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WASHINGTON, D.C. 20523

D.H.F.

MEMORANDUM

October 3, 1988

TO: Distribution
FROM: ANE/PD, Elisabeth ^{EK}Kvitashvili
SUBJECT: Philippines: Agricultural Education Improvement
Project (492-0433) - PID Project Committee Meeting

A Project Committee meeting to review the subject document will be held on October 11, 1988 from 2:00 - 4:00 in Room 4440, N.S.

Your participation is invited.

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AGRICULTURAL EDUCATION IMPROVEMENT PROJECT
(492-0433)

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National Agricultural Education System
- III List of Potential Participating Institutions

LIST OF ACRONYMS

ACUs	-	Agricultural Colleges and Universities
ADB	-	Asian Development Bank
AEOP	-	Agricultural Education Outreach Project
ATI	-	Agricultural Training Institute
CARP	-	Comprehensive Agrarian Reform Program
CLSU	-	Central Luzon State University
DA	-	Department of Agriculture
DECS	-	Department of Education, Culture and Sports
EEC	-	European Economic Community
FSRD-EV	-	Farming Systems Research Development-Eastern Visayas Project
GO ^P	-	Government of the Philippines
IRRI	-	International Rice Research Institute
NAES	-	National Agricultural Education System
OPEC	-	Organization of Petroleum Exporting Countries
PCARRD	-	Philippine Council for Agriculture and Forestry Research Resources and Development
PP	-	Project Paper
RIARS	-	Regional Integrated Agricultural Research System
TA	-	Technical Assistance
UPLB	-	University of the Philippines at Los Banos
VISCA	-	Visayas State College of Agriculture

I. BACKGROUND

The Government of the Philippines (GOP) Medium-Term Development Plan (1987-1992) gives high priority to the goals of developing agriculture and increasing rural productivity, employment and incomes. The Plan emphasizes the improvement in the quality and relevance of agricultural education and training systems as important to develop the needed human capital and new technologies to meet these goals. With the mushrooming growth of agricultural colleges and universities (ACUs) in the 1970s and early 1980s to meet the heavy demand at that time for extension workers, farm managers and other agricultural manpower, available funds were spread too meagerly to staff and equip the colleges properly to provide quality tertiary education and applied research. Further, the proliferation of institutions led to duplication of course offerings and inequitable geographic distribution of institutions. The approach to agricultural education was often too theoretical and inappropriate for a changing agricultural environment requiring new technologies and management skills. The institutions produced increased numbers of graduates without relevant skills for available jobs in extension, research, agribusiness or farm management. The cycle of too few resources for too many agricultural institutions producing too many students with low quality education leading to unemployability or marginal employability needed to be broken.

The GOP's recent initiative to break this cycle has involved: (a) the creation of a Technical Panel for Agricultural Education under the Department of Education, Culture and Sports (DECS) to recommend policies and coordinate development plans for agricultural education; and (b) the development of a National Agricultural Education System (NAES) (popularly known as the Macro Plan for Agriculture Education) by the Technical Panel to rationalize and improve agricultural education, including the implementation of an accreditation system. The NAES envisages a network of 94 public and private institutions (out of an existing 279) comprised of one national agricultural university (University of the Philippines at Los Banos-UPLB), three zonal agricultural universities, 13 regional universities/colleges, and 77 provincial technical institutes. DECS has formally approved the plan for implementation, and the Philippine Congress is currently reviewing the plan for ratification.^{1/} The rationalization scheme would limit the number of institutions which could offer post-secondary training and receive tertiary education financing. Other institutions would either be limited to secondary education programs or phased out.

Other recent government actions supporting an enhanced role for agricultural colleges and universities include: (a) Increased faculty salaries; (b) the execution of a memorandum of understanding among the Department of Agriculture (DA) Agricultural Training Institute (ATI), the agricultural colleges and universities and DECS to establish a partnership for improving extension efforts; (c) the participation of colleges/universities in the Regional Integrated Agricultural Research System (RIARS) whereby they conduct trials and other applied research activities in their respective

^{1/}Current actions in Congress could further reduce the total number of institutions below 94.

areas; and (d) the designation of selected regional institutions as training centers for the Comprehensive Agrarian Reform Program (CARP).

The AID Country Development Strategy Statement emphasizes agricultural development to improve rural living standards. Priority objectives include (a) sustained diversification and increased profitability in the agricultural sector and rural non-farm enterprises and (b) improved management of the nation's natural resources, particularly the tropical forests and coastal waters. The proposed project would support USAID's program objectives by enhancing the capacity of ACUs to play a more active role in outreach and technology generation for farmers and related non-farm entrepreneurs at the regional level and by providing better and more appropriately trained human capital for undertaking rural development. Furthermore, participating ACUs will be located in areas where project activities can support or be integrated with USAID activities.

