

**PROJECT AGREEMENT
BETWEEN AID AND
OTEC**

1. Project/Activity No.
277-11-190-594

2. Agreement No.
1

3. Original or
Revision No. 1

AN AGENCY OF THE GOVERNMENT OF
Turkey

3. Project/Activity Title
AGRICULTURAL ADMINISTRATION AND PLANNING

PROAG
CONTINUATION
SHEET
ANNEX "A"

I. Project Description

This project is intended to provide assistance to the GOF in two related areas, both of which are crucial elements in the process of agricultural development. The first area concerns the organization, administration and management of government-sponsored programs directed at accelerating the rate of growth of the agricultural sector. The second area is concerned with the collection, analysis, and presentation of agricultural economic data and their use as an integral part of the program and project planning and evaluation process.

In order to utilize more effectively the relatively large cadre of skilled technical people generally found throughout the government agricultural agencies, it is appropriate to focus efforts on the improvement of administrative and management techniques. There is need for the government to reforge its relationships among its own departments and between agencies and farmers. This is particularly true in view of the increasing complexity of modern agriculture and the nature of assistance that the government can logically attempt to provide. This reorientation should logically lead away from the present diversity of organizations and fragmentation of program approaches and lead toward an integration of component parts managed in a manner that assures the timely provision of complementary supplies and services to the producer.

The achievement of progress in this area is dependant first, upon modifications of the concepts of management and the appreciation for improved techniques employed in the development process prevalent in the higher echelons of the civil service. Second, and attendant to the first, is the streamlining of organizational structures to permit technical staff who are related by function to operate as an integral unit in the implementation of agricultural programs and projects.

While project activities will concentrate, for the most part, within the Ministry of Agriculture, specific programs focusing on improved administration and management will be designed to include participation from all of the ministries and organizations that have responsibilities in the conduct of agricultural programs.

Parallel to project efforts in the above area, selected activities will be undertaken primarily with the Agriculture Planning and Economic Research Organization (AP/ERO) of the Ministry of Agriculture. These activities will be directed at the improvement of methods and techniques employed by that unit in the: 1) collection, analysis and use of basic agricultural data; 2) preparation and review of agricultural development

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

**PROJECT AGREEMENT
BETWEEN AID AND
OTEC**

1. Project/Activity No.
277-11-190-594

PAGE 3 OF 9 PAGES

2. Agreement No.
1

3. Original or
Revision No. 4

PROAG
CONTINUATION
SHEET
"A"
ANNEX

AN AGENCY OF THE GOVERNMENT OF
TURKEY

3. Project/Activity Title
AGRICULTURAL ADMINISTRATION AND PLANNING

plans and projects; 3) evaluation of project effectiveness; and 4) in the preparation and analysis of alternative proposals related to development objectives.

The AP/ERO is charged with several basic responsibilities which include: 1) Assisting to determine the targets of the agricultural sector for inclusion in the Development Plan; 2) organizing and coordinating the planning activities within the Ministry of Agriculture; 3) evaluating program and project implementation activities; 4) conducting economic research into all aspects of agriculture; 5) collecting, analyzing and evaluating agricultural statistics; and 6) coordinating and evaluating community/regional development activities.

II. Planned Targets, Results and Outputs

A. To assist in the development of a greater appreciation for and a better understanding of improved organizational systems and management techniques applicable to government organizations. Emphasis will be given those methods that would improve development efforts in the agricultural sector by means of:

1. coordinating and integrating like functions into manageable units;
2. adopting organizational systems that would permit the management and application of development "packages";
3. obtaining more efficient use of personnel through recognition of the value of combining interdependent skills; and
4. improving the field service through a combination of disciplines but a separation of functions into more responsive and flexible units with clearly established objectives such as farmer extension work, research, production and distribution of supplies, regulatory and control work.

B. To improve both the quantity and quality of the work output in the agricultural economics field within the Ministry of Agriculture. Principally (but not exclusively) through the efforts of the AP/ERO, special attention will be given to such activities as:

1. determination of present cropping patterns and optimum land use (on a farm, region and national basis);
2. determination of production functions for a wide range of enterprises;

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

3

PROJECT AGREEMENT
BETWEEN AID AND
OPEC

1. Project/Activity No.

277-11-190-594

PAGE 1 OF 8 PAGES

2. Agreement No.

1

3. Original or

Revised No. 4

AN AGENCY OF THE GOVERNMENT OF
TURKEY

3. Project/Activity Title

AGRICULTURAL ADMINISTRATION AND PLANNING

3. examination of supply, distribution and price situation on basic agriculture inputs;

4. improvement of short-term, and establishment of systems for long-term, production projections;

5. determination of price and income elasticities;

6. analysis of market structure and market mechanisms;

7. analysis of public intervention programs, agricultural taxation and insurance systems, credit supply and labor problems;

8. determination of optimum production models and thus plan for optimum resource use;

9. establishment of higher standards in the project preparation and review process;

10. preparation of standards and establishment of methodology in project evaluation, including periodic review of progress;

11. increase of statistical collection and data publication activities; and

12. other activities in the general agricultural economics area considered to need priority attention.

III. COURSE OF ACTION

Subject to the availability of funds the program will include:

A. In the area of administration and management the project will provide a contractual arrangement with the USDA for the following:

1. to conduct a series of two to five seminars for senior administrators of Turkish organizations designed to study improved organization and management with specific reference to agriculture in Turkey;

2. to conduct a parallel series of training courses for middle-management personnel of the same or similar Turkish organizations designed to refine their skills in the use of modern management techniques and tools and their application to Turkish organizations; and

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

PROAG
CONTINUATION
SHEET

ANNEX "A"

PROJECT AGREEMENT
BETWEEN AID AND
OIECAN AGENCY OF THE GOVERNMENT OF
TURKEY

1. Project/Activity No.

277-11-190-594

PAGE 5 OF 8 PAGES

2. Agreement No.

1

3. Original or
Revision No. 4

3. Project/Activity Title

AGRICULTURAL ADMINISTRATION AND PLANNING

3. to assist in establishing or utilizing, at as early a date as is feasible, a Turkish base for these and continuing training efforts in this field.

B. To improve the quantity and quality of activities related to the general field of agricultural economics, the project will provide, preferably through a contractual arrangement with a U.S. university (s):

1. a full-time agricultural economics advisor to AP/ERO;
2. short-term consultancy services up to nine man months per year, the exact number and type of consultants will be determined during the course of project implementation; and
3. academic participant training programs at the post graduate level for up to five persons per year.

IV. USFY 1971 Program

In USFY 1971 the GOT, through its concerned Agencies and with the assistance of the U.S. will undertake the following:

1. Nominate up to 12 senior administrators for attendance at one Executive Seminar in the U.S. in the field of Agricultural Organization and Management.
2. Nominate four participants to attend the training program in "Agricultural Development Planning and Administration" in the U.S. (Agriculture Bank).
3. Nominate three participants for long-term (12 months) training in the U.S. in Agriculture Economics.
4. Improve the quantity and quality of activities related to the general field of agriculture economics by implementing activities which will improve the methods and techniques used in the: (1) collection, analysis and use of basic agricultural data; (2) preparation and review of agricultural development projects; (3) evaluation of project effectiveness; and (4) preparation and analysis of alternate proposals. First attention will be given to the following:
 - An extensive survey/research activity on optimum cropping patterns in four selected regions.
 - A research project on the economics of tea production.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

AID 1050-1A (2-35) PROAG CONTINUATION SHEET ANNEX "A"	PROJECT AGREEMENT BETWEEN AID AND OJEC	1. Project/Activity No. <u>277-11-190-594</u>	PAGE <u>6</u> OF <u>8</u> PAGES
		2. Agreement No. <u>1</u>	3. <input type="checkbox"/> Original or Revision No. <u>4</u>
	AN AGENCY OF THE GOVERNMENT OF TURKEY	3. Project/Activity Title AGRICULTURAL ADMINISTRATION AND PLANNING	

- A research project on optimum use of farm machinery as related to farm size.
- A training program for Ministry of Agriculture and/or other technical staff on feasibility analysis and related project preparation techniques.

V. Cooperating Country Contributions

The Government of Turkey will provide sufficient Turkish Lira to support project requirements. The costs are categorized for TTY 70 as follows:

A. Trust Fund Budget	<u>TTY 70 (TL)</u>
1. Personnel benefits	57,600
2. Travel and transportation of persons	347,328
3. Transportation of things	91,500
4. Other services	<u>32,000</u>
Total	528,428

These funds will be made available by the Ministry of Finance to USAID in support of U.S. advisory personnel assigned to the project including domestic and international travel and related expenses thereof.

B. Special Project Funds	<u>TTY 70 (TL)</u>
1. Personnel compensation	54,360
2. Travel and transportation of persons	87,292
3. Other services	31,900
4. Supplies and materials	<u>15,000</u>
Total	188,552

These funds will be made available by the Ministry of Finance to the project to support research, project planning and evaluation activities undertaken under the auspices of AP/ERO in line with project objectives.

