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TO - AIDTO CIRCULAR A- 110

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2-25-75

FROM - AID/W

SUBJECT - Preliminary Report to HFAC on AID's Response to the FAA of 1973 -- Congressional Mandate

REFERENCE -

The House Foreign Affairs Committee (HFAC) was instrumental in structuring the Foreign Assistance Act of 1973 which contained the many innovations now described as the Congressional mandate. In its October 25, 1974 report on the FAA of 1974 the HFAC emphasized the importance of AID keeping the Congress informed about what is being done to implement the provisions of the Act. The first full report is to be submitted at the time the FY 1976 Congressional Presentation goes forward in the spring. A preliminary report was called for, however, and a copy is attached for your information. We recommend that you read the report which in capsule fashion outlines what we have done and what is planned.

KISSINGER

Attachment

Send to List P

PAGE 1 OF 1 PAGES

DRAFTED BY	OFFICE	PHONE NO.	DATE	APPROVED BY
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2	COTONOU	2	MBABANE	4	SEOUL
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PRELIMINARY REPORT TO THE HOUSE FOREIGN AFFAIRS COMMITTEE ON A.I.D.'S RESPONSE TO THE FOREIGN ASSISTANCE ACT OF 1973

This is the preliminary report on A.I.D.'s response to the FAA of 1973 requested in the HFAC Report* on the Foreign Assistance Act of 1974. This report is a brief statement of A.I.D.'s progress in implementing the Congressional mandate and the issues and problems associated with this effort. The full report requested by the Committee will be submitted with the Congressional Presentation for FY 1976.

I. Introduction

The FAA of 1973 calls for U.S. bilateral development assistance to be used for the benefit of the "poor majority" by concentrating U.S. aid on food and nutrition, health and family planning and education and human resources development. Progress towards reaching these long-term goals is important to the overall U.S. foreign policy objective of helping to build a peaceful and stable international order. Some of the funds appropriated for economic assistance can play a crucial role in helping to secure peace in a direct and immediate fashion. However, we need to recognize that over the longer run peace and stability depend upon the economic and social development of that part of the world in which hunger, malnutrition, disease, illiteracy and unemployment are still the common condition for tens of millions of people.

Events of the past year have made clearer than ever before the interdependence of the world economy. The American housewife is beginning to understand that our humanitarian urge to help prevent hunger overseas by helping to increase food production in the developing countries could turn out to be one way of fighting higher food prices at home. However, A.I.D.'s ability to help increase food production and improve the quality of the life of the poor depends, to a considerable extent, on the desire of governments to involve their poor majorities in development, as the House Committee has recognized.

II. Response to the Mandate as Reflected in A.I.D. Project Development Performance

The critical test of A.I.D.'s response to the Congressional Mandate is its performance in developing "new directions"

*House Report No. 93-1471, October 25, 1974, P. 15

projects which are supported by host governments. This test has both quantitive and qualitative aspects. The shift in the pattern of obligations that has already occurred represents a quantitative response to the mandate. Three years ago 30 percent of A.I.D.'s development assistance funds for the type of activities included in Sections 103, 104, and 105 were obligated for agriculture and rural development and 50 percent for all three of the functional categories - food and nutrition, health and family planning, education and human resources. In the FY 1975 program sixty percent of A.I.D.'s funds are earmarked for agriculture and rural development and nine-tenths for the three categories.1/

The shift in A.I.D.'s program is a necessary step in responding to the mandate. But in and of itself this shift does not assure that the poor majority will be involved in and benefit from A.I.D.-supported projects.

The qualitative test, the assurance that the poor majority will participate in and benefit from A.I.D.-supported activities, depends very much on the attitudes and policies of the governments of developing countries. The primary objective of the participation development strategy which underlies the mandate-getting the "poor majority" involved in improving their own lot in life - is widely endorsed. At the same time, because the participation strategy is relatively new, many of the specific policies required to implement this mandate are not yet well understood, either in aid agencies or in the developing world. Hence, there is necessarily a good deal of variation in countries' reactions to the new directions.

In those countries in which governments were already concerned with the needs of their poorer people and prepared to undertake efforts to involve them in their own improvement, A.I.D. has worked with such governments to develop and begin implementing the kind of projects envisaged in the mandate.

There are other countries that are receptive to new directions projects where the analytical work necessary for the concept and design of such projects is now underway.