Although earlier AID and other donor efforts contributed to improved capacity of selected institutions, the uncontrolled expansion of the number of institutions and the severe budget cuts resulting from the economic downturn in the early 1980s have led to a gradual deterioration in overall educational quality. With this project AID proposes to undertake important interventions with selected ACUs to build on past investments and realize additional benefits from the preparation of well-qualified human resources to participate in rural development and outreach. The decision by DECS to rationalize the system to control expansion and emphasize quality is an important step toward concentrating resources for more effective agricultural institutional development. Further, selected ACUs are becoming increasingly viewed and used as regional institutions with links to the DA, Philippine Council for Agriculture and Forestry Research Resources and Development (PCARRD) (the national agency that sets research priorities and assists with technology prototype development), farmers, and communities. Strengthening their capacity to address regional problems is also timely, given the tremendous challenge to implement the CARP nationwide and use selected ACUs as training centers for rural outreach.

In August 1988 the Mission, with assistance from the AID Policy and Planning Coordination Bureau and in conjunction with DECS, sponsored a one-day seminar on "Strategic Planning for Tertiary Agricultural Education" for 30 officials at the ACU president or dean level and key officials from other agencies. The objective was to address both the current challenges and developments in Philippine agricultural education and the ongoing debate on the role of agricultural education worldwide. Seminar participants indicated their appreciation for the concept of strategic planning as a tool for integrating the agricultural college with its external environment. Following this successful effort, two presidents and one vice-president from three key ACUs together with the USAID project officer will attend the October 1988 AID-sponsored International Higher Agricultural Education Conference in Washington, D.C. The Mission believes their participation will help form a nucleus of Philippine officials whose exposure and innovative ideas could contribute to the design and later implementation of the project.

II. PROJECT DESCRIPTION

A. Objectives

The goal of the project is to encourage the growth and development of farm and related non-farm rural enterprises in selected regions through the ACU's providing more appropriate technology, better training and skilled human resources (graduates). Upgraded technical and management skills and the acceptance of improved, adapted technologies—the results of improved outreach and agricultural education—should lead to outcome such as improved crop diversification, restored and rehabilitated natural resources, enhanced marginal upland productivity, and initiated or improved agricultural processing and other rural commercial activities. These expanded improvements can, in turn, contribute to improved rural incomes and quality of life.

The purpose of the project is to improve the quality and relevance of education and outreach activities at higher agricultural education institutions in selected regions. Efforts will be directed to improving the capacity of an estimated seven ACUs to undertake strategic planning which addresses national and regional priorities as appropriate; to improve degree and nonformal training through enhanced hands-on practical experiences and updated content; to strengthen and develop outreach activities, including adaptive research, to address farm and related non-farm technical problems; and to improve training for conducting applied research. ACU leaders are increasingly recognizing the need for their institutions to play a larger role in their respective regions by undertaking a variety of services, formal and non-formal education and training, and adaptive research. Further, the ACUs are looking to broadening their role to include training and outreach on agricultural processing and other agri-business endeavors and develop partnerships with private sector entities for these purposes. With current efforts to decentralize DA activities to the regional and lower levels, ACUs are also being utilized as training centers for DA extension agents, farmers, and other rural entrepreneurs. Finally, UPLB, through its key role in research and training regional and provincial ACU faculty, will continue to serve as a source of new technologies, faculty upgrading, faculty members, and course materials for ACUs.

The optimal number of ACUs to achieve impact will be determined during project paper design, taking into consideration the potential impact on farm and non-farm related rural enterprises. Tentative selection criteria are included in Section II(D) (2) of this document.

Assistance will likely be concentrated at national and regional^{2/} institutions where improved agricultural education has the potential to impact

^{2/}The term "regional" is used to include those institutions designated as zonal or regional under DECS Order 96, a copy of which is included in the Annex. Current discussions in Congress indicate support for eliminating the zonal category.

on the respective region's development; train agricultural technicians, farmers and rural entrepreneurs; conduct research on regional crops/problems; and enhance outreach efforts to farmers in cooperation with institutions involved with extension, research or CARP activities. Inputs which can enhance educational quality and outreach efforts will be identified and financed for participating institutions. Further, the project will provide competitively awarded financial support to needy students to encourage regional residents to undertake training in applied agriculture or related rural activities in their respective regions. Other activities will include the strengthening of technology development and dissemination networks among ACUs, DA, regional research consortia and PCARRD; activities supporting curriculum updating; studies/activities to improve accreditation standards/practices; and studies to support agricultural education strategy development and policy implementation where appropriate. Overall the project supports GOP efforts to restructure the agricultural education system and implement the NAES by supporting institutions included in the system.

B. Expected Accomplishments

The following conditions are expected to prevail for project ACUs by project end:

- ACUs have developed the capacity to plan and adapt their programs to address priority national and regional needs.

- ACUs are providing training for degree students and adults which includes more practical, on-farm experience, management, marketing, and technical skills applicable to farming, agribusiness and related rural commercial activities.

- In partnership with ATI and other agencies, regional ACUs are regularly conducting outreach activities in rural communities through barangay demonstrations, introduction of new technologies and dissemination of research results to area farmers and entrepreneurs.

- Regional ACUs are providing quality training programs for regional/provincial DA personnel, extension workers and farmers on new technologies.

- Regional ACUs are conducting adaptive research that addresses farmers' problems in their respective geographical areas. Research and technology information is being disseminated through improved communication links among PCARRD, DA, the regional consortia, selected ACUs and private sector entities.

- UPLB is providing quality education and training for faculty members from regional and provincial institutions and others playing key roles in agriculture and agribusiness nationwide.