C. General Budgets of Ministry of Agriculture and other participating

For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____	For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____
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67

**PROJECT AGREEMENT
BETWEEN AID AND
OTEC**

AN AGENCY OF THE GOVERNMENT OF
TURKEY

1. Project/Activity No.

277-11-190-594

PAGE 7 OF 8 PAGES

2. Agreement No.

1

3. Original or

Revision No. 4

3. Project/Activity Title

AGRICULTURAL ADMINISTRATION AND PLANNING

GOT organizations will include the cost of international travel and all other TL costs for participant training. In previous Project Agreements, the GOT has provided International Travel for the following participant training programs:

	<u>TFY 70 (TL)</u>
1. Executive Officer Seminar - Oct./Nov., 1970	
a. Ministry of Agriculture - 3 participants	49,500
b. Other Organizations - 9 participants	148,500
2. Academic Training Programs:	
a. Agricultural Economics - 3 participants Academic Year 1970/71 (AP/ERO)	49,500
b. Agricultural Development - 4 participants February 1971 (Agriculture Bank)	66,000
Total	TL. 313,500

Subject to the availability funds, the GOT will provide International travel in TFY 1971 for 12 Executive Officer Seminar positions and 3 academic training positions in Agricultural Economics. The estimated cost is TL. 247,500.

VI. U.S. Government Contributions, USFY 71

The U.S. Government will provide the following services in support of project objectives:

A. Technician Services

1. Two full-time advisors under direct hire/contract employment. One agriculturist to assist in project organization, management and implementation and one agriculture economist assisting AP/ERO.

2. Contract/PASA services on short-term basis to organize and conduct two Executive Officers Seminars and to provide special consultancy service in the agricultural economics field.

B. Participant Training

U.S. Government will provide the U.S. dollar cost of training 19 new

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

17

**PROJECT AGREEMENT
BETWEEN AID AND
OIEC**

1. Project/Activity No.
277-11-190-594

2. Agreement No.
1

3. Original or
Revision No. 4

PROAG
CONTINUATION
SHEET

ANNEX "A"

AN AGENCY OF THE GOVERNMENT OF
TURKEY

3. Project/Activity Title
AGRICULTURAL ADMINISTRATION AND PLANNING

starts for periods of two to 12 months' duration. Final selection will depend upon the candidates meeting the applicable English language and/or other requirements for AID sponsored participant programs. In addition, one academic participant will be extended for 12 months if scholastic progress is deemed satisfactory.

VII. Funding Summary of U.S. Contribution

A. Total anticipated project funding requirements in USFY 1971 are estimated as follows:

1. Technician Services	\$203,000
a. U.S. Direct Hire Technicians	\$ 31,000
b. Contract/PASA Services	172,000
2. Participants	<u>\$ 68,000</u>
TOTAL	\$271,000

B. This project agreement revision obligates funds to cover the following elements of the project in FY 71:

1. A 12 months extension of one participant \$ 5,520.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

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PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE ORGANIZATION FOR INTERNATIONAL ECONOMIC COOPERATION
AN AGENCY OF THE GOVERNMENT OF TURKEY

FY 72

The above-named parties hereto mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

1. PROJECT/ACTIVITY NO. **277-11-190-594** PAGE 1 OF 7 PAGES

2. AGREEMENT NO. **2** 3. ORIGINAL OR REVISION NO. **5**

- PROJECT DESCRIPTION ANNEX A FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
 STANDARD PROVISIONS ANNEX SPECIAL LOAN PROVISIONS ANNEX

4. PROJECT/ACTIVITY TITLE
AGRICULTURE ADMINISTRATION AND PLANNING

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE

5. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)

ECONOMIC COOPERATION AGREEMENT DATE **7/4/48**
as amended

6. AID APPROPRIATION SYMBOL **72-1121004** 7. AID ALLOTMENT SYMBOL **254-50-277-00-69-21**

(to be used) DATE

Min. of Agriculture

8. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input checked="" type="checkbox"/> COLLAGE <input type="checkbox"/> LOCAL CURRENCY				
(a) Total	179,283	33,630		212,913
(b) Other PASA	121,733			121,733
(c) Commodities				
(d) Participants Participants	57,550	33,630		91,180

9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT
 \$1.00 = 14 TL.

(a) Total

(b) Technical and other Services

(c) Commodities

(d) Other Costs

USAID Clearances

F&A *MSB*

TNC *SOM*

POBB

ADTB

ADC *PK*

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

This revision describes the project, and provides funds for participant training programs. All provisions of the original Project Agreement, as amended, remain in force.

11. DATE OF ORIGINAL AGREEMENT
August 9, 1971

12. DATE OF THIS REVISION
4-24-72

13. ESTIMATED FINAL CONTRIBUTION DATE
August 9, 1974

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: *Y. S. us Savas* DATE: _____
 TITLE: **The Organization for Int'l Economic Cooperation**

SIGNATURE: *Kenneth M. Kar...* DATE: **Apr. 12, 1972**
 TITLE: **Deputy Director, USAID/Turkey**

9

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10-60)

FRDAG
CONTINUATION
SHEET

ANNEX

**PROJECT AGREEMENT
BETWEEN AID AND**

**The Organization for International
Economic Cooperation
AN AGENCY OF THE GOVERNMENT OF
TURKEY**

1. Project/Activity No.
277-11-190-594

2. Agreement No. **2**

3. Project/Activity Title
**AGRICULTURE ADMINISTRATION AND
PLANNING**

PAGE 2 OF 7 PAGES

3. Original or
Revision No. 5

I. PROJECT DESCRIPTION AND OBJECTIVES

This project is concerned with part of the activity of the Agricultural Planning and Economic Research Organization (AP&ERO) of the Ministry of Agriculture. The head of AP&ERO serves as Director of the project, which provides assistance to two related and critical elements in the agriculture development process in Turkey: (1) the organization and administration of Government of Turkey projects for agricultural development, and (2) the collection, analysis and presentation of agricultural economic data and their use in project planning and evaluation. The various ministries involved in agricultural development have technical skill in depth in most of the agriculture specialities, but the efficient management of these skills is a basic problem area. Further, improvements are needed in the capability and efficiency of collecting, analysing and presenting basic data and related statistics on which to base development programs and determine cost-benefit ratios.

The objectives of the project are to:

- A. Develop within the various agriculturally-related ministries:
 - 1. An awareness of the need for, and an appreciation of, an integrated functional approach to management and organization;
 - 2. An awareness of the necessity of forging horizontal linkages which assure timely application of inputs in development programs;
 - 3. Capability to plan and carry out a program of staff orientation and training to implement the above concepts.
- B. Develop through long-term training and direct advisory assistance the economic and statistical analysis capability required to adequately evaluate, develop and present proposed development projects.

These objectives relate directly to these AP&ERO responsibilities:

- (1) Agriculture Sector Development Plan target determination;

For the Cooperating Government or Agency

SIGNATURE: [Signature] DATE: 4-24-72

TITLE: _____

For the Agency for International Development

SIGNATURE: [Signature] DATE: 4/25/72

TITLE: _____

PROJECT AGREEMENT BETWEEN AID AND O. I. E. C. AN AGENCY OF THE GOVERNMENT OF TURKEY	1. Project/Activity No. 277-11-190-594	PAGE <u>2</u> OF <u>7</u> PAGES
	2. Agreement No. 2	3. <input type="checkbox"/> Original or Revision No. <u>5</u>
	3. Project/Activity Title AGRICULTURE ADMINISTRATION AND PLANNING	

- (2) Organizing and coordinating Ministry of Agriculture planning activities; (3) Evaluating program and project implementation activities; (4) Conducting agricultural economic research; (5) collecting, analysing and evaluating agricultural statistics; (6) Coordinating and evaluating community/ regional development activities.

II. SUMMARY OF PROJECT ACTIVITIES TO DATE

This project began in FY 1971. Since that time three six-week agricultural executive seminars have been held in the U.S. (two funded in FY 71, and a third in FY 72), with 42 key officials of the Government of Turkey participating. These seminars provided an opportunity for the participants to study and analyse in depth the application of improved management and organization systems and techniques to Turkish agricultural problems. The sessions have generated considerable improvement in management and organizational activity in agencies to which the participants returned. A major input was made by some of these participants into the reorganization of the General Directorate of Agriculture. One participant is carrying out a major role in the planning of a reorganization of considerable proportions of the Agriculture Bank (Ziraat Bankasi). Coordination between such agencies as the Sugar Corporation and the Agriculture Bank, and between the State Hydraulic Works (DSI) and General Directorate of Farm Irrigation and Conservation (TOPRAKSU) have been enhanced by efforts of officials returning from the seminars. A major part of the 15,000 hectare program for poppy substitution has been developed by these participants; a program to make more efficient use of milk processing plants has been put into action.

Also with the aid of officials who have attended the seminars, an in-country program of middle-management training for agriculture-related ministries of the Government of Turkey has been prepared. It is now under consideration by the Government, and if it is decided to implement the program, a U.S. consultant will assist in planning and organizing it.

In consultation with USAID, AP&ERO contracted with Ankara, Ataturk and Ege Universities to make regional research studies on various cropping patterns, their costs and returns. Field surveys have been completed; analysis is nearing completion; and publication of results is expected within the next month. In addition, AP&ERO has carried out economic research on tea and livestock production.

For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____	For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____
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**PROJECT AGREEMENT
BETWEEN AID AND
O. I. E. C.**

**AN AGENCY OF THE GOVERNMENT OF
TURKEY**

1. Project/Activity No.
277-11-190-594

PAGE 4 OF 7 PAGES

2. Agreement No. 2

3. Original or
Revision No. 5

3. Project/Activity Title
AGRICULTURE ADMINISTRATION AND PLANNING

III. COURSE OF ACTION

A. In the area of administration and management, USAID will arrange with the U.S. Department of Agriculture to conduct a fourth executive seminar in the U.S. to study improved organization and management with specific reference to agriculture in Turkey. This seminar will be designed to provide the transition phase for changing the location of the seminars from the U.S. to Turkey.

