

report

Assessment of Impact of AID Programs on the Urban Poor

Project Team:

T. H. Rose
Y. M. Carnes
R. J. Eckert
R. V. Bernhart
R. W. Gakenheimer

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AMERICAN TECHNICAL ASSISTANCE CORPORATION

7655 OLD SPRINGHOUSE ROAD

McLEAN, VIRGINIA 22101

SUMMARY

This work is meant to provide an introductory view of the consequences of AID programs on the urban poor. We began by identifying the explicit effects on families which we would like to identify. In view of the difficulties in directly appraising those inputs to family welfare and opportunity, we sought forms for identifying intermediate and indirect measures of the outputs absorbed by the urban poor.

By this means we evolved a methodology which included the following elements: a set of program components which are useful to characterize any AID project; features ranging from research to infrastructure construction. We formed a set of categories of project types congruent with AID categories. We conventionalized the output measures available from AID documentation on these projects.

This system of search is applied to a nine-country sample which includes 148 projects. Every kind of AID project is included, and virtually all possible variations of each. Our full investigation produced a review which is comprehensive, but necessarily shallow because of the large number of projects included. This is a problem we sought to overcome in several ways. For one thing, a single prototype country experience is investigated, that of the Philippines. As a matured, comprehensive set of country projects, the Philippine case provided a good opportunity to see the whole breadth of possible activities interconnected and related to a familiar geographic environment.

As a second level of intermediate penetration, we chose a set of illustrative cases. Chosen from all countries, sectors, and funding sources, these cases were selected in part for their relative comprehensiveness within each sector. They provided a means of seeing program features in model sectoral program development.

With the background of these more detailed experiences, we scored the full variety of 148 projects. This was done by project component (e.g., research, training, infrastructure ...) and by project category (food,

education, population planning ...). In order to clarify some of the perspective on which the scoring was based, we isolated a series of nine example project cases to display both forms of scoring for them in detail. This also served to show the interrelations between scoring elements.

Conclusions emerged as tentative observations from all parts of this project review process. The most important are:

1. The consequences of increased food production in urban hinterlands upon the urban poor is surely a very important effect, but one difficult to substantiate in this brief research with existing data.

2. Rural development is surely important in its impacts on migration streams to the cities as a result of AID projects.

3. The consequences of family planning and health programs on the demographic profile of the urban poor are likely to be very significant in the long term.

4. The benefits of food conveyed directly to urban residents are the most directly measurable contribution of AID programs to the urban poor, but leave some doubt as to their long-term consequences.

As a next step in pursuing this subject, the key issues for examination are:

1. Direct observations on the current consumption of the urban poor and their acquisition of capital assets as a consequence of AID project contributions.

2. Observations of the specific locations of impacts of the projects, in order to further detail the extent to which these are rural or urban.

3. Reach further conclusions on the consequences of increasing the viability of rural life on migration streams to the cities.

4. Reach further conclusions on the extent and form in which increased hinterland agricultural productivity reaches the urban poor for consumption. Of the outstanding questions, this appears to be the one most rewarding as a research undertaking.

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I. INTRODUCTION

Consideration of an Agency policy and strategy regarding the urban poor

~~[Revision of AID Policy Determination No. 54 - Guidance Statement on Urban Development (June 15, 1973)]~~ required additional information on the nature and impact of AID's program on the urban poor and the nature and impact of current and prospective interventions by other donors to improve the well-being of the urban poor. The first of these concerns was restated as the objective which summarized the scope of work of the Work Order:

"To develop a current assessment of the nature and scope of AID's activities (existing and proposed) which have either a direct or indirect impact on the urban poor, including the poor in large metropolitan centers."

The presentation of an approach for executing the scope of work required some elaboration of the concepts embodied therein and the assumptions we made about them. We anticipated that our assumptions would be the subject of further discussion and refinement with the client to assure that the study would be of greatest utility to him.

The Urban Poor

We did not attempt a precisely limited definition, but sought a useful general concept. In our concept, the urban poor live in an urban setting (not a farming or fishing village), derive their livelihood from non-agricultural pursuits, and have incomes below the median urban income (or are in the "poorest majority" where incomes are badly skewed).

Study Focus

The study focused on activities which have an impact on the urban poor per se — not on urban development. This required us to look at the content of all types of agency activities, without regard to title, location or primary target group, and to define probable direct or indirect impacts which each type may have on the urban poor.