During PP design specific outputs will be delineated. Categories of outputs will include the following:

- Unique strategy for each ACU and corresponding action plan to address regional priorities through quality outreach and training programs.
- Improved instructional, applied research and outreach programs at 1 national and an estimated 6 regional institutions.
- Better trained faculty (degree and specialized training in practical technical management skills and critical subject matter).
- Improved library, instruction, laboratory, and on-campus farm facilities.
- Improved links/networks among ACUs and other GOP research and extension entities.
- Improved/development of ACU-Barangay links for training students and assisting farmers.
- Increased numbers of students receiving financial support.

An example of what is possible with committed leadership and limited resources is cited below to suggest the kinds of activities and thrust this project would be encouraging. Aklan Agriculture College (a regional institution) under the leadership of a committed administrator has developed a number of programs which respond directly to regional and local needs, including selected degree programs in agriculture, an extension role in "demonstration barangays" responsive to local farmers' needs, various skill programs for adults conducted by members of the community and faculty, training for extension personnel and CARP in cooperation with the responsible GOP agencies, a well-developed farm with numerous animal and crop experiments/activities and nurseries for fruit and plant propagation, cooperative rice research project with PCARRD and the International Rice Research Institute (IRRI), etc. With various donor assistance—including AID under the Agricultural Education Outreach Project (AEOP), Ford Foundation and the Japanese—this college has been resourceful in addressing regional problems despite budget constraints. With some additional assistance from the Asia Development Bank (ADB), this institution will be able to expand its outreach function and enhance its curriculum through increased practical agricultural training.

C. Elements

1. Regional ACUs

A preliminary analysis of the needs of a number of ACUs indicates that selected resource inputs are critical to permit ACU administrators to enhance the quality and relevance of educational and outreach activities. During project paper (PP) preparation, further analyses will refine elements and the respective levels of financing. The following components are suggested for regional institutions:

a. Faculty and Administrator Development. The quality of a tertiary educational program depends greatly on the educational level and competence of its faculty. Past AID and other donor assistance for training faculty has been limited to selected institutions and the numbers trained have been insufficient to staff most ACUs adequately. Further, the economic downturn and budget constraints for ACUs resulted in some faculty members' seeking jobs elsewhere and precluded academic upgrading and the training of replacements for faculty retiring in the near future. The project proposes to provide assistance for Master's degree training for selected faculty members and, on a limited basis, PhD training in critical subject matter fields. Where possible, degree training will be undertaken jointly with U.S. and Philippine institutions (Philippine degree) to encourage links with U.S. and Philippine institutions but to discourage potential brain drain.

To upgrade faculty in applied approaches and new subject areas, encourage strategic planning approaches in agricultural education, and improve networks for technology development and dissemination, the project will provide assistance for various short-term in-country workshops for faculty members and administrators from participating institutions, specialized study programs, and international study tours. The approach with these varied non-degree programs and seminars is to encourage the development of new or improved curricula with more practical experiences, to sharpen administrator skills and awareness of alternative approaches to agricultural education, and to strengthen or develop, where appropriate, communication networks among various ACUs and other GOP agricultural research and extension entities. The participation of DECS, DA, and Technical Panel of Agricultural Education officials in policy, planning and administration training activities will be encouraged where appropriate.

b. Educational, Outreach and Research Materials and Equipment. The project will provide assistance for materials and equipment important for the enhancement of the educational and outreach capacities of the ACUs. Included will be student textbooks, library reference books, technical periodicals, calculators, and laboratory equipment for training students in practical techniques, undertaking research or conducting soil and other tests for regional farmers. Selected audio-visual, copying and information processing equipment will also be provided to enhance ACU capability to produce instructional materials and technical information for farmers and private sector entities.

c. School Farm Development. School farms in many instances have not been fully developed. With selected farm machinery, small-scale poultry and livestock facilities, and equipment maintenance workshops, the schools could use their land more productively for teaching farm and non-farm related skills. The farms are important for laboratory and physical work experience for students; student income-earning opportunities; demonstration laboratories for farmers, youth and extension personnel visiting or training on the campus; conducting research to test findings from government experimental stations and other colleges under local agroclimatic conditions; and income for the school.

d. Barangay Outreach Activities. In addition to improving on-campus outreach capability, the project will strengthen ACU capacity to conduct outreach at the barangay level. The objectives of this effort are to provide opportunities for on-farm practical training for students in selected barangays in the vicinity of the ACU campus and to support the development of closer links and understanding between farmers, and related non-farm entrepreneurs and ACU faculty or technology development and dissemination. Assistance will be provided for one utility vehicle per institution for transporting students, faculty members and residents between the institution and demonstration barangays and four motorcycles per institution for mobilization of staff to supervise/monitor project activities in the barangay. Limited assistance will also be provided for materials for small village training facilities.

e. Technical Assistance. A limited number of visiting U.S. specialists will provide short-term assistance to conduct seminars on specialized topics related to the objectives of strengthening outreach and practical training, improve management, strengthen strategic planning, upgrade accreditation standards, collaborate on research projects, assist with curriculum preparation, undertake sector studies, or other activities identified by ACUs and DECS as important for improving their training and outreach programs. Technical assistance (TA) will also be provided for project administration, particularly for the administration of participant training activities, short-term technical services and commodity procurement.