The Government of Turkey will nominate 19 senior administrators to attend this seminar. Upon their return to Turkey, the participants will be regarded as resource people in the field of management and organization, making contributions to inter-ministerial efforts in the field as well as in their parent agencies. This may include but is not exclusive to the development of management training at the junior, middle, and executive levels in Turkey.

As administrators within their own agencies and as resource people for the provision of advice to other agencies, the returned participants would be expected to extend the concept of an integrated approach rather than the traditional pattern of organization which treats independently the various related segments of agricultural development.

B. The following activities will be carried out to improve the quantity and quality of activities related to the general field of agricultural economics:

1. Assistance will be provided by USAID through a contract with the University of Arizona. A full-time agricultural development economist will serve as advisor to AP&ERO; short-term consultancy services will be provided, with the number and type of consultants to be determined during the course of project implementation.

2. Training in the U.S. will be provided for up to two candidates for Masters Degrees in agricultural economics, and for three short-term trainees in project development and analysis.

The Government of Turkey will nominate the above candidates in sufficient time to permit them to achieve English language proficiency adequate

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

18

PROJECT AGREEMENT
BETWEEN AID AND
O. I. E. C.1. Project/Activity No.
277-11-190-596

PAGE 5 OF 11 PAGES

2. Agreement No.

2

3. Original or
Revision No. 5PROAG
CONTINUATION
SHEETAN AGENCY OF THE GOVERNMENT OF
TURKEY

3. Project/Activity Title

AGRICULTURE ADMINISTRATION AND PLANNING

NUMBER _____

to meet requirements of AID and U.S. training institutions. All academic candidates must have achieved an acceptable score on the Test of English as a Foreign Language (TOEFL) examination taken in March 1972 in order to be formally nominated in U.S. FY 1972.

Each Project Implementation Order/Participants (PIO/P) will be signed by the Ministry of Agriculture. This signature will constitute a firm decision on the part of that Ministry to train the persons designated in the PIO/Ps.

3. The Government of Turkey will take concrete action to upgrade the methods and techniques used in the (1) collection, analysis and use of basic agricultural data; (2) preparation and review of agricultural development projects; (3) evaluation of project effectiveness; and (4) preparation and analysis of alternate proposals. First attention will be given to the following:

a. An extensive survey, analysis and evaluation activity on optimum cropping patterns in four selected regions. Three of these regions will be those associated with Ankara, Ataturk and Ege Universities, which are under contract to conduct cropping pattern research. The fourth will be the seven province area from which poppy growing is being banned. This survey will be conducted by AP&ERO research staff.

b. A research project on the economics of tea production.

c. A research project on optimum use of farm machinery as related to farm size.

d. A training program for Ministry of Agriculture and/or other technical staff on feasibility analysis and related project preparation techniques.

e. A research project on the economics of dairy production in the Ankara milkshed.

IV. COOPERATION COUNTRY CONTRIBUTIONS

A. The Ministry of Agriculture agrees to provide:

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

13

PROAG
CONTINUATION
SHEET
ANNEX

PROJECT AGREEMENT

BETWEEN AID AND

O. I. E. C.

AN AGENCY OF THE GOVERNMENT OF
TURKEY

1. Project/Activity No.
277-11-190-594

PAGE 6 OF 7 PAGES

2. Agreement No. 2

3. Original or
Revision No. 5

3. Project/Activity Title
AGRICULTURE ADMINISTRATION AND PLANNING

1. Responsible officials to serve as counterparts to the U.S. advisors. If these counterparts are not sufficiently fluent in the English language, interpreter and/or translation services will be provided.

2. Suitable office space, furniture, equipment, supplies, utilities and communications for use of the U.S. advisors.

3. Lira costs from its own budget to cover international travel to and from the U.S., and to the extent that it is permissible under Turkish law, continuing salary payments for Turkish officials studying in the U.S. or travelling in conjunction with this project (with the exception of travel and per diem for the personnel connected with the fourth executive seminar - see below).

B. In addition to the funds and services produced by the Ministry of Agriculture and by AP&ERO, the Government of Turkey is providing TL. 380,000 in the initial TFY 72 Special Project Fund Budget for support of the project, as follows:

1. Salary of Secretary/Translator
2. In-country travel of AP&ERO research team
3. Research contracts with Ankara, Ataturk and Ege Universities and support for the AP&ERO research team
4. Support of research activities (translation; printing; office supplies and equipment; gas, oil, spare parts for vehicles)

C. Local currency support costs of U.S. technicians assigned to this project including domestic and international travel and associated expenses are included as part of the General Trust Fund Budget for TFY 72, and may be attributed to this project. These may include:

1. Arizona University Contract - International travel and associated expenses, travel in Turkey, and other support for full-time and TDY team members;

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

14

**PROJECT AGREEMENT
BETWEEN AID AND**

O. I. E. C.

1. Project/Activity No.
277-11-190-594

PAGE 7 OF 7 PAGES

2. Agreement No. 2

3. Original or
Revision No. 5

AN AGENCY OF THE GOVERNMENT OF
TURKEY

3. Project/Activity Title
AGRICULTURE ADMINISTRATION AND PLANNING

PROAG
CONTINUATION
SHEET

ANNEX _____

2. Mid Management Training - International travel and per diem in Turkey for one month for one consultant;
3. Executive Officer Seminar IV:
 - a. International travel and per diem outside of the U.S. for participants;
 - b. Advance Planning - International Travel and per diem in Turkey for one TDY member of U.S. Department of Agriculture team;
 - c. USAID/Turkey consultant to seminar - International Travel and two weeks per diem in the U.S.;
 - d. Secretarial/translation/interpreter services - International Travel and five to six weeks per diem in the U.S. for three USAID/Turkey employees;

V. U.S. GOVERNMENT CONTRIBUTIONS

Subject to the availability of funds, AID will provide the following in U.S. Fiscal Year 1972:

A. Already obligated under previous issuances of this Project Agreement - \$169,383 to cover costs of planning and implementing Executive Seminars III and IV; per diem in the U.S. for participants in Seminar III; \$9,900 for three participants for short-term training in project development and analysis; and for extension of training programs of participants in long-term training in the U.S.

B. Obligated under this Project Agreement Revision - \$33,630 for per diem in the U.S. for 19 participants in Seminar IV.

C. To be obligated under further amendments to this Agreement - funds for the first year of training of up to two candidates for Masters Degree in agricultural economics.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

15

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PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE ORGANIZATION FOR INTERNATIONAL ECONOMIC COOPERATION
AN AGENCY OF THE GOVERNMENT OF TURKEY

FY 73

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

1. PROJECT/ACTIVITY NO.
277-190-594

PAGE 1 OF 2 PAGES

2. AGREEMENT NO. 3

3. ORIGINAL OR REVISION NO. _____

PROJECT DESCRIPTION ANNEX A FOREIGN CURRENCY STANDARD PROVISIONS ANNEX

STANDARD PROVISIONS ANNEX SPECIAL LOAN PROVISIONS ANNEX

4. PROJECT/ACTIVITY TITLE
AGRICULTURE ADMINISTRATION AND PLANNING

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

5. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)

GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE _____

ECONOMIC COOPERATION AGREEMENT DATE 7/4/48
as amended

6. AID APPROPRIATION SYMBOL 72-1131004

7. AID ALLOTMENT SYMBOL 354-50-277-00-69-31

8. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY				
(a) Total		3,000		3,000
(b) PASA Consult Services		3,000		3,000
(c) Commodities				
(d) Other Costs				
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT				
\$1.00 = 14 TL				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

This Agreement obligates funds for a U.S. consultant to assist in conducting a workshop on project preparation, analysis and evaluation.

11. DATE OF ORIGINAL AGREEMENT: October 10, 1972

12. DATE OF THIS REVISION: _____

13. ESTIMATED FINAL CONTRIBUTION DATE: October 10, 1975

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: *M. Demirel* DATE: Oct. 6, 72

TITLE: Organization for International Economic Cooperation

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: *Kenneth M. ...* DATE: _____

TITLE: Acting Director, USAID/Turkey

Min. of Agriculture
USAID
Clearance
F&A
POD
ADTA
ADC

SECRET
A
AMEMB

ECONOMIST AGREEMENT
C. I. E. C.
AN AGENCY OF THE GOVERNMENT OF TURKEY

Project/Activity No. 277-594
Project/Activity Title (11-190)
Agriculture Administration and Planning

The Agricultural Planning and Economic Research Organization (AP&ERO) of the Ministry of Agriculture will sponsor a four-week Project Preparation, Analysis and Evaluation Workshop in Ankara during October/November, 1972.

This workshop will be attended by approximately 25 participants from the various agencies and ministries concerned with project planning and analysis as it relates to agricultural development in Turkey.

Physical facilities, instructors, training materials and per diem and related costs for participants will be provided by AP&ERO. Included among Turkish officials who will assist in preparing and presenting portions of the program will be those who have completed a short-term project development and analysis course in the U.S. under AID's participant training program, or similar courses conducted by IBRD.

Advisory assistance is being provided by the Agricultural Economist currently serving in Turkey under the USAID/University of Arizona contract. In addition, a U.S. consultant will assist in preparing materials and instructing certain subjects, with major responsibility for discounted cash flow, benefit costs, and other methods of evaluation and sensitivity analysis.