Elsewhere, A.I.D. must undertake a more complex strategy to encourage support of the new directions. This rarely has meant simply explaining the many advantages of such participation for the countries themselves because participation

1/ The shift reflects a considerable A.I.D. effort to reorient programs and the attitude of A.I.D.'s personnel. See Memorandum to A.I.D. Employees from Administrator Hannah of January 24, 1972; Policy Determination number 48 on the poor of October 2, 1972; on income distribution and employment, October 2, 1972(Tab A). It will be noted that some of these initiatives (as well as some others not listed) preceded the Congressional mandate.

often poses changes in deeply ingrained attitudes of people at many levels. Such efforts will not result immediately in projects which conform in all respects to the mandate. Rather, A.I.D. projects in many such situations will need to be designed to facilitate a shift in the desired direction if governments are interested in pursuing this course. The Project Annex contains an illustrative list of projects which substantially reflect the objectives of the mandate.

III. Response to the Mandate as Reflected in A.I.D. Policy

While the ultimate test is concrete performance in projects and programs abroad, the development and dissemination of policy within A.I.D. affects the rapidity and depth of the Agency's reorientation.

Part of A.I.D.'s task is to improve its own understanding of the mandate so that Agency staff will be well equipped to carry on extended discussions with governments. For this reason, A.I.D. recognizes the importance not only of defining policy but of training our staff at all levels.

The process of policy development and "policy learning" within A.I.D. actually began before the FAA of 1973 was passed. Major policy statements were formulated and issued prior to the passage of the Act on the important subject of employment and income distribution October, 1972[2/] and on nutrition(September 1973). For several other subjects upon which policy directives have been issued since the passage of the Act the analytical work was initiated before legislative action was completed. These include low-cost, integrated health delivery systems, education and human resources and small farmer credit. The FY 1976 Program Budget Submission Guidelines, issued last June, cover a number of issues involved in the mandate. These Agency-wide policy determinations have been supplemented by instructions and guidance which Regional Bureaus send out to their own Missions.

Since the enactment of the FAA of 1973 A.I.D. has stepped up this analytical work which is essential in order to translate the premises of the Congressional mandate into operational terms. An overall strategy for rural development, regional planning for rural development, local institutions, population, the role of women in development

2/ Tab A - Employment and income distribution objectives.

and the role of private voluntary organizations, and savings mobilization policy are other major subjects on which intensive analysis has been done or is currently underway.

A.I.D. is trying to come to grips with specific problems of the "poor majority" as it has become increasingly evident in the past several years that GNP can be increased considerably without creating nearly enough jobs to employ the exploding labor force.

Partly for this reason the income gap between the rich and the poor is widening not narrowing. "Labor-intensive" investment is now emphasized to accelerate job creation and thereby give the poor a chance to increase their incomes through productive work. The economic issues involved in "labor-intensive" investment are not simple nor always clearcut. They may involve greater use of local capacity, increasing the need for local currency; thus there may be balance of payments questions for A.I.D. as well as having political overtones within the countries. These issues are, in some ways, unusual issues for Americans because this type of investment is not common in the United States, but we need to eschew "made in America" solutions, as the HFAC observed in one of its reports. A.I.D. policy on employment and income distribution emphasizes labor-intensive public works, small farm agriculture, relevant technology, and other ways of accelerating job creation.

The guidance to A.I.D. missions on health emphasizes an integrated approach that includes preventive health measures such as nutrition, access to potable water, and health education; family planning practices; the use of paramedical health practitioners; and the development of low-cost delivery models.

Small farmer credit guidance outlines ways in which small farmers have been successfully involved in effective credit systems and sets forth the need for more steps on savings mobilization policy.

Research programs have been reviewed to ensure that they are focused on developing technologies specifically relevant to the needs of the poor majority, with special emphasis on agricultural productivity and the nutritional quality of food.

To give effect to the Congressional desire for greater involvement of private organizations in development, A.I.D. has earmarked $11 million for Private and Voluntary Organizations(PVOs). These FY 1975 funds, which implement A.I.D.'s long-standing support of these organizations, will be used to strengthen the PVOs capacity for development work and to support their development projects within the countries. In addition, several workshops and seminars have been held with the PVOs to develop an effective working relationship with them and also to identify the types of activities in which their skills and experience can be used most effectively.

To assure that the policy determinations, guidelines, and analytical papers are understood as thoroughly as possible, A.I.D. has supplemented its regular policy dissemination and review procedures with working papers, seminars, regional meetings, mission visits by experts and direct assistance in project development by persons with special expertise in areas relevant to the mandate.

These activities will be stepped up in the coming year with formal courses, a program of regional and mission seminars, and the further development of A.I.D./W capacity to provide consulting assistance by A.I.D. personnel and contractors for new direction projects.