f. Student Financial Support. A likely key to achieving the goal of this project will be quality educated graduates who are committed to developing their regional rural and agricultural opportunities and who can receive an education to help them earn reasonable incomes. Since the ACUs to be selected are in regions based on agricultural economies, it is considered important that qualified needy students from the respective regions be given opportunities through financial support. Ideally the project would like to develop a system that provides student financial support on a competitive basis to qualified candidates from the lower income strata. Statistics show that students attain better results when receiving financial support while obtaining their education, either through family support or other sources. If all students had sufficient incomes, then the proposed student financial support for 300 recipients could be based solely on academic merit and community service criteria. However, because there likely is a large pool of students coming from dire financial situations in the rural areas, the PP design will closely examine:

-The economic contribution of targeting financial support as a part of the project

-Potential selection criteria based on:

Competitive academic competency that establishes a minimum academic threshold and

An economic threshold that can be used to identify qualified students from lower income families

If such a system can be established and managed, this project through financial support to students could have a significant impact by investing in future local and regional (and perhaps national) leaders. A program might include these characteristics:

- Students must do well each academic year to retain their financial support and
- Various types of financial support could, including work/study, scholarships, grants-in-aid, full or partial support, etc.

2. Support for UPLB. UPLB remains the premier center of excellence in agricultural education and research in the Philippines. It plays a vital role in training faculty at the PhD and Master's levels for the other ACUs, particularly in specialized skill areas where it has capacity. Its links with major research centers/institutes such as IRRI, the Southeast Asia Regional Center for Graduate Study and Research in Agriculture, PCARRD, the Forest Products Research and Industries Development Commission, the Education and Training Center of the Department of Local Government, and other such entities place it in a unique position to exchange knowledge and ideas with the ACUs, develop scientific and technological capacity, and undertake basic and applied agricultural and related research.

The guiding and limiting objective of assistance for UPLB will be to identify and assist only those areas that can have more direct or immediate impact on rural agriculture, its support services and other participating ACUs. As a first step, USAID will determine to what extent the major constraints identified in the recently received UPLB institutional assessment fits this objective. One example for PP design team consideration will be the UPLB Farming Systems and Soil Resources Institute (FSSRI). The major challenge facing FSSRI is to develop and implement a client-centered, area-based farming system approach with maximum applicability for transfer to three major clients--DA, ATI and the agricultural education institutions. The PP design team will also explore selective assistance for UPLB faculty development, including identifying upcoming faculty retirements in critical skill areas where UPLB should maintain a leadership role for training other ACU faculty members. While assistance will complement that of other donors, it will be limited to enabling UPLB to continue to provide quality and needed technical services, information and faculty training for ACUs.

3. Other Activities

a. Studies. Assistance will be provided for studies to improve the quality of the accreditation system nationwide and, where appropriate at selected ACUs, a systems approach to agricultural education, including the adoption of appropriate curriculum content and methodological innovations. A need exists for systems-based agricultural education to meet the demands and challenges of the rapidly changing Philippine rural economy. Assistance will

be aimed at helping ACU officials adapt their programs to the changing environment. As the Philippines shifts from a commodity- to an area-based farming system approach, Philippine agricultural education will likewise need to shift from a strict discipline- to a system-based approach. The implication of this shift in regard to curriculum will be an area for PP design analysis and recommendations.

b. Research Networks. PCARRD has developed a number of proposals to improve ACU capacity to engage in adapted research. During project design these proposals will be assessed and included as appropriate to support project objectives of improved ACU research/outreach capacity.

D. Approach and Implementation

1. Approach

The ACUs are the foci of the project strategy and, accordingly, a decentralized implementation mode is suggested. Each ACU will be responsible for implementing those activities associated with its own institution. The approach recognizes the initiative, skills and abilities of officials at each ACU to determine inputs best suited to conditions prevailing at their respective institutions and in their regions. It is also consistent with the Aquino government's aim to encourage widespread decentralization and autonomy and a recently prepared Education Sector Study (draft) financed by the World Bank that supports GOP commitment to decentralization for improved quality, accountability and efficiency. DECS will serve as the counterpart agency for the project at the national level where appropriate. The PP design team will analyze the functions of the various organizations and recommend implementing functions for the participating institutions and DECS that are consistent with a decentralized approach.

To facilitate implementation and identify specific needs, each ACU will develop an action plan directed toward the improvement of its capacity to provide practical farm management training for students, undertake applied research, serve the community, and address farmers' problems. Action plan development will be a pre-implementation activity (financed under the recently approved Technical Resources Project or other project design resources) and will be used as a factor in the selection of participating ACUs. The plan may be refined during initial project implementation as appropriate.

The action plan is not intended to be an all-encompassing institutional analysis and strategy. Nevertheless, it should clarify institutional objectives for a five-year period and discuss the potential for improved education and outreach in the region, identify constraints to achieving these objectives, and identify and rank inputs needed to address these constraints. The PP team will address how best to establish implementation mechanisms for coordinating project management and resource mobilization based on the action plan. The plans will also serve as a basis for monitoring ACU performance toward the achievement of objectives.