In addition to the funds and facilities provided by the Ministry of Agriculture, local currency support costs of the U.S. consultant, including domestic and international travel and associated expenses, are included as part of the General Trust Fund Budget for TFY 72.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: **Organisation for International**

SIGNATURE: _____ DATE: _____
TITLE: **Acting Director, USAID/Turkey**

Economic Cooperation

PRO AG

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE ORGANIZATION FOR INTERNATIONAL ECONOMIC COOPERATION
AN AGENCY OF THE GOVERNMENT OF TURKEY

FY 73

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

1. PROJECT/ACTIVITY NO.
277-11-190-594

PAGE 1 OF 1 PAGES

2. AGREEMENT NO. 3

3. ORIGINAL OR REVISION NO. 2

- PROJECT DESCRIPTION ANNEX A FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
 STANDARD PROVISIONS ANNEX SPECIAL LOAN PROVISIONS ANNEX

4. PROJECT/ACTIVITY TITLE

AGRICULTURE ADMINISTRATION AND PLANNING

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

ECONOMIC COOPERATION AGREEMENT DATE 7/4/48
as amended

6. AID APPROPRIATION SYMBOL

72-1131004

7. AID ALLOTMENT SYMBOL

354-50-277-00-69-31

(other) DATE

8. AID FINANCING

DOLLAR LOCAL CURRENCY

PREVIOUS TOTAL (A)

INCREASE (B)

DECREASE (C)

TOTAL TO DATE (D)

(a) Total

12,825

209,300

222,125

(b) Contract Services

52,000

52,000

(c) ~~Contract Services~~ PASA

325

66,000

66,325

PARTICIPANTS

(d) ~~Contract Services~~

12,500

91,300 ^{*/} -!

103,800

9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT
\$1.00 = TL 14

(a) Total

(b) Technical and other Services

(c) Commodities

(d) Other Costs

10. SPECIAL PROVISIONS (Use Additional Coordination Sheets, if Necessary)

This revision obligates funds described in Annex A.

All provisions of the original Project Agreement, as amended, remain in force.

11. DATE OF ORIGINAL AGREEMENT
October 10, 1972

12. DATE OF THIS REVISION
3-26-73

13. ESTIMATED FINAL CONTRIBUTION DATE
October 10, 1975

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: *Yildirim Kez* DATE: *Mar 23, 1973*
TITLE: **Organization for International Economic Cooperation**

SIGNATURE: *Kevin M. Kaufman* DATE: *Mar 26, 1973*
TITLE: **Deputy Director, USAID/Turkey**

Ministry of Agriculture

USAID Clearance

F&A *KMB*

TNG *DM*

POD *McD*

ADTA *CS*

ADC *19/73*

* / Include \$1,300 P/30043

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BETWEEN AID AND
O. I. E. C.AN AGENCY OF THE GOVERNMENT OF
TURKEY1. Project/Activity No.
277-11-199-594PAGE 1 OF 2 PAGES2. Agreement No.
33. Original or
Revision No. 2

3. Project/Activity Title

AGRICULTURE ADMINISTRATION AND
PLANNING

FY 1973

1. PROJECT DESCRIPTION AND OBJECTIVES

This project provides assistance to the Planning Research and Coordination General Directorate (PRC) of the Ministry of Agriculture. PRC was formerly the Planning and Economic Research Organization (P/ERO). The new designation changes the status of the organization from a staff unit of the Minister of Agriculture to that of the more autonomous general directorate with permanent cadre positions. This places the organization in a more favorable position for recruiting and retaining more capable staff. Recent actions within the Ministry of Agriculture indicate that the new organization will have considerably greater input into agriculture policy formulation and development strategy determination.

Under the coordination of PRC this project provides assistance to four related and critical elements in the agriculture development process in Turkey: (1) the organization, management and administration of agricultural sector projects for development; (2) the collection, analysis and presentation of agricultural economic data; (3) sector planning, project development, and evaluation; and (4) coordination of activities.

The objectives of the project are to:

A. Develop within the various agricultural agencies (1) an awareness of the need for and an appreciation of an integrated functional approach to management and organization; (2) an awareness of the necessity of forging horizontal linkages which assure timely inputs of material, money and services in development projects and programs; and (3) the capability to plan and carry out programs of staff orientation and training to implement the above concepts.

B. Develop through training and direct advisory assistance the analytical capability in economics and statistics required for adequate planning, analysis and evaluation of development projects.

The above objectives are commensurate with the responsibilities awarded PRC, e.g.: (1) determination of agriculture sector development strategy targets; (2) coordination of MOA planning activities;

For the Cooperating Government or Agency

SIGNATURE:

TITLE:

*Y. S. Demir Kaya*DATE: Nov 23, 73

For the Agency for International Development

SIGNATURE:

TITLE:

James W. Hoffman

DATE:

Nov 26, 1973

**PROJECT AGREEMENT
BETWEEN AID AND**

1. Project/Activity No.
277-11-190-594

**PROAG
CONTINUATION
SHEET**

O. I. E. C.

2. Agreement No. **3**

3. Original or
Revision No. 2

ANNEX A

**AN AGENCY OF THE GOVERNMENT OF
TURKEY**

3. Project/Activity Title
**AGRICULTURE ADMINISTRATION
AND PLANNING**

FY 1973

(3) evaluation for MOA of program and project implementation activities;
(4) agricultural economic research; (5) collection, analysis and evaluation of agricultural statistics; (6) coordination and evaluation of community/regional development activities.

II. SUMMARY OF PROJECT ACTIVITIES TO DATE

This project began in FY 1971. Since that time four Turkish Executive Management Seminars (TEMS), each of six weeks duration, have been held in the U.S. with 61 key officials of the Government of Turkey participating. These seminars provided an opportunity for the participants to study and analyze in depth the application of improved management and organization systems and techniques to Turkish agricultural problems.

The sessions generated considerable improvement in management and organizational activity in the agencies to which the participants returned. (For an evaluation of the four seminars, refer to TOAID A-01 dated January 8, 1973.)

After returning to Turkey, these executives assumed a large portion of the responsibility for planning the executive-management and middle-management training which is to take place in Turkey.

The GOT is now planning a fifth seminar, similar to the Washington based course, this one to be held in Turkey in May 1973.

TEMS executives also gave enthusiastic support to a Project Planning, Analysis and Evaluation Course held in October 1972. This was planned and sponsored by PRC with the assistance of the University of Arizona contract advisor. Forty-five participants representing planning staffs from seven ministries completed the course. Twenty-six Turkish experts assisted in conducting the course with a major input being provided by two Turkish participants in a similar Washington based course. Instruction was also provided by the Arizona contract advisor and the

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE

TITLE

Yildirim Kay
DATE: Mar 23, 77

SIGNATURE

TITLE

DATE

**PROJECT AGREEMENT
BETWEEN AID AND
O. I. E. C.**

1. Project/Activity No.
277-11-190-594

PAGE **3** OF **10** PAGES

2. Agreement No. **3**

3. Original or
Revision No. **2**

**AN AGENCY OF THE GOVERNMENT OF
TURKEY**

3. Project/Activity Title
**AGRICULTURE ADMINISTRATION
AND PLANNING**

**PROAG
CONTINUATION
SHEET**

ANNEX A

FY 1973

director of the Washington course on project development and analysis. Additional planning courses will be held periodically in Turkey upon the request of the GOT.

PRC is currently focusing its research on the following:

A. Land use and cropping patterns--in consultation with USAID, PRC made research grants to Ankara, Ataturk and Ege Universities for studies of cropping patterns and optimum enterprise combinations. In addition, PRC conducted one similar regional study. The studies have been analyzed; one is published and two are nearly ready to be published.

B. Thrace region livestock--PRC is conducting a study of various livestock enterprises, the meat and dairy processing industry and the livestock feed situation in Thrace in preparation for planning a livestock project in the area if evaluation indicates merit. A short-term consultant from the University of Arizona cooperated in this study.

C. Regional development project (IBRD financing)--PRC, assisted by the University of Arizona advisor, has been assembling basic statistics from Cankiri and Corum provinces and planning project organization. This activity, as well as the one concerning Thrace, emphasized improved project planning and analysis.

In the past PRC has conducted research in tractor use, the Ankara milkshed dairy farm management, cooperative and joint farming organizations. Plans call for research on general farm management, crop insurance, and maximizing farm unit income.

Due in part to assistance provided by this project, PRC has demonstrated to high level agriculture policy leaders the potential benefit that can result from effective use of economic research, statistical analysis and improved project planning and management.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: *Ali Kemal Kaya*

DATE: *Mar 23, 73*

SIGNATURE: _____

DATE: _____

TITLE: _____

TITLE: _____

21

**PROJECT AGREEMENT
BETWEEN AID AND
O. I. E. C.**

**AN AGENCY OF THE GOVERNMENT OF
TURKEY**

1. Project/Activity No.
277-11-190-594

PAGE 4 OF 10 PAGES

2. Agreement No.
3

3. Original or
Revision No. 2

2. Project/Activity Title
**AGRICULTURE ADMINISTRATION
AND PLANNING**

FY 1973

The Project Planning Evaluation and Analysis course broadened the base of support for the project and indicated that high quality training in project planning could be done in Turkey. Recently published research is gaining wide acceptance, and the responsibility for more research related to current agricultural development policy is being requested from PRC by the Ministry of Agriculture.

III. COURSE OF ACTION

A. In the area of administration and management, USAID will continue to assist in the planning and implementation of middle-management and executive level training courses in Turkey.