While we are proud of A.I.D.'s record of accomplishment, we do not claim to have completed this difficult and challenging task. There is still a great deal more to be learned and much work to do. There remain a number of matters on which A.I.D. recognizes a need to intensify its policy work. These include the use of participation as a criterion in selecting projects to be supported; the articulation of policies with respect to small farmers, labor-intensive agriculture, local industry, and local and regional institutions, and ways of accelerating the use by the countries of job-creating "intermediate technology".

IV. Issues Relating to Management, Procedures Manpower and Organization of A.I.D.

There are, of course, a multitude of management issues involved in A.I.D.'s response to the Congressional Mandate and there are sound reasons for proceeding judiciously. Adjustments in A.I.D.'s staff will be necessary, but the legal rights of employees whose services may not be needed in the future must be protected.

To address the issue of how A.I.D. should respond to the Congressional mandate, a number of working groups and committees have been organized.

A high level Task Force was established by the Senior Operations Group (SOG). This group started with "an analysis of the Congressional Mandate, articulating the Congressional development strategy, enumerating the principal concepts of the Congressional Mandate, specifying essential differences required for the establishment of targets (e.g., the poor, deprived, productive work, adequate diet, necessary health services, practical education). This analysis was distributed to the field Missions, their comments and recommendations solicited, analyzed, and reviewed in A.I.D./W.

A Working Group on Rural Poor was organized to undertake intensive analysis of policy and implementation issues involved in rural development. More recent is the organization of an Office of Rural Development in the Technical Assistance Bureau, now underway.

To capitalize on the work of these and other groups and offices in A.I.D. that are working on particular aspects of the mandate, the Agency recently formed an Implementation Task Force to coordinate and oversee our efforts to implement the mandate. This Task Force will coordinate the preparation, clearance, and approval of:

1. Working definitions of the essential mandate concepts.

2. Appropriate policy statements and program guidelines in sector strategies.

3. Appropriate definitions of major and sub-categories for functional sectors to ensure quick and accurate statistical analysis of A.I.D.'s resource allocations in compliance with the mandate.

4. Compliance with social equity and participation in collaborative style and other major strategic concepts.

5. A.I.D.'s training policy.

The Agency's evaluation system, which has been focused on technical assistance projects, is being extended to cover all types of A.I.D. projects and programs, that is, capital projects, Food for Peace, commodity imports and other

activities. The criteria, methodology and data needed to evaluate the different types of projects in which A.I.D. is engaged are being revised with particular emphasis on the identification of beneficiaries and benefits.

A number of adjustments are being made in A.I.D. system for planning, budgeting, accounting and reporting(PBAR). Much greater emphasis is now being placed on "project outputs" as one step in determining whether and how much the poor majority really are benefiting from A.I.D.'s efforts. Many other changes in the PBAR system, such as revisions in the Agency's coding system, are the kind which are undramatic but are essential to effective action.

Elements of the Congressional Mandate have been introduced wherever appropriate in the existing set of A.I.D. training programs. In addition, a new twelve-week Development Officers Training Program emphasizing new directions issues will be initiated this April and repeated three times each year. The principal attendees will be technical staff and loan and program officers. Four university professors have been recruited under the Inter-Governmental Personnel Act to serve as the core of the faculty. This twelve-week course is intended to be one of A.I.D.'s main courses for comprehensive training of Agency staff. The review of future manpower requirements, which has been underway for some time and of the training necessary to assure that A.I.D.'s staff are effectively prepared to implement the new directions are among the important subjects that will be examined by the Implementation Task Force.

Conclusion

In all, A.I.D. lays claim to substantial accomplishment to date in responding to the Congressional Mandate. But far more important, A.I.D. sees the basic task as meeting an exciting challenge, how to involve the "poor majority" in their own development in an ever-changing world. We do not expect to accomplish the task in some final comprehensive and universal system, expressed in one grand policy directive and communicated to the Congress in one full report. We do expect to continue to adapt our programs to what will work in the actual, and sometimes seemingly intractable, world. We expect to continue the process of re-examination and to do this in close collaboration with the Congress.

PROJECTS RESPONSIVE TO THE CONGRESSIONAL MANDATES

There follows a selection of projects approved since the enactment of the Congressional mandate, or currently under consideration, that are substantially responsive to the mandate.

After the mandate was signed into law some of our Missions began discussing its objectives with the governments in their countries even before policy guidance about the new directions was sent out from Washington. As those traveling overseas on behalf of the Committee have doubtless observed, there are officials in our Missions who are not only sympathetic to the objectives of the mandate but are conversant with the ideas that underlie it. As a result of this initiative, several of the projects listed below were approved in FY 74, within several months after the mandate became law.