2. Criteria for Selecting Participating Colleges

The project will limit support to selected schools designated under the NAES, concentrating resources on an estimated six regional ACUs with support for UPLB limited to activities directed to improved ACU outreach, faculty development and applied research. The appropriate concentration of resources to participating colleges for optimal institutional performance will be assessed during PP design. The following criteria are suggested for selecting participating institutions:

- Leadership role in region
- Identified strategy for achieving regional impact, including action plan
- Potential for impact on incomes/living standards through improved outreach and training activities
- Demonstrated involvement/interest in private sector, including agribusiness
- Orientation of faculty to outreach activities
- Relation to ongoing AID-financed activities
- Geographic location, including peace and order concerns
- Complementarity with other donor assistance for optimal impact
- Adequate financial management and internal control procedures for accounting/accountability/auditability

3. Implementation

Each participating ACU will establish a project management unit responsible to the director of the institution. Funding will be channeled directly to the ACU for ACU-implemented activities. USAID believes that such an approach can work effectively given its experience with an ongoing agricultural project which includes the participation of the Visayas State College of Agriculture (VISCA). The administrative analysis to be undertaken during PP preparation will explore to what extent the individual institutions can and should be responsible for procurement and other aspects of implementation. The PP design work will also assess whether a formal overall project coordination office is needed, its possible location and what tasks should be undertaken by an institutional contractor. The project design committee has considered the possibility of locating a coordinating office at the ACU level where the contractor might be better able to identify and provide appropriate project implementation assistance. This option will be explored during PP design. It is not anticipated that the project will require extensive additional staff at all levels for implementation.

Effective project management will require a clearly articulated implementation plan that is understood, agreed to and followed by all project authorities. The efficient flow of communications and financial resources will be critical to effective project implementation. The Mission anticipates that early (pre- and post-PP authorization) implementation steps will include:

- Development of action plans by potential participating ACUs

- Selection of participating ACUs
- Identification of project coordination staff (if appropriate)
- Initiation of actions for contractor selection
- Identification of ACU project management staff
- Implementation orientation seminar for ACU project implementation staff
- Establishment of direct fund flow mechanism
- Refinement of action plans and resource allocations
- Refinement of project monitoring plan
- Initial procurement of commodities
- Initiation of faculty training and scholarship selection

E. Other Donor Assistance

This project will complement assistance to the agricultural education sector from other donors, including ADB, the Organization of Petroleum Exporting Countries (OPEC), the World Bank, and the European Economic Community (EEC).

The ADB recently approved a six-year project including ADB funding of \$15.8 million from its Special Funds (per annum 1.0 service charge and 0.5 percent commitment fee) and OPEC funding of \$6.5 million (3.2 percent with per annum service charge of 1.0 percent). The project supports GOP efforts to rationalize and improve the quality and relevance of agricultural education at 21 participating institutions, including UPLB, three zonal universities, four regionals, and 13 provincial technical institutes. While the ADB and USAID projects both support institutions included in the NAES, their respective inputs and emphases differ. The ADB project emphasizes support for the implementation of a newly tested diploma and bachelor agricultural technology program at provincial institutes and includes large construction and commodity inputs. The proposed USAID project, on the other hand, will focus its attention on the regional level institutions and include training, technical services, equipment, and minimal construction inputs. AID assistance to UPLB, and possibly two regional ACUs which also receive minor ADB assistance, will complement that of ADB.

The World Bank has provided assistance under the Agricultural Support Services Project for the construction of farmer training center facilities at selected institutions. This project will use these facilities where appropriate to expand ACU training/outreach functions.

In an effort to upgrade all member institutions under the NAES, the GOP is also seeking grant funding of about \$7.0 million from EEC to improve four-five provincial agricultural institutes. EEC assistance, like that of ADB, focuses on provincial institutes rather than the regionals which AID is targeting.

III. PROJECT SELECTION AND DEVELOPMENT CONSIDERATIONS

A. Social Considerations

The direct beneficiaries of the project will be the students, low-resource farmers and other rural residents, and faculty members receiving direct assistance through improved and more relevant practical education, various training programs, technology transfer, and other outreach efforts. The indirect beneficiaries are the farmers and other residents who will benefit from improved support services and training, an improved educational system whose outputs are more closely linked to local community needs, and agroclimatic appropriate technologies. Project assistance will benefit women equally as well as men as recipients of improved training and outreach activities. Women participation rates at ACUs in all subject areas remain high.

Issues to be explored during PP preparation include the likelihood that the GOP will be able to implement the NAES given existing political interests to expand college development, institutional capabilities to expand outreach efforts in rural areas, and the relationship between improved quality agricultural education and student commitment to careers in agriculture and related economic pursuits.

B. Economic and Financial Considerations

The design team will be guided by the following economic and financial considerations in developing a project that will have maximum rural impact through improved outreach and education:

- Extent to which additional investment in the ACUs will contribute significantly to improved rural income and development benefits and to greater employability of graduates. Rates of return to investment in agricultural education.
- Sustainability of investments through adequate recurrent cost budgets. Salary or other incentives sufficient to encourage trained faculty to remain in academia.
- Cost-effectiveness of approach to provide rural areas with trained human resources.