Type of Impact

All development activities are systemically interrelated. However, we

believe that AID's intent in undertaking this study is to define "indirect impacts" as those which would become evident to a prudent man analyzing an activity to determine its impact on urban poor. Specifically, we looked for things like employment opportunities which increase his income; welfare services like feeding programs, clinics or other services which are commonly considered to be income transfers; education and training which increase his productivity or employability; organizational activities which provide him with greater influence or reduce the costs he pays for goods and services; and other programs ranging from public safety and social security to family planning which improve his security or reduce his obligations.

Conversely, because of the tenuous nature of the relationships, we did not seek to rationalize the relationship of the gross investment of all AID programs to aggregate employment to job opportunities for the urban poor. Neither did we attempt to relate programs for improving planning capability to more equitable resource allocation unless the purpose of the planning was specifically intended to change those resource allocations to benefit the urban poor.

Magnitude of Impact

Determination of size, extent or pervasiveness of impact was more difficult. Very few projects identify the urban poor as a primary target group, so there is a paucity of data or evaluations of impacts on this group. Projects which are directed at urban development are still being processed or are of such recent origin that they will not have had any discernible effect.

To get at this type of problem we used a three-step approach: (1) review individual projects to define the probable impact on the urban poor; (2) describe the mechanism whereby these impacts will be exerted in order to demonstrate the prudence of the probability; and (3) seek some means for estimating the magnitude of the probable impact in terms of the value of the benefits, the number of people affected, and the quality (or importance) of the benefit.

Time Limitations

The work was completed within six weeks of award of a Work Order and this limitation severely constrained the scope of the study. Although this did greatly reduce the profundity of the study, we believe a useful result was obtained. ~~However, it did~~ affect the approach taken *and*

II. APPROACH OF THE PROJECT — METHODOLOGY

The appraisal of the effects of AID projects on the urban poor presents difficult problems in the adaptation of straightforward methodology to the availability of relevant information.

Basic Objectives

We began with an effort to define what we would really like to know about the projects, first without respect to the limitations of data availability, services and time. This focus was to provide a basic framework to serve two principal purposes. The first is that it enables us to know what we have sacrificed when adjusting our approach to project realities; a hint on the limitations of reliability of our work. The second is that focusing on a concept of what one would really like to do assures that the approach remains on-target with regard to that objective, and encourages the selection of methods which can later be refined to more useful estimates of the desired information.

In regard to the most basic information one could know about this matter, we agree with the categories presented in the report to AID by PADCO: impacts on current consumption, capital accumulation and risks of the urban poor (see Table II.1). These are the things which tell the basic story. The poor suffer a deficit of consumption of goods and services offered by cities. Listed generally in order of priority, this category includes the flows of those goods and services affecting their welfare. The poor suffer also from the lack of stability incurred from inadequate stocks of assets to make them potent participants in urban life. These things, property, equipment and money savings, are the second topic. Finally, the poor run high risks of disaster because of irregular employment, poor services, and tenuous participation in markets of all kinds. AID programs affect all these variables.

The measurement of them, unfortunately, encounters a number of serious problems, some of them anticipated by the PADCO report which presents that listing:

(1) Dealing directly with this categorization would require a very fine collection of project output data, and costly direct observations of its use by the people it serves. (2) Projects are likely to serve these purposes in a series of ways, each having a different time horizon; thus, current expansion of health services affect the poor immediately, health planning has a less easily evaluated impact further on, and the training of medical personnel a yet longer term and less confidently predicted consequence. (3) The counting of benefits among these listed topics sometimes presents problems of double-listing and difficulties in allocation to correct categories. It is hard to say, for example, whether an increase in income will be used for some particular element of current consumption or should be added to capital assets of a family. In the latter case it becomes synonymous with a reduction in risk (of poverty) as well as having a value in being available for investment. (4) Some benefits fall outside this three-part scheme. For example, the acquisition of real property by a low-income family may be less beneficial from the point of view of its capital value than as assurance that they have a stake in the land tenure system and cannot be victimized by rises in commercial rents, etc. New employment may have significant impacts in regard to the sense of meaningful participation of the wage-earner, his relationship to the process of production, in addition to the income and security it provides as a job.

Notwithstanding caveats of this kind, the listing is sure to be a most useful model of final indicators in a synoptic form currently available.