1. A two-month middle-management course will be held in Turkey for 18 participants. It will deal with Turkish management problems, management environment, the Turkish personnel law and financial control, and economic development.

2. Arrangements will be made by USAID with the U.S. Department of Agriculture to conduct a four-month training course in the U.S. for the 18 who attend the above course, to prepare them to assume the duties of Career Development Specialists, with emphasis on middle level management training. The director of this course will spend up to ten days in Turkey observing the Turkish course to familiarize himself with the participants, the training, and the current Turkish management training environment.

Upon their return to Turkey, these specialists will organize middle-management training courses on both an intra- and inter-ministerial basis, using Turkish experts in various management areas. With the concurrence of the GOT, two or three U.S. experts may also be called upon to assist in planning and conducting the first such training activities in-country, if so requested by the GOT. Plans call for two training programs per year for middle level managers from the agriculture agencies. Classes of 20 to 25 trainees are envisioned.

3. Executive management seminars are being planned by the GOT for the various agencies involved in agricultural development.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: [Signature]

DATE: Nov 23, 73

SIGNATURE: _____

DATE: _____

TITLE: _____

TITLE: _____

PROAG
CONTINUATION
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ANNEX A

PROJECT AGREEMENT
BETWEEN AID AND
O. I. E. C.

1. Project/Activity No. 277-11-190-594	PAGE <u>5</u> OF <u>10</u> PAGES
2. Agreement No. 3	3. <input type="checkbox"/> Original or Revision No. <u>2</u>
3. Project/Activity Title AGRICULTURE ADMINISTRATION AND PLANNING	

AN AGENCY OF THE GOVERNMENT OF
TURKEY

FY 1973

The first of these executive seminars will be held in May 1973 for 20 executives with the assistance of three short-term U.S. consultants. One of these will serve as advisor to the Turkish course director, advising on organization and operation of the seminar. The other two consultants will provide training in management theory and practice, administration, management style, and human relations.

B. The following activities will be carried out to improve the quantity and quality of activities related to the general field of agricultural economics:

1. Assistance will continue to be provided by USAID through a contract with the University of Arizona. One full-time agricultural economist will continue to assist in the overall development of PRC. With the concurrence of the State Planning Organization and in lieu of the short-term consultants already planned, an agricultural planning advisor will work for one year with the PRC Planning Division, participating in a full planning cycle to provide guidance and experience to the Planning staff.

2. Programs of participants now studying in the U.S. will be continued. In addition, the first year of training in the U.S. will be provided for up to four new candidates for Masters Degrees in agricultural economics. Specialized academic non-degree training with emphasis on agricultural economics will be provided.

Two participants now in training toward MA Degrees will return to Turkey in the spring and two in the winter of 1973. Two additional Masters students and two Ph. D. candidates are expected to complete their studies and return to Turkey in 1974.

3. The Ministry of Agriculture, through PRC, will continue to take concrete action to upgrade the methods and techniques used in the (1) collection, analysis and use of basic agricultural data; (2) preparation and review

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

23

**PROJECT AGREEMENT
BETWEEN AID AND
O. I. E. C.**

1. Project/Activity No.
277-11-190-594

PAGE 6 OF 10 PAGES

PROAG
CONTINUATION
SHEET

2. Agreement No. **3**

3. Original or
Revision No. 2

ANNEX A

**AN AGENCY OF THE GOVERNMENT OF
TURKEY**

3. Project/Activity Title
**AGRICULTURE ADMINISTRATION
AND PLANNING**

FY 1973

of agricultural development projects; (3) evaluation of project effectiveness; and (4) preparation and analysis of alternate proposals. To the extent that MOA delegates PRC these responsibilities, first attention will be given to the following:

- a. Acquiring and developing a capable staff to plan and develop projects and to analyze and evaluate development projects presented for the Directorate's consideration.
 - b. Conducting, guiding and coordinating agricultural economic research within the MOA and related agencies, and presenting research data and related statistics in a form suitable for use in agricultural policy formulation and development planning.
 - c. Helping the Ministry of Agriculture in determining and using expatriate assistance in the agricultural economics field.
 - d. Coordinating and evaluating community/regional development activities.
 - e. Developing a rational agricultural development strategy.
 - f. Developing academic and specialized training programs for upgrading PRC and MOA staff in agricultural economics and management.
4. In its new role as a general directorate and as a result of past activities, PRC is being assigned additional responsibilities in project coordination, analysis, evaluation, and for presenting MOA plans to the State Planning Organization. This includes coordination on a ministry-wide basis for project planning, coordinating the live-stock development efforts, and developing research in the following priority areas:
- a. Determination of present cropping patterns and enterprise combinations for optimum land use on a farm, region, and national basis;
 - b. Determination of production functions and costs and returns for a wide range of enterprises and farm situations;

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: *A. Adnan Kal* DATE: *Mar/2/73*

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

PROJECT AGREEMENT
BETWEEN AID AND

1. Project/Activity No.
277-11-190-594

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CONTINUATION
SHEET

O. I. E. C.

2. Agreement No.

3

3. Original or
Revision No. 2

ANNEX A

AN AGENCY OF THE GOVERNMENT OF
TURKEY

3. Project/Activity Title

AGRICULTURE ADMINISTRATION
AND PLANNING

FY 1973

c. Examination of supply, distribution and price situations on basic agricultural inputs;

d. Improvement of short-term systems for production projections, and establishment of systems for long-term projections;

e. Analysis of market structure and market mechanisms in cooperation with the Division of Agricultural Marketing and Processing.

f. Analysis of public intervention programs, agricultural taxation and insurance systems, credit supply and labor problems;

5. Two Project Planning, Analysis and Evaluation seminars similar to the one conducted in the fall of 1972 will be held. Each will be attended by 20 to 25 representatives of GOT agency planning staffs. U.S. assistance in implementation and instruction will generally be provided from USAID/Turkey staff.

C. Concerned agencies will nominate to OIEC all candidates for training in the U.S. in sufficient time to permit them to achieve English language proficiency adequate to meet requirements of the training program. All academic candidates must have achieved an acceptable score on the Test of English as a Foreign Language (TOEFL) examination taken in March 1973 in order to be formally nominated in U.S. FY 73.

Each Project Implementation Order/Participant (PIO/P) will be cleared by the Ministry of Agriculture and signed by OIEC, Ministry of Finance.

IV. COOPERATING COUNTRY CONTRIBUTIONS

A. The Ministry of Agriculture agrees to provide:

- 1. Responsible officials to serve as counterparts to the U.S.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE

Sydenius Koz

DATE

11/23/73

SIGNATURE

DATE

TITLE

TITLE

**PROJECT AGREEMENT
BETWEEN AID AND
O. I. E. C.**

1. Project/Activity No.
277-11-190-594

PAGE 8 OF 9 PAGES

PROAG
CONTINUATION
SHEET

2. Agreement No. 3

3. Original or
Revision No. 2

ANNEX A

AN AGENCY OF THE GOVERNMENT OF
TURKEY

3. Project/Activity Title
AGRICULTURE ADMINISTRATION
AND PLANNING

FY 1973

advisors. If these counterparts are not sufficiently fluent in the English language, interpreter and/or translation services will be provided.

2. Suitable office space, furniture, equipment, supplies, utilities and communications for use of the U.S. advisors.

3. Lira costs from its own budget to cover international travel to and from the U.S. and, to the extent that it is permissible under Turkish law, continuing salary payments for Turkish officials studying in the U.S. or traveling in conjunction with this project.

4. Costs for trainees, Turkish resource people, and physical facilities for Turkish based courses.

B. The Ministry of Finance will provide such other local currency support as may be mutually agreed upon and in consonance with existing procedures and trust fund agreements.

V. U.S. GOVERNMENT CONTRIBUTIONS

Subject to the availability of funds, AID will provide the following in U.S. Fiscal Year 1973:

A. Already obligated under previous instances of this Project Agreement:

\$12,825 for the extension of programs of participants in training in the U.S., and for the costs of a Project Development Consultant.

B. Obligated under this Revision:

1. \$45,000 to extend the University of Arizona contract to cover the duration of the assignment of the Senior Economist and Planning Advisor.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: *Nycklaus Kael* DATE: *Mar 23/73*

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

26

PROJECT AGREEMENT

BETWEEN AID AND

O. I. E. C.

AN AGENCY OF THE GOVERNMENT OF
TURKEY

1. Project/Activity No.
277-11-190-594

PAGE 9 OF 10 PAGES

2. Agreement No. **3**

3. Original or
Revision No. **2**

3. Project/Activity Title
**AGRICULTURE ADMINISTRATION
AND PLANNING**

FY 1973

2. \$66,000 for a PASA with the U.S. Department of Agriculture (USDA) to plan and assist in conducting a four-month Career Development Specialist (CDS) Training course in the U.S., and to provide short-term services of the U.S. course director in Turkey during the preliminary training here.

3. \$54,000 for costs of 18 Turkish participants in the course in the U.S.

4. \$7,000 for advisory services in Turkey of three consultants to the Executive Management Training course to be held in May 1973.

5. \$36,000 for participants--the first year of training for four degree candidates and one year's training for one special practical non-degree program.

6. \$1,300 for extension of a program of a participant already in the U.S.