Rate of return, minimum required benefit and/or cost-effectiveness analyses will be undertaken during project design. In the light of DECS policy to rationalize the system of ACUs and GOP actions to use the ACUs as centers for supporting regional development through training of extension agents and farmers, adaptive research, adult training, and CARP training, a strong case can be made for the potential benefits to be gleaned from increased marginal investments in the already established institutions. The project will focus on important inputs that can strengthen the ACU-community links and address rural development problems.

The number of ACUs and student enrollments increased dramatically during the 1970s. The supply of agricultural graduates began to surpass demand and student enrollments began to decline in the 1980s. With the tremendous expansion of institutions, education quality suffered greatly, especially when budgets were drastically slashed. Students were not receiving quality education nor were institutions able to complete and/or maintain facilities and equipment. Further, those graduates able to obtain agricultural extension or related employment lacked the practical experience and skills to work effectively with farmers or initiate new farming or other rural-based endeavors on their own. Many graduates sought employment outside of agriculture; others remained unemployed or migrated increasingly to urban or international sites for jobs. Through individual efforts, some ACU directors were able to sustain investments made at their institutions by seeking donor assistance and reallocating resources internally; but, for the most part, institutions were unable to sustain or upgrade their programs to address current rural development needs.

As the rural economy has begun to expand during the current period and ACU budgets have increased somewhat, directors have increasingly sought ways and means to provide a more appropriate education for the increasing number of unemployed rural youth and graduates. Many ACU directors recognize that practical training for students and adults in agricultural skills, including management experiences and training in new technologies, is important for self-employment or employment in the increasing number of rural agriculture-related commercial activities. The earlier small-scale efforts of the AID-funded AEOP to improve practical training and experiences for students and to assist farmers through research and outreach is seen as a model on which to build a more appropriate system. Certainly, not all graduates will remain in the rural areas; however, the Mission believes that with more appropriate educational experiences and opportunities to participate in rural activities and learn management skills, graduates will be better prepared for managing farms, extension work, commercial agricultural employment, or other developing rural enterprise endeavors.

C. Relevant Experience with Similar Projects

In the 1950s, 1960s and 1970s, USAID involvement in agricultural education focused on developing capacity at a number of institutions to provide training and undertake research in agriculture and related fields. A positive result of those efforts was the development of a basic network of institutions with some trained faculty, facilities and equipment. However, in the late 1970s and early 1980s, it was recognized that basic institution building efforts were not sufficient to address agricultural and rural development problems at the regional levels. Thus, subsequent Mission focused more on adaptive research and improved hands-on training for students.

Through the Agricultural Research I and II Projects, AID provided assistance to develop adaptive research capacity at 20 institutions and incorporate these institutions in the PCARRD research system. Although many

ACUs developed minimal capacity to carry out applied research to test newly developed technologies under their respective agroclimatic conditions, budget constraints severely limited their ability to sustain or expand research activities, especially at the farm level. In the ongoing Rainfed Resources Development Project, AID is providing assistance to strengthen PCARRD's capacity to establish research priorities at the national level, evaluate research proposals, monitor and assess results, and develop materials for distribution to other institutions, including ACUs, and farmers. The new project will extend this latter effort to the ACUs through PCARRD participation in efforts to strengthen ACU faculty skills in research proposal development, evaluation and technology prototype development.

AEOP was designed in the early 1980s to improve practical on-farm training for students. While the AEOP experience was a small effort (six institutions), the GOP improved on and extended this effort to a larger number of institutions through PL 480-generated peso expenditures. A March 1988 consultants' review of this effort, as extended by the GOP, indicated these lessons learned: (1) Faculty can work effectively with barangay residents when provided transportation; (2) working with crop and livestock enterprises on university farms improves student employability and entrepreneurial skills; (3) non-formal skill training conducted by college faculty for farmers, rural women and out-of-school youth contributes to increased income earning capacity; and (4) ACUs with improved facilities and know-how can be effective partners with extension workers. The project design committee has incorporated the positive features of the AEOP program, including the practical training and barangay demonstration activities, in the design of this project. However, the proposed project will not include a student loan fund, which was not consistently used to meet AEOP objectives. Furthermore, the new project will encourage a decentralized approach to permit individual ACUs to have a more direct role in adapting project activities to meet their individual needs than existed in previous projects. And, finally, the proposed project will expand efforts to address commercial and agribusiness needs of rural communities.

The ongoing Farming Systems Research Development-Eastern Visayas Project (FSRD-EV) has demonstrated that VISCA, an ACU in the Visayas, can work effectively with DA at the regional level to assist in technology development that addresses upland farmers' problems. This project will build on the experience with VISCA to strengthen ACU ties with DA research and extension personnel and farmers. Also learned is that channeling funds directly to VISCA is an effective model for project implementation at the ACU level.

D. Proposed Implementing Agency

The proposed NAES being discussed in Congress suggests a conversion of all member institutions to "state universities and colleges," which would provide each institution with greater fiscal autonomy and independence from DECS. This proposed model suggests the desirability of decentralizing

implementation to the participating institution level. DECS has managed a number of donor project but through a more centralized implementation mode. Given the thrust of this project to focus on the ACU role in its regional environment, USAID believes that centering implementation at the ACU level will produce more effective results. A counterpart relationship with DECS at the national level would probably be limited to areas where DECS has overall responsibility—e.g., national standards for accreditation of programs or institutions. As noted previously, implementing mechanisms will be addressed in more detail during PP preparation.