Section 103 - Food and Nutrition

Dominican Republic - Agricultural Sector

This FY 1974 loan was made as the result of a major analytical effort to determine the major constraints facing an increase of agricultural production by small farmers. The analysis indicated that, inter alia, present lending practices of the country's major public agricultural bank, Banco Agricola, were spread across the board and included loans to individuals of up to $250,000. The $12 million dollars AID loan had, as a major condition, that the Banco Agricola lower that limit initially to $50,000 and subsequently to $10,000. Moreover, sub-loans using AID funds were limited to no more than $1,000 per individual farmer. This significant policy change was designed to insure that larger farmers would turn to the private banking sector and allow the Banco Agricola to concentrate on the lower end of the income scale.

Tanzania - Small Farmer Credit

This project is scheduled for disbursement of funds in January, 1975. The per capita growth of the agricultural production has declined over the last five years. This project is designed to develop and implement a small farm (size: less than 50 acres) agricultural food production and crop storage credit system in Tanzania, including the strengthening of cooperatives at the local level. Farms of this size account for over 90 percent of Tanzania's food production and include all of the poorest majority of Tanzanians. By making credit available to the subsistence farmers in Tanzania, AID will help them to move into the commercial sector of the economy while they continue to grow food crops. This in turn will help mitigate Tanzania's growing balance of payments problem.

Honduras - Agricultural Sector

This FY 1974 loan is designed to support the Honduran agrarian reform effort and the effective expansion of Honduran institutional ability to reach increasing numbers of peasants and small farmers, A.I.D. will help finance a model "asentamiento" (rural settlement) activity that will benefit from a multi-faceted public and private sector program. The model activity will serve as an evolving prototype from which lessons may be learned as the government program is expanded. Credit programs and technical assistance will be designed to develop and reinforce the mechanisms for bringing increasing numbers of the rural poor into the productive mainstream of the country. Cooperatives will provide production credit for organizations that emphasize independent small farmers, and farmer organizations will receive technical assistance in business and social management as well as in the use of credit. The loan will also finance essential related activities such as the use of local labor to construct roads to provide access to and within clusters of asentamientos, provision of agricultural extension services and improved seeds, training of personnel for public agricultural institutions, and sectoral planning, management and evaluation.

Nicaragua - Rural Market Women's Cooperatives

This FY 1975 grant project will build upon the experience of FUNDE, the private Nicaraguan Development Foundation, which was established in 1970 to provide opportunities to people with little in the way of financial resources and no access to bank credit. The project will extend FUNDE's marketing credit union program and cooperative purchasing facilities to small towns located in rural areas to improve the living conditions of market women and their families by providing savings and credit facilities and lowering the costs of marketing. A substantial increase in personal income is expected as well as increased self-confidence and ability to manage community economic organizations.

Latin American Regional - Agricultural Credit Union Development

The goal of this proposed FY 1975 project is to increase real income and production among lower income farmers in Latin America. The specific purpose of the project is to provide needed loan capital to the Latin American Confederation of Credit unions (COLAC) for relending to member credit union federations and to assist in establishing COLAC as an effective regional mechanism for mobilizing capital and meeting the financial and technical assistance needs of Latin American rural credit union systems including the development of complementary agricultural extension and marketing services for credit union members. The focus of the plan is consistent with A.I.D. policy to channel a greater portion of the benefits from economic development to the lower

income groups, particularly small farmers, since loan fund relending to national federations will be tied to conditions assuring ultimate use and benefit for the small farmer.

Indonesia - Voluntary Agency Co-Financing

In FY 1974, AID approved for Indonesia a four-year pilot project providing up to $1 million in grants for co-financing projects planned and implemented by U.S. voluntary agencies and their counterparts within the priority sectors of assistance (agriculture and nutrition, health and education). AID will furnish 50% of the total cost of all selected projects in any one year. The voluntary agencies/counterparts, other donors and Indonesian provincial governments or local-level community organizations will contribute the balance of the cost for each selected project.

Four grants providing $97,000 in AID funds were made in FY 74 for four projects sponsored by three U.S. voluntary agencies. Eight grants have been made so far in FY 75. An estimated 20-30 separate co-financed projects are expected to be carried out during the life of the project.

The project has a dual purpose. First, it seeks to expand small scale local-level development activities in Indonesia. The project is designed to encourage local participation in the process of development and to address development problems affecting those communities and social classes in Indonesia which fall at the low end of the income scale. Second, it seeks to demonstrate that the channeling of U.S. assistance funds through U.S. voluntary agencies in Indonesia is an effective mechanism for carrying out the development objectives of the U.S. assistance program in that country.