C. Funds may be obligated under subsequent revisions to this Agreement.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

21

**PROJECT AGREEMENT
BETWEEN AID AND
O. I. E. C.**

1. Project/Activity No.
277-11-190-594

**PROAG
CONTINUATION
SHEET**

2. Agreement No. **3**

3. Original or
Revision No. **2**

ANNEX A

**AN AGENCY OF THE GOVERNMENT OF
TURKEY**

3. Project/Activity Title
**AGRICULTURE ADMINISTRATION
AND PLANNING**

FY 1973

WAIVER

This revision obligates a total of \$209,300. Implementing documents for a total of \$166,300 are being issued simultaneously with this Agreement.

The balance of \$43,000 includes:

1. \$36,000 for the first year of training for four degree candidates and one year of training for one special practical non-degree program. The information will be available to complete the specifications for these courses and the PIO/P's will be issued within six months of the date this Project Agreement is executed.

2. \$7,000 for advisory services of consultants to the executive management training course in Turkey. The exact scope of work for each of these consultants will be determined and the PIO/T's will be issued within three months of the date this Project Agreement is executed.

This action is taken in conformance with AID Manual Order 712.4, Section III, Paragraph 3a.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: *[Signature]*

DATE: *11/23/73*

SIGNATURE: _____

DATE: _____

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PROJECT AGREEMENT
BETWEEN AID AND

O. I. E. C.

AN AGENCY OF THE GOVERNMENT OF
TURKEY

1. Project/Activity No.
277-11-190-50h

PAGE 1 OF 2 PAGES

2. Agreement No.
4

3. Original or
Revision No. 1

3. Project/Activity Title
AGRICULTURE ADMINISTRATION AND PLANNING

I. PROJECT DESCRIPTION

This project provides direct assistance to the Planning, Research and Coordination General Directorate (PRC) of the Ministry of Agriculture (MOA) and works closely with the GOT agencies which are involved with improved planning, administration and organization, and with agriculture-economic research.

Under the coordination of PRC this project provides assistance to five related and critical elements in the agricultural development process in Turkey: (1) the organization, management and administration of agricultural sector projects for development; (2) the collection, analysis and presentation of agricultural economic data; (3) sector planning, project development, and evaluation; (4) coordination of activities and (5) graduate and on-the-job training for above.

The objectives of the project are to:

A. Develop within the various agricultural agencies (1) an awareness of the need for and an appreciation of an integrated functional approach to management and organization; (2) an awareness of the necessity of forging horizontal linkages which assure timely inputs of material, money and services in development projects and programs; and (3) the capability to plan and carry out programs of staff orientation and training to implement the above concepts; (4) institutionalized management training programs such as the Turkish Executive Management Seminars (TEMS) and Mid-Management training in the GOT.

B. Develop through graduate training of PRC personnel and direct advisory assistance the analytical capability in economics and statistics required for adequate planning, analysis and evaluation of development projects and a rationalization of agricultural policy.

The above objectives are commensurate with the responsibilities of PRC, e.g.,: (1) determination of agriculture sector development strategy targets; (2) coordination of MOA planning activities; (3) evaluation for MOA of programs and project implementation activities; (4) agricultural economic research; (5) collection, analysis and evaluation of agricultural statistics; (6) preparation, coordination and evaluation of community/regional development activities.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: [Signature] DATE: Apr 26 68
TITLE:

SIGNATURE: _____ DATE: _____
TITLE:

PROJECT AGREEMENT
BETWEEN AID AND
O.I.E.C.

AN AGENCY OF THE GOVERNMENT OF
TURKEY

1. Project/Activity No.

277-11-190-594

PAGE 2 OF 9 PAGES

2. Agreement No.

4

3. Original or
Revision No. 1

3. Project/Activity Title

AGRICULTURE ADMINISTRATION AND PLANNING

II. SUMMARY OF PROJECT ACTIVITIES TO DATE

This project began in FY 1971. AID's assistance has included full-time and short-term advisory personnel through a contract with the University of Arizona; short-term consultants to assist plan and conduct training sessions in Turkey and to help carry out specific surveys; and participant training in the United States. The latter includes academic degree training and short management courses especially designed and conducted by the U.S. Department of Agriculture. All other resources are provided by the Government of Turkey.

Activities with which AID has been involved can generally be classed into two categories: (a) Management training, and (b) Institutional development for the key planning, economic research, coordination and economic development administrative agency in agriculture.

held/

A. Management Training: This activity involves high level and middle level. At the high level, executive management seminars (TEMS) have been/ to provide key officials the opportunity to study and analyze in depth the application of improved management and organizational systems to Turkish agricultural conditions. The first four seminars, each of six weeks duration, were held in the U.S. with 61 officials participating. The fifth and the sixth were held in Turkey in May and November 1973 with 15 and 16 executives attending.

The first four were primarily U.S. efforts, but beginning with TEMS V, the first held in Turkey, the U.S. input has been progressively reduced and the format revised to meet in-country seminar requirements. Length was reduced to four weeks and increased attention given to purely Turkish problems.

Mid-Management: Seventeen personnel from 16 different agencies completed in November 1973 a two-month career development specialist (CDS) training program in Turkey and a four-month program in the U.S.

B. Institutional Development of PRC: Eleven Turks have received training toward Masters Degrees in agricultural economics under this project. Four of these have completed their programs and returned to Turkey. Two others are continuing training toward Ph.D.'s under other auspices. Five are still enrolled in U.S. universities. (Kara, Cinemre, Sarica, Akgunduz and Saygideger.)

In November 1972 GOT created the General Directorate of Planning, Research and Coordination. P/ERO, the former counterpart organization for the project,

For the Cooperating Government or Agency

SIGNATURE: Ol Altun

DATE: April 26, 74

TITLE:

For the Agency for International Development

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TITLE:

PROAG
CONTINUATION
SHEET

BETWEEN AID AND

O.I.E.C.

2. Agreement No.

4

3. Original or

Revision No. 1

ANNEX A

AN AGENCY OF THE GOVERNMENT OF
TURKEY

3. Project/Activity Title

AGRICULTURE ADMINISTRATION AND PLANNING

formed the nucleus of the new General Directorate. Within its first year as a General Directorate, PRC made considerable progress. By mid-October 1973, a major reorganization had been accomplished in which specific responsibility and commensurate authority had been delegated to three Deputy General Directors. In December 1973 four positions were upgraded, and assurance has been given that the other positions needed would be authorized.

Of special importance has been the granting of Department status to the Research (August 1973), Planning (October 1973), and Program Budgeting (May 1973) units. Organization is now commensurate with responsibility. Also, the personnel situation has stabilized. Between June 1972 and mid-December 1973, fifteen new personnel were hired, and only one lost.

During the past year three publications were released, three completed but not published, four in-house reports prepared, and two books authored by PRC staff released.

It has become clear that the inclusion of the term "coordination" in the new General Directorate's name was significant. In July 1973 a revised Ministry of Agriculture organization chart was issued which places PRC in the strategic position for accomplishing the task. The project and program plans and budgets of all agencies within the Ministry of Agriculture, and all other agencies which by decree or law must coordinate activities with it, flow through PRC.

The Training Division and Planning Department of PRC have held two Project Planning, Analysis and Evaluation Workshops, each of four week's duration. Eighty-six participants from 21 different agencies attended. A manual, in Turkish, was written and printed as a PRC publication for the second workshop. There has been considerable demand for the publication and for additional workshops (which are being planned). Also, two brief manuals on the use of PERT in agricultural project management were adapted to Turkish conditions, translated, and printed.

The Research Department is continuing work on the Antalya area crop pattern study, analyzing data from a survey of Thrace and surrounding areas; farm size requirements for optimum utilization of tractors; milk production and processing costs and returns; labor requirements for selected crops; Afyon and Uşak area studies relating directly to income replacement; for poppies, and others.

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For the Agency for International Development
SIGNATURE: _____ DATE: _____
TITLE:

32

PROAG
CONTINUATION
SHEET

ANNEX A

PROJECT AGREEMENT
BETWEEN AID AND
O.I.E.C.AN AGENCY OF THE GOVERNMENT OF
TURKEY1. Project/Activity No.
277-11-190-594

PAGE 4 OF 9 PAGES

2. Agreement No. 4

3. Original or
Revision No. 13. Project/Activity Title
AGRICULTURE ADMINISTRATION AND PLANNING

Considerable attention has been given to planning future research projects. The General Directorate is aware that not all needed research can be funded, therefore, priorities must be established. At present, the following projects are in the planning stage, and subject to availability of funds, work will be initiated on them.

1. Policy and Organization

- (a) Analysis of policy considerations in crops supported by the Government — cotton, tea, tobacco, wheat and possibly raisins;
- (b) Group and custom farming problems and opportunities, with particular relevance to mechanization requirements in dry-land wheat production.

2. Livestock - emphasis generally on costs and returns

- (a) Beef: an analysis of the entire industry;
- (b) Sheep: evaluation of opportunities for wool and multiple purpose animals, especially in the Çankiri and Çorum areas;
- (c) Analysis of village programs.

3. Dryland Farming

- (a) Economics of new innovations in wheat;
- (b) Economics of crop rotations and livestock improvement.

The Planning Department has major responsibility for coordination of agricultural sector activities, and this is a time consuming task. Also during the past year, it has had major responsibility for planning seven projects. The largest, still under study, is the IBRD related Central Anatolia Integrated Area Development Project, sometimes called the Çankiri-Çorum Project. It is the largest agricultural project in the planning stage at this time. Leadership was provided for an intensive, five volume study of the two-province area, and the development of a basic project prototype. Other activities include four provincial or other area plans and several commodity oriented projects

For the Cooperating Government or Agency

SIGNATURE: A. AltunDATE: April 26, 74

TITLE:

For the Agency for International Development

SIGNATURE: _____

DATE: _____

TITLE:

33

PROJECT AGREEMENT

BETWEEN AID AND

O.I.E.C.