DECS officials have expressed strong support for the proposed AID assistance to the ACUs in support of the NAES. ACU directors contacted during preliminary information collection also indicated their interest in participating in the project. Further, a number of ACU directors from the tentative list of targeted institutions recently participated in the AID-financed agricultural education strategic planning seminar at DECS.

E. USAID Management

Due to the specialized commodities and short- and long-term training involved, the project presents a potentially heavy USAID management load, especially for the logistic arrangements for commodities and training. Accordingly, the project will employ an institutional contractor to work with the ACUs on action plan development, participant training administration, short-term specialist assistance identification and administration, offshore and local commodity procurement and scheduling, and other logistics. At USAID, the responsible U.S. project officer from the Office of Rural and Agricultural Development will be assisted by an experienced Foreign Service National who has worked on a number of completed agricultural institutional projects, including ABOP. Other USAID offices will provide engineering, participant training services, contracting, legal, logistic and financial reporting assistance as appropriate.

F. Estimated Cost and Method of Financing

A recent Mission-financed study, Proposal for Agricultural Education Improvement Project, indicates that selected inputs are critical to improve educational quality and enhance outreach capability. For preliminary budgeting purposes, each institution or category of institutions has been allotted a standard package of inputs. The PP design team will undertake more detailed analyses to determine types and levels of inputs. Pre-implementation ACU action plan development will provide additional guidance. A tentative

budget for the \$15.0 million AID grant assistance for UPLB and other ACUs follows:

<u>Element</u>	<u>AID (In \$000)</u>	
	<u>Amount</u>	<u>Total</u>
<u>For UPLB:</u>		
Technical services for ACUs, outreach, adaptive research, and faculty development	\$ 2,000	\$ 2,000
<u>For other ACUs:</u>		
<u>Training:</u>		4,100
U.S./Philippine MSc	2,700	
U.S./Philippine PhD	400	
U.S. short-term training	400	
In-country workshops for outreach & technical exchange; visitations	600	
<u>Commodities:</u>		2,775
Instructional/library materials	500	
Laboratory equipment	975	
Material reproduction equipment	300	
Farm machinery and equipment	800	
Vehicles (motorcycles/utility)	200	
<u>Construction:</u>		950
Campus farm development	800	
Small, barangay training facilities	150	
<u>Technical Assistance:</u>		1,900
Long-term institutional contract	1,100	
Short-term specialists	800	
Student financial support	1,200	1,200
<u>Other Activities:</u>		800
Studies	300	
Adaptive research networks	500	
Evaluation/audit/contingency	1,275	<u>1,275</u>
TOTAL		<u>\$15,000</u>

The GOP will contribute an estimated \$5.0 million (in peso equivalent) toward project activities as indicated below:

<u>Item</u>	<u>Amount (\$000)</u>
<u>Personal Services</u> (Includes salaries, allowances, benefits for center and ACU level)	\$ 780
<u>Maintenance and Operation Expenses</u> (Includes travel, supplies, repairs, communication expenses, etc.)	1,085
<u>Equipment/office furnishings</u>	655
<u>Other (in kind)</u> (Including land, facilities, etc.)	<u>2,480</u>
TOTAL	<u>\$5,000</u>

Financing and implementation methods will be reviewed during PP design. AID direct payment for U.S. commodities and technical assistance is likely.

G. Design Strategy

Upon approval of this PID, a design team will undertake further analyses for PP preparation. The design team will include a team leader/design and management specialist, agricultural education specialists, economist, and evaluation/monitoring specialist. An anthropologist or sociologist will be obtained through a local Indefinite Quantity Contract to conduct the social soundness analysis. The PP design team will work closely with the USAID project design committee and ACU, DECS and NEDA officials for a period of six weeks beginning about mid-October. Obligation is scheduled for the second quarter of 1989. The Mission is requesting approval for authorization of the PP in the field.

H. Gray Amendment Alert

USAID has given full consideration to the potential involvement of small and/or economically and socially disadvantaged enterprises and has determined that there is potential for Gray Amendment qualifying firms/institutions in the following areas of implementation:

- While competition for technical assistance will be open to any firm, the Commerce Business Daily notice and instructions to offerors and bidders will encourage the participation of Gray Amendment qualifying firms as prime or subcontractors in accordance with Part Ia of the Federal Acquisition

Regulations. All selection criteria being found equal, the participation of such firms may become the determining factor for selection.

- Every effort will be made to limit technical services for project evaluations to Gray Amendment qualifying firms on a competitive basis.

- USAID will examine the possibility of utilizing historically black colleges and universities for U.S. degree training.

I. Recommended Environmental Threshold Decision

This project will strengthen educational institutions primarily through scholarships, training of faculty, commodities, TA, and construction of workshops and barangay housing. Accordingly, only the construction of buildings would have a potential negative environmental impact--i.e., sewage treatment and soil erosion. Thus, the design and engineering plans for all construction activities should include an analysis of environmental impact. Overall, the Project should have a positive environmental impact since it will strengthen faculty and student capacities to address practical agricultural problems and may include the teaching of environmental conservation.

