amount equal to that from USAID funds. (It is recognized that, for reasons related to the GOT budget cycle and procedures, the GOT "matching" contribution may initially lag behind ours, just as at a later stage we may not be able to keep up with their rate of deposit.)

B. Implementation Plan

This implementation plan covers the period from the approval of the project in May 1976 to the end of FY 77 (September 1977 -- a period of about 16 months. This is the span of the first phase of this project, which is devoted to setting in motion a set of studies and obtaining their findings, and at the same time beginning some of the interventions which will be enlarged upon during the project's mature phase.

Concurrently with the TQ, a loan-development team will, presumably, be in Tunisia to design and staff out the proposed RD loan, which should be readied for signature before the close of the TQ. Therefore, early actions financed from the loan will no doubt take place concurrently with some of the later activities financed from grant funds under this PP. Also funded separately will be OPGs with American and Tunisian private voluntary organizations.

Balance of FY 76

Preparation and signature of the first phase is scheduled for June 1976. We expect the ProAg to provide \$120,000, as follows:

1. Funding for a TDY steppe-zone agronomist, who should be recruited immediately upon approval of this PP and who hopefully can begin work as soon as the Pro-

Ag is signed. He will be financed for 5 months, spanning to the end of October 1976. His principal tasks are listed above under "Income Generating Activities". We look to him to identify specific agriculture-related study requirements.

2. A contract will finance the services of a social scientist who will assist the project manager in planning for collaborative research with Tunisian social science organisms on the social context of proposed community actions elements of the project. The contract will call for 5 months of this specialist's services over a period of a year, during intermittent periods of service. He will also help in shaping the mechanisms for such collaborative research.

3. The Pro-Ag will finance program support in agriculture and in community infrastructure. Early agricultural support likely will focus on livestock development in the northern priority zone of central Makthar Delegation. Tabbed for initial program support in improving the quality of life in the project area is the construction of a rural health facility in Hababsa sector of Ruhia Delegation. An implementation plan for budgetary support items will be developed between USAID and GCT technical services.

4. Finally, the ProAg will finance crucial commodity support. Two four-wheel drive vehicles are badly needed, and will be ordered as soon as approval is obtained (see 75 TOAL A-143 and State 039924). In addition, some commodities will be required to equip a field office and

staff facility in Makthar. Though rentals in Makthar are hard to find, we hope to locate an appropriate house or apartment which can be used for these twin purposes. Rental will be financed from the Trust Fund.

Transition Quarter (TQ)

Like the initial period described above, the TQ will largely be given over to starting-up. A total of \$200,000 will be required.

1. Since the TDY agronomist will complete his assignment four weeks after the end of the TQ, a permanent staff member to replace him and continue his work should be recruited. He will be financed for 12 months from TQ funds. The scope of his work will substantially be the same as that of his TDY predecessor, except that (a) he will be expected to direct and manage the work of a number of short-time consultants in highly specialized fields who will be needed to augment his own expertise, (b) he will be expected to focus on implementation as well as in studies and research. It is hoped that the permanent agronomist can report for work some weeks before the end of the TDY of his predecessor to ensure continuity of effort, i.e., about October 1.

2. The consultants' services to be financed from TQ funds will spread out over the period from September through December. In other words, by the end of the TQ, we expect to have identified the needs for, recruited, and financed a number of specialists who can help shed light, during the first quarter of FY 77 mainly, on a first-generation of basic questions relating to agriculture and the increase of its productivity in the area.

3. The social scientist under contract will help us in working out the arrangements for collaborative research studies to be undertaken, as well as structure the needs for this research into "doable" research packages. To fund the research, a joint Tunisia-USAID research fund is proposed, for which money is set aside from TQ funding levels.

4. In order to begin examination of questions of non-agricultural employment generation, we shall finance during the TQ the services of three or four specialists in small-industries development, at least one of whom should be also competent in industrial skills training. This is an effort for which the competences of a 211 (d) grantee may be tapped.

5. In the meantime, from outside of the framework of the project-funded set of activities, a proposal from CARE/Medico is expected to lead to an OPG to that organization, and early action in the improvement and management of potable water supplies. This will be accompanied by health education efforts, taking potable water and its hygienic use as its point of departure.

6. Expert assistance is required, towards the end of the TQ, in committee organization and cooperatives. Two experts are proposed for a three-to-four week period. They will examine existing community-level forms of organization, and study both the nature of community self-help capacities and of the lowest level of governmental delivery of services, both to agriculture and other sectors and purposes, such as health, marketing, transportation, etc. They should emerge with

an approach which addresses a group of needs related both to income-generation and to community welfare, and emerge with a formula for action. This formula may well involve the formation of cooperatives, or the grafting of cooperative-style functions onto existing organisms at the sector and delegation level. Whether these will involve general-purpose cooperative services that also cater to agricultural requirements, or agricultural service coops that also deal in other community needs, will be ventilated by their studies. Their report, which should be ready by October 1976, will in turn be the basis for the drafting of a scope of responsibility for the second, as yet unidentified PVO that may be involved in the project to work with community organizations.

7. With these several efforts in the process of being started, this will be the time when we shall want to get expert advice on progress indicators related to the continuous evaluation process which is an integral part of an RD effort. We propose to draw on the specialized talent of a qualified contractor adept in evaluation systems, to guide USAID and its Tunisian and other collaborators on designing a set of indicators which are valid and reliable to the extent possible, yet can be utilized to measure change in an area that has been studied little, and on which very little data exists at present. We want a team of two or three specialists who can lay out such an evaluation package in about 3 weeks during the Fall.