1. Project/Activity No.
277-11-190-594

PAGE 5 OF 9 PAGES

2. Agreement No.

4

3. Original or

Revision No. 1

PROAG
CONTINUATION
SHEET

ANNEX A

AN AGENCY OF THE GOVERNMENT OF
TURKEY

3. Project/Activity Title

AGRICULTURE ADMINISTRATION AND PLANNING

The Program Budgeting Division has made good progress, with major effort directed toward improving the mechanics of the system. The Turkish FY 74 Ministry of Agriculture proposed budget was completed in December 1973 with a minimum of problems. The Department is now ready to proceed to the second and third stages in the use of program budgeting.

The Plan and Program Implementation and Coordination Division has been hampered by lack of personnel, but has been improving the mechanism for handling the 268 projects involving expenditures of TL 194 million in TFY 73, for which it is responsible. The division administers both Ministry of Agriculture and Public Works projects.

III. COURSE OF ACTION

A. Management Training: TEMS VII is being planned for spring 1974 by PRC in cooperation with the Institute of Public Administration. Instruction will be mostly from Turkish agencies, supplemented by the University of Arizona contract team and by USAID, to a limited extent, direct-hire personnel already in Turkey. The USAID supplied personnel will work directly with counterparts to prepare them to better conduct future seminars without external assistance.

Mid-Management Training: The principal effort in the management area through FY 74 will be assisting the initiation of Mid-Management training by returned Career Development Specialist (CDS) participants. The first training session will be accomplished with the assistance of a U.S. consultant for one month, and other personnel from USAID. This joint effort by all the CDS will provide practical experience in conducting such programs.

B. Institution Building: Assistance will continue to be provided to PRC by a contract with the University of Arizona. The Senior Advisor will continue to assist in the total development of PRC. Moreover, he will assist with the development in PRC of a training program for new employees to better qualify them to accomplish the duties of their new positions. This type and level of training is not currently available in Turkey.

The Planning Advisor from the University of Arizona will continue to work with the Planning Department to improve project planning methods, establish standard procedures for project analysis and evaluation, develop closer cooperation and coordination between PRC and the line agency planning units,

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE:

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April 26, 74

DATE:

TITLE:

SIGNATURE:

DATE:

TITLE:

34

PROJECT AGREEMENT

BETWEEN AID AND

O.I.E.C.

AN AGENCY OF THE GOVERNMENT OF
TURKEY

1. Project/Activity No.

277-11-190-594

PAGE 6 OF 9 PAGES

2. Agreement No.

4

3. Original or

Revision No. 1

3. Project/Activity Title

AGRICULTURE ADMINISTRATION AND PLANNING

encourage improved project priority alignment by line agencies and establish training programs that will make these procedures routine in agency project planning operations. Guidelines for the above will be set out in a PRC publication and a Project Preparation Manual.

A Project Planning, Analysis and Evaluation Workshop/Seminar similar to the one held in the spring of 1973 will be held in March-April 1974. However, the format will be altered to follow more precisely the project preparation handbook to be prepared by the Planning Department, PRC. U.S. assistance will be through the University of Arizona contractor plus assistance as required from USAID/technical staff.

C. Participant Training: Positions are available for five masters degree programs in agricultural economics and two non-degree programs for specialized economic training of particular importance to PRC, as shown in Section V, below.

PRC and other concerned agencies will nominate to OIEC all candidates for training in the U.S. in sufficient time to permit them to achieve English language proficiency adequate to meet requirements for the training program. TOEFL examinations with a minimum score of 500 for academic participants will be required. Each PIO/P will be cleared by the MOA and signed by OIEC, Ministry of Finance.

D. The Ministry of Agriculture, through PRC, will continue to take concrete action to upgrade the methods and techniques used in collecting and analyzing basic agricultural sector data, the preparation of agricultural development projects, evaluation of project effectiveness, and the preparation and analysis of alternative policies and strategies. Priority attention will be given to the following:

1. Expanding its staff to plan, develop, and evaluate projects and to perform research which will guide policy in the direction of a rational development strategy;
2. Training, through on-the-job training programs, the lower echelon staff of PRC and members of the planning units in other General Directorates;
3. Conducting, coordinating and guiding agricultural economic research and data gathering within MOA and related agencies, and presenting research results and related statistics in a form suitable for use in agricultural planning and policy formulation;

For the Cooperating Government or Agency

For the Agency for International Development

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35

PROJECT AGREEMENT
BETWEEN AID AND
O.I.E.C.1. Project/Activity No.
277-11-190-594

PAGE 7 OF 9 PAGES

2. Agreement No. 4

3. Original or
Revision No. 1AN AGENCY OF THE GOVERNMENT OF
TURKEY3. Project/Activity Title
AGRICULTURE ADMINISTRATION AND PLANNINGPROAG
CONTINUATION
SHEET

ANNEX A

4. Preparing provincial and regional development plans and development activities;

5. Contributing to the development of a rational agricultural development strategy;

6. Developing academic and specialized training programs for upgrading PRC and MOA staff in agricultural economics and management;

7. Developing a workable system for coordinating development activities in the agricultural sector.

IV. COOPERATING COUNTRY CONTRIBUTIONS

A. The Ministry of Agriculture agrees to provide:

1. Responsible officials to serve as counterparts to the U.S. advisors. If these counterparts are not sufficiently fluent in the English language, interpreter and/or translation services and secretarial services will be provided.

2. Suitable office space, furniture, equipment, supplies, utilities, and communications for use of the U.S. advisors.

3. Lira costs from its own budget to cover international travel to and from the U.S., and, to the extent that it is permissible under Turkish law, continuing salary payments for Turkish officials studying in the U.S. or traveling in conjunction with this project.

4. Costs for trainees, Turkish resource people, and physical facilities for Turkish-based courses.

5. Efforts will be made by PRC to secure authority and fiscal support to contract for services from other agencies, both public and private within or outside of Turkey and to hire foreign consultants and experts from its own budget resources.

6. Arrange suitable English training for potential participants.

B. The Ministry of Finance will provide such other local currency support as may be mutually agreed upon and in consonance with existing procedures and trust fund agreements.

For the Cooperating Government or Agency

For the Agency for International Development

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TITLE: _____

31

**PROJECT AGREEMENT
BETWEEN AID AND
O.I.E.C**

1. Project/Activity No.
277-11-190-594

PAGE 8 OF 9 PAGES

2. Agreement No. 4

3. Original or 1
Revision No. _____

AN AGENCY OF THE GOVERNMENT OF
TURKEY

3. Project/Activity Title
AGRICULTURE ADMINISTRATION AND PLANNING

PROAG
CONTINUATION
SHEET
ANNEX A

V. U.S. GOVERNMENT CONTRIBUTIONS

Subject to the availability of funds, AID will provide the following in the U.S. Fiscal Year 1974:

A. Already obligated under a previous issuance of this Project Agreement: \$5,200 for the costs of two consultants to assist with the TEMS VI.

B. Obligated under this Revision:

\$23,300 to extend the University of Arizona contract to cover the duration of the assignment of the Senior Agricultural Economist through July 1974 and the Agricultural Planning Advisor through August 1974.

C. Additional funds may be obligated under subsequent revisions to this agreement for participants and consultants as follows:

Consultants

\$4,500 for a PASA with the U.S. Department of Agriculture to provide the short-term services of a consultant in developing a Mid-Management Training Seminar in Turkey.

(See Next Page)

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: D. Altun DATE: April 26, 74

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

31

**PROJECT AGREEMENT
BETWEEN AID AND
O.I.E.C.**

**AN AGENCY OF THE GOVERNMENT OF
TURKEY**

1. Project/Activity No.
277-11-190-594

PAGE 9 OF 9 PAGES

2. Agreement No. 4

3. Original or
Revision No. 1

3. Project/Activity Title

AGRICULTURE ADMINISTRATION TRAINING

C. (Continued)

Participants - \$96,000

<u>Extensions to Participants Initially Funded in U.S. FY 73</u>	<u>No. of Parts.</u>	<u>Total Months Each to Be in Training</u>	<u>Total Months Each Funded in FY 74</u>	<u>Type of Training</u>
1. Agricultural Economic Research (SARICA)	1	24	12	2 year MS Degree
2. Farm Management and Production Econ (ARGUNDUZ)	1	24	12	" " "
3. Agricultural Resource Dev. Econ (SAYGIDEGER)	1	24	12	" " "

Participants to be Initially
funded in US FY 74

1. Farm Management	1	24	12	2 year MS Degree
2. Production Economics	1	24	12	" " "
3. Agricultural Crop and Livestock Insurance	1	24	12	" " "
4. Agricultural Price Policy	1	24	12	" " "
5. Agricultural Statistics	1	24	12	" " "
6. Project Evaluation and Implementation	1	12	12	1 year academic non-degree
7. Farm Management and Production Economics	1	12	12	" " "

Funds being available upon successful completion of the 12 months.
An additional 12 months will be funded for the 24 months programs.

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ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, NESAS

FROM : NESAS/NE, Bradshaw Langmaid, *Bill*

SUBJECT: PROP Approval - Agricultural Policy, Planning and Administration

Last June the USAID proposed the termination of Integrated Agricultural Services (Project 425) and the initiation of a new project emphasizing policy questions at the Ministry Level. At the time the USAID's general proposal bore such a close resemblance to the ongoing Project that the proposal for a new project was denied. Since then there have been a number of exchanges on the approach the USAID wishes to take, which have resulted in a PROP recommending extension of the Integrated Agricultural Services project.