J. Design Issues

The following will be addressed in detail during PP design:

1. Vehicle Waiver

As noted in the budget, it is proposed that the project finance one utility vehicle for each participating institution. Total cost is an estimated \$110,000. During PP preparation, the Mission will explore whether the GOP or other donors would be able to fund the costs since such purchases for AID will require a source/origin waiver. Utility vehicles which can be repaired locally in the provinces where the ACUs are located are viewed as critical to permit the institutions to conduct more on-site barangay activities for students and farmers as well as transport farmers to ACUs for training or introduction to new plant varieties, technologies, etc. U.S. vehicles are not practical and would have repair/spare part problems.

2. Concentration on Fewer Institutions

Of the proposed 94 institutions included in the National Agricultural Education System, ADB is supporting UPLB, seven zonals/regionals, and 13 provincials. Although there has been some GOP interest in our supporting the remaining nine regionals and 74 provincials, alternatives of providing more resources for fewer institutions would permit concentration of resources for greater impact, especially for outreach activity improvement. Fewer institutions would also facilitate management and monitoring of activities. The PID suggests a maximum of seven (UPLB plus six regionals);

the appropriate number for optimal impact and performance will be explored further during PP design. USAID has an informal agreement with senior DECS officials to concentrate on fewer institutions.

3. National Agricultural Education System

DECS has already approved the National Agricultural Education System plan limiting the number of member institutions. The proposal has passed a second reading in the Philippine Congress and DECS officials remain optimistic that support will be forthcoming by the end of the 1988 calendar year. However, self-interest may outweigh national concerns. Financing recurrent costs and sustaining quality over the long run will necessitate hard political choices. Progress on this issue will be reviewed during PP design, including the possibility of conditionality linked to recurrent cost financing and implementation of the rationalization plan.

4. Inclusion of Private Institutions

Most ACUs are public institutions. However, some private institutions (for example, Silliman University and Xavier) may be included in the NAES. During PP preparation, the team will explore the possibility of including one or more private institution which meets the criteria and is important for educational, outreach and research coverage in a region.

5. Curriculum Reform

More information is needed to determine what curriculum areas should be upgraded to improve education and outreach—including, for example, agribusiness or commercial skills, maintenance of natural resources and system approaches. As mentioned previously, the ADB project will support implementation of an optional bachelor/diploma program which emphasizes practical training. As a basis for determining specific studies [see Section II(C)(3)(a)] and related inputs, the PP design team will be tasked with providing more detail on curriculum needs.

6. Implementing Agency

DECS has been designated as the implementing agency for the ADB/OPEC and previous World Bank projects. This project proposes a more decentralized approach to implementation to capitalize on the capabilities and knowledge of the regional institutional directors to plan and implement programs that address their particular regions. As discussed earlier, the design team will identify and explore implementing mechanisms that best achieve the project objectives.

POTENTIAL PARTICIPATING INSTITUTIONS

<u>TYPE & NAME OF INSTITUTION</u>	<u>REGION:</u>	<u>SPECIALIZED COMMODITY :</u>	<u>REMARKS</u>
Don Mariano Marcos Memorial State University (State University)	I	Sericulture; Grapes; Corn/Rice/Cacao; Piggery; Fisheries; Agroforestry; Extension	W/ Training Center
Isabela State University (State University)	II	Crops/Livestock Prod'n Technology; Livelihood Projects; Orchards; Pilot farms	W/ Regional Farmer Training Center
Nueva Vizcaya State Institute of Technology (State Institute)	II	Upland Agriculture; Extension: Crops/Legumes Production & Research; Animal Production; Fisheries; Coffee Rejuvenation; Cooperatives	Farmer's Training Center under construction
Pampanga Agricultural College (State College)	III	Agro-forestry/Orchard; Beef/Chevon; Anglo Nubian; Piggery/Poultry Artificial Insemination/Vaccination Program; Teacher's training in Agricultural Education	W/ Regional Farmer Training Center
Don Severino Agricultural College (State College)	IV	Coffee, Cacao and other highland crops	W/ Multi-purpose Training Center
Silliman University (Private Religious Inst.)	VII	Extension activities	
Visayas State College of College of Agriculture (State College)	VIII	<u>National Responsibility:</u> Fiber Crops (Abaca); Root Crops <u>Regional Responsibility:</u> Coconut; Corn & Sorghum, Rice & Other Cereals Vegetable Crops; Beef and Chevon (Smallholder farm/forage, pasture & grassland)	W/ Regional Training Center

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<u>TYPE & NAME OF INSTITUTION</u>	<u>: REGION:</u>	<u>SPECIALIZED COMMODITY</u>	<u>: REMARKS</u>
Western Mindanao State University (State University)	IX	Agroforestry; Mushroom Culture; Promotes researches in various agriculture disciplines and field of specialization	
Xavier University (Private Religious Inst.)	X	Research	
University of Southern Mindanao (State University)	XII	<u>National Responsibility:</u> Corn & Sorghum; Fiber/ Fruit Crops; Plantation Crops <u>Regional Responsibility:</u> Legumes; Rice & Other Cereals; Root Crops; Sugarcane; Beef & Chevon; Carabeef (Smallholder farm); Poultry; Farming Systems; Soil/Water Resources	W/ Farmer Training Center