The principal compromise with the ambition of measuring project impacts on the urban poor is the need to step back to intermediate impacts in seeking available data. Intermediate impacts describe the consequences of a project more closely to the terms of the project's direct output, and somewhat more aggregated than the terms above would have preferred. Instead of measuring the increased consumption of food by low income urban families, for example, these would merely record the availability of food in larger quantities and/or at lower prices than without the project in question. Instead of describing the consumption of water and sewerage services by a family, it would merely describe the availability of them to a low income

TABLE II.1

Impacts on the Goals Relevant for the Urban Poor

Source: "Guidlines for Formulating Projects to Benefit the Urban Poor," unpublished PADCO study, 1975

i. Impacts on the Current Consumption of the Poor

- Food
- Water
- Sanitation
- Fuel for household use
- Health services
- Education services
- Clothing
- Shelter
- Electricity
- Essential information (on job availability, etc.)
- Opportunities for satisfying social interaction
- Opportunities for enjoying a satisfying physical environment
- Recreation

ii. Impacts on Capital Accumulation by the Urban Poor

- Human capital
- Monetary savings
- Real property
- Equipment

iii. Impacts on the Risks to Which the Urban Poor Are Likely to be Exposed

- Economic
- Physical
- Social

neighborhood. As indicators of effects on the urban poor, intermediate indicators of this kind are not bad. Our greater problems are that the data base in this project often requires us to go back a step yet further. For example, instead of food made available in cities at certain prices, our only indication is a projection of increased yield at the origin, an agricultural area. This is unfortunate. Each time one is removed another step from the consumer in the direction of the producer, he must make additional risky assumptions about the systems which connect the two. How does one know the food really arrives in the city?

Methodological Adaptation

With these concerns in mind, we laid out project output components by sector with the intent of finding measures in the documentation which were as close as possible to the consumer in describing project outcome. One of the variety of typologies we attempted for this purpose is represented by Table II.2. This listing suffered two defects. It was cross-grain to the data available for the project records available to us, and the use of different topics for different sectors made it impossible to aggregate project impacts across sectors. While the latter is not of great importance at this point in the work, there may be a stage further on where a background of information compatible between sectors will be valuable.

As a result, we simplified the listing to the one presented as Table II.3. These include the full breadth of project contributions, and separate the contributions by proximate time horizons — the longer term ones are listed first. The difference between long and short run is also more or less congruent to the level to which output can be identified as targeted on one group or another.

The greatest methodological difficulties in this project emerge from the fact that we are evaluating the urban impacts of programs which are focused primarily on rural development. There are elements of the program which directly provide housing, health services, vocational training and so forth to urban populations. But they are very minor parts of the program when considering the budget as a whole. (This is particularly true when setting aside the urban programs in Nicaragua and Peru as special disaster relief activities which need to be considered separately from the others.)

TABLE II.2

Project Output Components by Sector/SubsectorI. AGRICULTURE AND NUTRITIONA. AGRICULTURE

1. Research
2. Training
 - staff, technicians, professionals, farmers
3. Crop and livestock production
 - quality
4. Institutional policies
 - taxes and prices
 - agrarian reform
 - credit
5. Institutions
 - schools
 - coops
 - market bds.
 - wholesale markets
6. Infrastructure
 - water-irrigation and flood control
 - feeder roads
 - rural electrification

B. NUTRITION

1. Research
2. Training
3. Institution building
4. Crop improvement by fortification (quality)
5. Information systems
 - materials
 - extension
 - radio
6. Food distribution
 - infants
 - children
 - lactating or pregnant mothers

II. POPULATION PLANNING AND HEALTHC. POPULATION PLANNING

1. Public Information System
2. Medical and health services personnel
3. Census
4. Contraceptive sales
5. Family planning institutions
6. Medical facilities
7. Statistics and research

D. HEALTH

1. Research and statistics
2. Training
3. Institutions
4. Public Information System
5. Infrastructure
 - potable water
 - sewerage

III. EDUCATION AND HUMAN RESOURCESE. EDUCATION

1. Research and development
 - curriculum
 - materials
 - finance and administration
2. Training staff and teachers
3. Institutions
4. Personnel
 - formal education
 - non-formal education
 - vocational education
5. Materials production
6. Infrastructure - school buildings

F. PUBLIC ADMINISTRATION

1. Finance and administration -- training
2. Development planning and administration

IV. SELECTED DEVELOPMENT PROBLEMSG. HOUSING

1. Urban development
2. Housing
 - plans and policies
 - sites and services
 - low-cost housing
 - HIG program
3. Planning and feasibility studies
4. Water/mineral survey
5. Special development funds

TABLE II.3

Output Components for All Projects

The functional components of AID projects whether they be provided by grant or loan, housing guarantees or PL-480 Title II and even PL 480 Title I includes or may include one or more of each of the items listed below:

RESEARCH AND STATISTICS

Basic data collection and analysis
Specific sector and subsector studies
Overall national or regional studies

POLICIES, PLANS AND PROGRAM DEVELOPMENT

Policy level assistance including proposed legislative or regulatory re substantive areas plus management, planning, taxation and finance

TRAINING AND EDUCATION

Formal and non-formal
Leaders, administrators, professional and technical staff
Para-professional and community leaders

INFORMATION SYSTEMS

Mass media for popular education and dissemination of information, e.g. nutritional and family planning programs

INSTITUTION BUILDING

Assist in strengthening or creating new organizations to facilitate development, e.g., Ministries of Agriculture or Health; Bureau and/or Offices of National Planning, Family Planning; Extension Service; etc.