The criteria of selection for co-financed projects include preference for projects which increase production and income, promise continuation of benefits beyond project termination, have adequate local participation and financial support, strengthen community self-help institutions, have potential for replication, conform to GOI/USAID sectoral priorities, are administratively feasible and last one to two years (as opposed to longer-term projects).

Projects approved for co-financing to date include a nutrition project sponsored by CARE, a community development resettlement project sponsored by Church World Service and ten Catholic Relief Service sponsored projects for transmigration development, soil conservation, mixed farming, livestock improvement, credit union development, and nutrition education.

Korea - Small/Medium Scale Irrigation

The Small/Medium Scale Irrigation Project provides $17.2 million to assist the Government of Korea in financing up to 66 small/medium scale irrigation systems.

The anticipated results from the project include bringing some 40,000 acres of arable land into more productive cultivation, thereby significantly increasing domestic rice and barley production, and also substantially enhancing the incomes of some 95,000 relatively poor farm families who now own and farm the lands to be benefited by the project. It is estimated that income on the small farms will rise some 125 percent, an average of $412 per farm, which would raise per capita income in the relatively poor sector of the Korean economy from $180 to $250 a year.

The construction and maintenance of the irrigation systems are being accomplished largely through labor-intensive methods, thus providing employment in the rural sections of the country. Local irrigation associations will be involved in the operation and maintenance of the systems.

Philippines - Rural Electric Cooperatives

Eighty percent of the people of the Philippines live in the rural areas. Most are poor and few have access to electricity. Currently, less than 27% of the population enjoy the benefits of electricity. The result is a poor standard of living, meaning that foods cannot be preserved, that contact with the outer world through radio, TV, and telephone is severely limited; that local industry remains in a pre-industrial state for lack of powered machinery; and agriculture is hampered because of no power for irrigation pumps. Through a joint Philippine/U.S. Rural Electric Cooperatives program, the rural people are forming themselves into organizations following the prototype cooperatives already in operation and similar to those set up in the United States in the 1930's. The Government's program is extending services to about 75% in a ten year period. This program has been made possible through the provision, by A.I.D., of technical services training and loans to cover the foreign exchange costs of establishing electrical systems. So far, 27 electric coops have been set up in rural areas, directly benefiting 153,000 homes or about one million people.

Pakistan - Barani Agricultural Development

In hot, arid Pakistan the availability and management of water for crop production is so important that the local language does not have a word for "land" but separate words for irrigated or unirrigated land. "Barani" is the word for unirrigated land. Some 13-15 million people cultivate the Barani areas that are Pakistan's "Appalachian citizens". Field investigations in 1973

identified agricultural technology that could significantly raise the productive capacity of this area. The Barani project has been designed to test, on an extensive scale, the application and methods of transferring technology to the small farmers of these areas. Initially the project will be focussed on 10 per cent of the cultivated Barani area (covering about 1.5 million people) under the Directorate of Integrated Rural Development and Agriculture. The Government of Pakistan and AID expect that this project will provide the basis for understanding not only the technological needs but also the complex social/cultural environment of Barani areas, providing the basis under which Pakistan can mobilize, develop and focus its resources to promote and continue agricultural development in the Barani areas.

Research on Increasing Foodgrain Yields and Quality: Sorghum

Recent discoveries by Purdue University of sorghum strains with three times the nutritional value of traditional sorghum illustrate the importance of financing basic research on crops that are grown by small farmers.

The genetic work by Purdue, under AID grants totalling about $1.5 million, required the screening of some 10,000 varieties of sorghum from around the world and subsequent painstaking breeding of the most promising strains. Other U.S. universities and international agricultural research centers have now joined Purdue in the further breeding of the resultant improved seeds with high yield and also disease and insect resistance characteristics in varieties that are adapted to the various ecological environments of the developing countries. This research should yield substantial benefits for small farmers because sorghum is a poor man's crop. It is grown on land too poor or too dry for most other cereal crops, as in the African Sahel, where it is a major crop. The introduction of improved sorghum strains is a part of AID's new assistance programs in Sahelian countries.