8. Additional program support in agriculture will be released against the implementation plan developed early in the project start up phase. The TDY specialist and the consultants available to him will collaborate with Tunisian agricultural organizations in the project area and at the provincial level in monitoring/evaluating use of budgetary support funds released against the implementation plan.

FY 77 - First Quarter (October-December 1976)

1. Much of the effort during the first quarter of FY 77 will be carried on the momentum of actions funded and initiated earlier. A major new venture will be the organization of an observation tour for about 10 middle-to-senior-level Tunisian officials from the Province and Delegations, and from the national level of governance, to see first-hand rural development in two or three countries whose experiences and milieu bear similarities to the project area. Illustratively, Pakistan, Afghanistan, and Egypt come to mind. In the administrative practice of the USAID program and its Tunisian counterpart agencies, international travel for such tours is funded from the Trust Fund. The project will bear costs in countries visited, and per diem.

2. The work of CARE/Medico should now be in full swing. During this quarter, negotiations for a second OPG -- to the community-organization oriented PVO -- may be undertaken, if studies bear out the need for further PVO involvement.

3. Further studies related to agriculture will be scheduled following the recommendations of the steppe zone agronomist.

4. With the findings of the specialists who will have addressed small-industries development ready by this time, their recommendations can be incorporated into phase two planning.

5. Further budgetary support funds will be released to cover re-building of the UNFT training center in Hababsa, the construction of lodgings for community workers there, and agricultural activities.

FY 77 - Second and Third Quarters (January-June 1977)

1. As a result of initial studies and practical efforts conducted under the leadership of the steppe-zone agronomist, loose ends of knowledge should begin to be tied. Social science research studies should be underway, and early "returns" should provide useful applicable information. Program-supported agricultural activities also should allow both Tunisian organizations and USAID to have a better appreciation for various practical aspects of development in the agricultural development of the project area.

2. In order to permit the improvement of rural health conditions, a consultant from a qualified U.S. organization will be asked to study rural health conditions with a view to building into Phase II an element that addresses this problem for the rural quality of life.

3. USAID proposes to finance a project design team of contractors who, over a two months period (perhaps March and April 1977) can assist USAID and Tunisian agencies in designing the character and substance of phase two of the project.

4. A second observation tour will be organized for Omdas (sector chiefs) and other leaders at the sector level. Illustratively, they might be placed with Egyptian counterparts for a three or four week period, to permit them to see in another rural area the interaction between central government and community efforts.

5. Importantly, in this period, program documentation will be prepared and submitted - likely in the form of a revised PP to cover the balance of the project. It would be completed by the middle of June, and rely heavily on the work of the project design team (see above, 3.).

FY 77 - Fourth Quarter (July-September 1977)

1. CARE/Medico's work should have led to the establishment of a number of new water points which, during the summer months, would have alleviated water shortages in some communities of the project area. Observation of the activities of the harvest season will have provided insights to the steppe-zone agronomist and others about the end of the annual cycle of agriculture in the project area; a full year of observation by an outside expert will now have been completed.

2. During the summer months, a small number of research grantees will have studied particular problems in communities of the project area. Their reports will augment documentation on community and social affairs in the area.

3. In September, a seminar is planned to be held in Makthar, bringing together social scientists and provincial and delegational

staffs to discuss early results of social science research applied to the area.

4. In this period, USAID and its collaborators, and Tunisian officials at the national level and in the province, will be preparing the details of a new ProAg to cover the first year - FY 78 - of the second phase of the project.

C. Evaluation Arrangements for the First Phase

We see evaluation of the project as taking place on two levels -- of the project as a whole, and of certain discrete components.

The evaluation of the project as a whole will be difficult. Base-line data is inadequate, and collecting it would involve a heavy investment which may well be entirely out of proportion to the not inconsiderable investment in the project itself. Moreover, what really is being addressed are a set of social behaviors and attitudes which cannot be expected to change measurably within the relatively short time-span of the project: human and social organisms do not, as a rule, change their style radically in five years. However, this is not to say that certain indicators cannot be identified which lend themselves both to measurement now and at intervals during the project's life. To help USAID identify such indicators, the assistance of experts is scheduled for the fall of 1976.

Easier to identify will be valid and reliable indicators bearing on particular project components which, in isolation, become discrete programmatic units with distinct objectives the attainment of which can

be evaluated much in the way in which they would if they were projects by themselves. Monitoring such efforts early and evaluating them at the first appropriate occasions has particular significance as the mature phase of the project is designed. Such evaluation will assist in formulating the final plans for the mature phase.

The research component which will set collaborative patterns for discovering information related to the RD project will, of course, also be applied to the evaluation process. The best evaluation teams will be those composed of Tunisian scholars working in collaborative mode with U.S. specialists. AID in particular has made great strides in the techniques of evaluating social and economic development. Transferring such skills and the approaches that underlie them is an important part of this RD project.

Following the completion of the evaluation indicators study mentioned above, a schedule of evaluations covering the first phase will be determined. Since, net of start-up, the time-frame of the first phase is only about 14 months, these evaluations may focus on specific problems addressed and methodologies used rather than on components of the project.