Upon review of the USAID's PROP it is clear that, while the project draws heavily on our experience with Denizli as well as other agricultural activities, its focus and course of action require a significant departure from those activities. For this reason, we recommend reversing the position previously taken and including the project in the FY 1971 Congressional as a new project entitled Agricultural Policy, Planning and Administration. The Mission estimates the cost of the project will total \$1,428,000 from FY 71 through FY 75. The Mission also estimates \$314,000 equivalent of Trust Funds and \$257,000 equivalent of Special Project funds will be utilized during the life of the project. For the present we are estimating a total cost of \$900,000 which would average around \$200,000 per year for four years, with a decrease in the final year.

Given the rigid compartmentalization of the present Turkish Government organizations, the strategy of the new project is a combination of (a) providing ideas, advice and training to the leadership of key directors at the Central Ministry level, (b) forming several "task forces" composed of GOT's decision-makers, together with selected U.S. expertise to formulate and implement new policy directions and to develop new projects to support these policies, (c) demonstrating new administrative as well as agricultural techniques through appropriate central and provincial activities and giving central and provincial officers an opportunity to observe and evaluate the results of the demonstrations.

The substantive issues with which this project will be concerned are sufficiently broad that at present they can only be stated in general terms. These will include but are not limited to the following:

1. Allocation of resources within agriculture.
2. Price, tax, subsidy, credit and other policies as they relate to agriculture.

39'

3. Stocks management and marketing, with special attention to exports.
4. Organization and management for developing, introducing and evaluating new programs and innovations.
5. Decentralization of government management functions and development of local institutions for coordination and farmer participation.

The major focus of the new project will be on the Central Ministry staff in Ankara -- particularly the Agricultural Planning and Economic Research Office (AP&ERO) of the Ministry. This office performs the project review and evaluation function for the Ministry and is developing a regional coordination branch.

The proposed course of action of the new project has four related components:

A. Two Direct-Hire Advisors

Working with the AP&ERO as well as other sections of the Ministry -- one agricultural economist concentrating on areas concerning agricultural policy and one general agriculturist, assisting with organization, management and implementation, who will work full time on the substantive areas outlined above. They will be supported as necessary by short-term advisors. (The need for one such advisor to follow up the village agricultural committee work initiated in the spring of 1969 has already been determined.)

B. Institutional Support in Agricultural Administration

The PROP proposes using either a PASA and/or a U.S. university consortium to conduct a series of executive seminars in management, organization and problem solving. This would be limited to assistant secretaries, general directors and above. Based on the experience derived from these seminars, a full year academic program would be developed in the U.S. for middle management. The graduates of these programs will be used to develop a permanent training program in Turkey implemented through Turkish institutions. (The PROP is not clear whether a Turkish university or government institute is to be used.)

C. Institutional Support for Agricultural Economics

Discussions involving the Director of AP&ERO and some of the agricultural economists at the universities indicate a strong interest in coordinating the institutional resources for agricultural economic

C 40

research within Turkey. Discussions have centered on jointly identifying priority research problems, dividing these research problems among institutions and improving the exchange of methodology, evaluation and results. Requests were made to the USAID Food and Agriculture Division that it help to establish an exchange relationship between this group of Turkish institutions and an agricultural university in the U.S. The U.S. university relationship is conceived to include:

1. Development of the planning, analysis and evaluation capabilities of the AP&ERO so that it can function as the primary agricultural economics institution within the Ministry of Agriculture, Government of Turkey. Technical assistance would be provided on identification of responsibilities, selection of priority work, organization and management, research and/or study design and methods, economic data analysis and staff training.

2. The provision of technical expertise to appropriate universities or other institutions on a consultant basis in agricultural economics to support selected research or analytical studies.

3. The exchange of five to ten graduate students annually between Turkish and American institutions, including the AP&ERO, which would provide a facility for the attainment of advanced degrees by Turkish staff and would give the U.S. participants an opportunity to assist with design, implementation and analysis of Turkish development projects and to participate in advanced research or study activities.

D. Special Policy Task Forces

To date discussions with the GOT have identified two policy questions to be addressed via the task force approach:

1. Fertilizer Policy

In 1966 the TVA, with Dr. Celasun of the SPO as study leader, made a report on the fertilizer situation in Turkey. Because of new technology in agronomy, transportation and chemical engineering, the goals set for fertilizer consumption in the mid-1970's have already been surpassed. Using this report as a starting point, this activity would serve as a combination training and survey program to both update the old report and to develop within Turkey the capability for keeping it current. This activity would involve a team headed by senior staff of the TVA and the USDA and on the Turkish side would include senior people from the SPO, Ministries of Agriculture, Commerce, Industry, etc.

2. Agricultural Prices - Price Intervention - Product Handling and Storage

Turkey's policies in these areas have led to a situation where 300 to 500 million Turkish lira per year are "lost" in support of price

41'

intervention operations. Ministry of Agriculture officials discussed this topic with USAID Food and Agriculture Division and asked for suggestions on how to deal with it. There seemed to be interest in three aspects of the problem: (a) reducing Government costs, (b) letting the market forces play a more prominent part in the farmers' decision-making process, and (c) reducing storage losses, considering quantity and quality losses as well as normal operational costs. Current thinking centers on the use of an intra-agency team composed of senior Government of Turkey officials and several U.S. experts.

In addition to the above, there are additional studies which are in the discussion stage, such as livestock and animal feed policy, and fruit and vegetable exports.

We feel that the Project represents an opportunity for constructive support in areas long recognized as being of major importance, and the course of action is sufficiently flexible to permit carefully gauging our input in relation to GOT willingness and ability to support activities. We recognize that the PROP is in some respects too general and that the costs to completion and terminal dates are, at best, general estimates. It is quite possible that any one of the project's components could spin off into a separate activity or conversely could, in the face of minimal GOT enthusiasm, fail to materialize at all. The opportunities are such, however, that we recommend approval.

Recommendation: That you approve the PROP and the attached Congressional Sheet.

Attachment: Congressional Sheet

Approved

Martin/Scott

Disapproved _____

Date Mar 4, 1970

NESA/NE:BLangmaid:ajb:3/3/70

Clearance:

NESA/ID:CADams (draft)

NESA/PR:JGovan (draft)

NESA/DP:ADWhite (draft)

ECONOMIC ASSISTANCE TO TURKEY

[In millions of dollars]

Calendar year	United States ¹	Other consortium ²	Communist aid	Total
1966.....	129	290	0	419
1967.....	134	235	200	569
1968.....	68	204	0	272
1969.....	40	234	(*)	274

¹ Includes Export-Import Bank contributions.² Includes IBRD, IDA, European Investment Bank, and European Monetary Authority contributions.

* Not available.

Mr. SHRIVER. Is it on a loan or a grant basis?

Mr. WILLIAMS. On a loan basis.

INCREASE IN NUMBER OF U.S. TECHNICIANS

Mr. SHRIVER. On page 171 you show an increase in the number of U.S. technicians who will be serving in Turkey in fiscal 1970 from 83 to 100. Is this still the case after the President's directive to bring some of the people home?

Mr. WILLIAMS. The guidelines for the reduction are still being formulated. We are not sure where the reduction will be taken; in what programs, agencies, or countries. These levels were formulated prior to the announcement of that policy, sir.

INTEGRATED AGRICULTURAL SERVICES PROJECT

Mr. SHRIVER. Would you be more specific than the book was as to why the integrated agricultural services project on page 172 has been extended for 3 years at an additional cost of \$434,000?

Mr. WILLIAMS. Yes, sir. There was a plan to carry out demonstrations of the benefits of coordination of Government services to the farmer in more Turkish provinces based on the work that has been successfully carried out in the Denizli pilot area. Now there has been success in the past year in the coastal areas dealing with cereals and we are also planning a special effort involving wheat production on the Anatolia Plateau. I have put this agriculture project under special review. I expect that the objectives may be met under the cereals project, and, in that case we would not be carrying it through into 1973 as indicated here. I do not have the final report on that. Questions have been raised and I think I can tell you that our proposed approach may be revised.

DEVELOPMENT ADMINISTRATION TRAINING PROJECT

Mr. SHRIVER. Last year you requested \$200,000 for the development administration training project, which was to be the final obligation for this item. On page 187 of this year's book you show that \$303,000 was actually obligated in fiscal 1969, and now you request \$478,000 for fiscal 1970 and say the project is a continuing one with no set date for the final obligation. Will you explain that further?

Mr. WILLIAMS. The project is being extended because of the value we believe this kind of training carries for development of Turkey. I

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43

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SUBJECT - Integrated Agricultural Services PROP

REFERENCE -

Review of subject PROP brought decision project approach far enough removed from previous activities to warrant status as new project. AA/NESA on March 4 approved PROP tentatively named Agriculture Policy Planning and Administration with estimated total cost to completion of \$900,000. Project to be included in Congressional Presentation as new activity beginning FY 71. For CP purposes cable priority project number and new title if above does not meet with your approval. Kauffman suggests Agriculture Programming and Administration.

ROGERS

DRAFTED BY MWam...:zm	OFFICE NESA/NE	PHONE NO. 28586	DATE 3/4/70	APPROVED BY: NESA/NE:Bradshaw Langma
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PAGE 1	PAGES OF 1
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44