Section 104 - Population Planning and Health

A major effort to test the concept of low-cost, integrated health/family planning/nutrition delivery systems is being sponsored by the Technical Assistance Bureau in Thailand, Ecuador, Colombia and Panama and may be extended to several African countries. In addition to this centrally-managed program, there are a small number of similar projects supported by the Regional Bureaus or by Voluntary Agencies with whom AID works, a sample of which follows:

Liberia - Lofa County Rural Health

This project is scheduled for implementation on January 1, 1975. The project is designed to bring modern preventive and curative health services to the rural area. The project has an important training component at all levels of health services and is designed as a type of "out reach" program for the JFK Hospital in Monrovia. The method of reaching the rural poor is composed of a three-tiered pyramid of health facilities with patient referral required between each tier. At the botton of the pyramid are 30 health posts with retrained Liberian dressers located throughout Lofa County. These rural health posts refer patients to 15 health centers in Lofa County when their pre-programmed procedures are not successful. The 15 health centers again refer patients to the JFK Hospital in Monrovia in cases which require more extreme medical treatment. With this procedure, the rural poor of Liberia can receive the necessary medical treatment at the required level at a relatively low cost to the Government of Liberia. The project offers the poor majority a chance to improve their living standards, thus making possible a more productive agricultural society and higher rural incomes.

Tanzania - Health and Family Planning

This maternal and child health project establishes a country-wide health/family planning delivery system in an effort to improve the health and well-being of the rural population, and thereby increase their capacity to participate in the country's development process. When the project is complete no Tanzanian should have to travel more than ten kilometers to obtain services from a maternal-child health/family planning clinic. AID's role will be primarily in developing the training component of the national program. By providing training for 2,600 maternal-child health aides who will staff 300 health centers and 2,000 rural dispensaries, the project will directly involve many rural people, the majority of whom are women, in the delivery of health and family planning services in their areas.

El Salvador - Health and Family Planning

The AID assisted health-family planning program was reorganized in July, 1974 to put more emphasis on reaching rural peoples. Many of the health-family planning services will be provided by mobilizing the rural people themselves. Contraceptives are being distributed to men through the Union Campesin, a rural workers union. Mobile units reach the poor "campesiono" by regularly scheduled visits to rural areas, providing health and family planning services, including vasectomies.

Another aspect of the program is the training of paramedical personnel to staff simple rural health posts providing health and family planning services. Using paramedical personnel will help to keep program costs at a low level that eventually the Government of El Salvador can fund without external assistance. These paramedical personnel are all women; hence the expanding program helps to involve women in the country's development process.

The Planned Parenthood Federation of America

The Planned Parenthood Federation of American supports a project with Iglesia Ni Cristo, A Filipino church with 3 million members that provides community health services in the Philippines among its members. At the Church's request PPFA supports the provision of family planning information and services through mobile clinics to people who otherwise would not be reached by conventional systems. Since the health infrastructure was already developed by the church, the addition of family planning services was economical.

Some PPFA projects provide technical assistance and contraceptives directly to local women's groups, as in Ecuador, Nepal and the Philippines. PPFA organized and supported family planning conferences for women physicians from Asia and from Latin America. These projects serve as models for involving women's groups in family planning programs throughout the developing world, and demonstrate the close interrelationship between the status of women and their fertility.

The Pathfinder Fund

The Pathfinder Fund, a private U.S. organization, assists the Clinique La Croix Bleue in Senegal in the training of midwives and other para-professionals for Franco-phone Africa, thus helping to involve women to a greater degree in the development process. In Indonesia, Pathfinder schedules training courses for midwife trainers, who in turn will train midwives in the techniques of family planning. Pathfinder expects to start a similar training program in Mexico within the next three months. Part of this effort is directed at the medical profession and government leaders to demonstrate that trained paramedical personnel can properly deliver family planning services back in their own provinces. Training and utilization of such local personnel, rather than of highly skilled physicians, permits a cheaper, more extensive service outreach capability.

Section 105 - Education and Human Resources Development

Latin American Regional - Basic Village Education

This project in Guatemala offers an innovative approach to educating illiterate subsistence farmers. The purpose of the project is to determine the effectiveness of educational radio used in combination with other media (e.g. audio cassettes, flip charts, illustrated booklets, village monitors) as a means of changing farmer attitudes and providing the necessary knowledge and skills which will result in the adoption of improved farming techniques. A unique aspect of this project is that it provides valuable information to farmers without having to depend on their being literate. After completing a feasibility study, collecting baseline data and setting up the research design, the project became operational in March 1974 with initial broadcasting in the Ladino (Spanish speaking) area of Guatemala. Preparations are being made to begin broadcasting in the Indian (non-Spanish speaking) area in January 1975. Several other countries (e.g. Honduras, Haiti and Nicaragua) are interested in similar projects and are closely watching the results and experiences in Guatemala.

Colombia - Small Farmer Training Loan Proposal

AID is currently considering a proposal for an approximately $3.0 million loan project to help improve income levels and standards of living of Colombia's rural poor by providing non-formal educational programs to the country's agricultural work force. By means of this project, Colombia's National Apprenticeship Service (SENA), which is a decentralized institute under the Ministry of Labor, will be able to provide training, through non-formal means, to the small farmer to instill a capacity for land utilization, credit, national resources, and technical assistance, so that such individuals will be able to take calculated risks and make decisions to benefit themselves. Through the development of administrative and entrepreneur qualities which SENA will provide in its training methodology, the small farmer will (1) be aware of inputs needed to improve efficiency and income levels and (2) be motivated to seek out those inputs. This program is highly field-oriented, specifically directed to the rural farmer and laborer who is not able to afford SENA's more traditional training program in city centers, because of isolation, illiteracy, unawareness, and lack of motivation and finances. It is estimated that the program can benefit more than 150,000 rural poor annually.

Bangladesh

The Rural Information Service project, scheduled to begin this fiscal year, is designed to develop a model integrated rural information service to educate the rural populace in which areas as improved agricultural practices, health, nutrition and family planning. The Project will use the existing Model Farmer Training Program (the training of local people to serve as villager "extension agents"), the formal school system, the agricultural radio program agricultural extension assistants, family welfare workers and cooperatives and will explore alternative means and media.

Rajshahi has been selected for initial investigation. A base-line survey of the rural families of this district undertaken by the Institute for Bangladesh Studies is near completion. This survey should provide project planners with a socio-economic analysis of the rural target population and serve to identify some of the basic information needs upon which the Rural Information Service will develop its program.

Swaziland - Curriculum Development

This project is scheduled to begin implementation in FY 1975. The purpose is to develop the capability of the Government of Swaziland to design and implement a curriculum for primary education that is responsive to the needs and cultural concepts of the Swazi nation. Since it is planned to have universal primary education in Swaziland by 1980, the new curriculum will have a definite impact on the 75% of the Swazi population now living on subsistence farms earning household incomes of less than $100.00 per annum. The new curriculum will be designed to enable the Swazi primary school graduate to be receptive to development innovations both in the agricultural sector and the rapidly growing urban areas. Hence he (she) will be better able to reap the benefits of self-help development projects of the GOS and donor organizations as well as achieve improvement in the quality of life in terms of health, family planning, income and general environment. Once the ability to change the curriculum in response to the changing needs of Swaziland has been established these benefits will continue over time through the various stages of Swaziland's economic development.

ACTIONS TAKEN TO INSTITUTIONALIZE THE REDIRECTION OF AID'S PROGRAMMING

1. Memorandum For A.I.D. Employees from Administrator John A. Hannah. (1-24-72)

In a memorandum to employees that preceded the enactment of Congressional reforms by two years, the previous AID Administrator called for major reforms of the U.S. economic assistance program that prepared the way for a smooth transition and rapid implementation of the Congressional priorities. The Hannah memorandum called for the following institutional reforms:

a. Program transfers were to be replaced by "more sophisticated application of knowledge and skills, and broader cooperation across national frontiers. Scientific application and the search for new solutions in assistance programs demand professional skills and innovation of the first order. These solutions will require significantly new approaches and technology. We will, for example, attempt increasingly to direct our efforts to finding solutions to problems common to many countries rather than, as in the past, continue to focus our endeavors in a nearly exclusive country-by-country approach."

b. The keystone of this redirected program is "a more collaborative style of assistance which recognizes that the people of the developing countries are at the center of development cooperation programs."

c. "Strengthening programs of Population and Humanitarian Assistance will be a major thrust of the redirected A.I.D. program."

d. "Programming economic assistance more directly to meet basic human needs, rather than primarily for over-all country growth, will be an essential feature of our redirected A.I.D. American long-term interests required that there be increased well-being in the less developed world. We have learned that if development is truly to occur -- it has meaning only to the extent that genuine benefits accrue to those in the lower levels of the social and economic order. We believe that the United States through its assistance programs has a unique and significant contribution to make in bettering the condition of people and we will focus our programs directly upon helping improve their lot. We will seek to do this by increasingly applying our country's best technological, management and research capabilities to helping solve their problems.

We have singled out areas of special concentration such as agriculture and food production, education, population, and public health where improvements will directly touch upon the lives of hundreds of millions and in which the United States has much to offer. A.I.D. accepts as its greatest challenge for the future effectively bringing to bear on these great human

problems the best American know-how, planning and management skills."

2. AIDTO CIRCULAR A 543 (4-15-72)

In the Development Assistance Planning Guidance to the missions for FY 1974, direction was given to institutionalize many of the reforms that were later to be enacted in the Foreign Assistance Act of 1973. The Guidance gave the following directions to the field:

a. "Missions should continue to move toward organizational and programming approaches that are less directive and provide for greater LDC participation and responsibility."

b. "A.I.D. can make its most effective contribution if its resources as an Agency are concentrated in an integrated fashion on a limited group of problems that are of major concern to a large number of developing countries. Program concentration will enable A.I.D. to strengthen its analytical and response capability."

c. "Increasing Attention to Problems of Equity. We are placing increasing emphasis on problems of human welfare, particularly on problems relating to employment and income distribution. While growth is important, it is not enough. If development is truly to occur, it has meaning only to the extent that genuine benefits accrue to those in the lower levels of the social and economic order. In working with host country governments on designing new programs and projects, and on implementing existing projects, A.I.D. will emphasize the host country's equity and income distribution objectives as well as its growth objectives."

d. In the analysis of priority development problems, missions were required to address and identify as precisely as possible:

-- the social and civic development potential of proposed programs, with specific attention to the desires of the developing countries to have their people share more equitably in the development process."

EMPLOYMENT AND INCOME DISTRIBUTION OBJECTIVES

PD - 48

10/2/72

This Policy Determination established, as a fundamental objective of AID assisted development, that the benefits of development should accrue to the poorest population in an LDC and that participation and equitable distribution of benefit are essential elements in economic development projects.

> "Despite creditable aggregate growth performance over the past two decades, substantial segments of the population in LDCs are not sharing proportionately in the benefits of growth. This unequal participation in the benefits of development is manifested in two particularly conspicuous -- and related -- respects: (1) persistently high underemployment (or low productivity employment) and (in some countries) unemployment, and (2) highly unequal income distribution.
>
> Meaningful development involves broad popular participation in the development process and in its benefits, including progress toward meeting the basic needs of people, both their material needs for food, health, shelter and security and their less readily measured but also important concerns for social justice and human dignity.
>
> Three important causes of the present situation are (1) the population explosion of the 1950's and 1960's which is now being reflected in labor force growth rates of 2 to 3% in most developing countries; (2) the transfer of technology developed by and for industrialized countries and therefore often inappropriate for countries characterized by relative scarcity of capital and abundance of labor, a process which is encouraged by policies which distort factor prices by undervaluing capital and overvaluing labor; and (3) an institutional structure (e.g., in credit, land tenure, education, agricultural extension, etc.) which tends to favor well-established enterprises and interest groups and to provide inferior access for small operators in agriculture and industry."

The Policy Determination specifically required the implementation of this policy objective through the following actions:

1. Economic planning guidance to the missions on how to analyze the income distribution effect of development assistance and national economic policy.

2. The inclusion in sector summaries and project proposals an analysis and explanation of how employment and income distribution can be advanced.

3. A demonstration of how "human resource development programs in health, nutrition, education, training, and family planning create a more employable and productive labor force, raise social mobility, and expand the opportunities open to the poor." "In its continuing support for such programs A.I.D. must exercise care and selectivity, however, to assure that they in fact benefit the poor and thus exercise an equalizing effect rather than benefit predominantly the already privileged and thus further skew the distribution of income. This calls for careful analysis of the benefit incidence of human resource development programs. To support this effort research will be undertaken to explore what socio-economic groups benefit from different types of human resources development programs. Education and training must be made relevant to productive employment."

4. The training of LDC administrators and technicians.

5. Emphasis on labor intensive public works.

6. "In A.I.D.'s extensive involvement in programs in the agriculture sector, increased emphasis should be placed on problems of employment and income distribution, in particular on problems of the small farmer and landless laborer. Relevant programs and policies A.I.D. should consider supporting in appropriate circumstances include such things as small farmer credit and cooperatives; land reform and land tenure (including cadastral surveys); the development of efficient technology applicable to small farms; and removal of subsidies or imposition of taxes on labor-displacing equipment.

7. Although not heavily involved in the industrial sector, A.I.D. will emphasize labor intensive technologies and small scale firms.

8. Evaluation of A.I.D. projects in terms of their benefit incidence.

9. "A special priority to research undertaking designed to increase understanding of employment and income distribution".

A policy background paper entitled "Employment and Income Distribution Objectives for AID Programs and Policies" was distributed in October 1972, and "a first year status report on AID's Policy Determination 48" was distributed in October 1973.