SERVICES

Assist or facilitate delivery of specific services, e.g., agricultural extension, nutrition, family planning, curriculum development, distribution of commodities such as food or contraceptives

PRODUCTION

Assist in developing capacity to increase quantity or improve quality, e.g., food grains, tools, contraceptives

INFRASTRUCTURE

Assist in construction of roads, dams, bridges, irrigation systems, clinics, schools
Projects range in scale from large national or regional to small scale self-help community action

Yet the rural programs, especially in agriculture and nutrition, must have very substantial impacts on the urban poor.

The problem is that these programs affect the cities through a sequence of cause and effect relationships about which risky assumptions are necessary for our purposes. The matter is sufficiently important for us to pause to consider it in further detail.

Consider a program which by virtue of making equipment or instruction available, or loans for agricultural development, or improved transportation or marketing institutions, and gives rise to an increase in agricultural production. The conclusion that this is food which will reach the stomachs of the urban poor requires at least the following assumptions: (1) The new crops will be locally consumable foodstuffs rather, e.g., than industrial raw material. (2) It will not be entirely consumed by the farmers and other local people, filling up their current food deficit. (3) It will not be bought up and shipped out to faraway markets (as might be the case if an entrepreneur, attracted by the increased production, moved in with a new processing plant). (4) Accompanying transportation improvements serve to bring the production to the cities. (5) The increased availability of food in the cities will result in lower prices (therefore making it more available to the poor; it is conceivable that greater availability, even at the same price—because of some institutional controls—will increase consumption of it for the poor). These points merely illustrate the complexity of evaluating the social consequences of a policy at one location in another. In addition to the points made, there are a number of additional consequences of agricultural food production not directly related to food consumption. For example, if the new agricultural product is an industrial raw material it may create urban employment. Connected requirements for constructed facilities may provide urban employment. In the case of food, its movement through the marketing process would generate employment. Further, this is employment which may be in the needful traditional sector.

Perhaps even more difficult is to estimate the consequences of specific amounts of urban in-migration on the quality of life and opportunity. In any case, it requires detailed knowledge of the city in question which is not in our hands.

The effects of food availability and changed migration rates resulting from agricultural programs would be worth some careful case studies. This present research will serve to highlight the importance of their consequences to the cities, on the basis of AID programs, and therefore also the significance of further research on them.

It is necessary to cite a series of information availability problems which constrain this research. Quite apart from the fact that AID programs have had a primarily rural emphasis over recent years, it has not been of particular concern for program implementors to categorize their impacts as rural and urban; as a result, the project data bears little indication of this when dealing with a program which probably has incidence on both groups. In addition, the records are not accompanied by cartographic documents that would indicate the locations of impacts, so that kind of additional insight cannot be brought to bear. Finally, most of the programs in question are currently under implementation with quite long-term impacts in mind. As a result, we are primarily forecasting the future consequences of action rather than observing its current results. This project is concerned with the projection of impacts, mostly under circumstances of rather unstable context, rather than with the assessment of existing effects.

The data collection and analysis in the project has taken place at various levels. First, we have studied a single comprehensive country case, that of the Philippines. We chose the Philippines because the documentation at hand on the Philippines was particularly complete, because of the availability of knowledgeable informants, and because the range of AID project areas covered in that country was very complete. The case enabled us to gain an appreciation for the form of project design and the configuration of a particular set of project elements. At the same time, breadth of experience among the project staff and conversations with the AID staff enabled us to distinguish between this case and other variations of similar programs throughout the world.

A second layer of investigation was that of illustrative cases. We chose 12 cases from various sectors and countries for investigation not as deep as that performed for the Philippine programs, but more complete than

would be possible for the rest of those funded in the nine-country sample. See Table II.4 for survey instruments used to gather project information. Illustrative projects were chosen by criteria as follows: (1) Effort was made to find cases which were comprehensive within the sector represented — the project of a certain class that "has everything." (2) They are distributed throughout the regions included in the nine-country areas. (3) They are more numerous in the areas of greatest emphasis in AID projects. Thus there are several agriculture and nutrition projects and two family planning projects. (4) The two urban development projects were included since they are unique and include cases of very important urban impacts. Working through the records on these projects, effort was made to consider the impacts as a consequence of program elements undertaken, the levels of investment in them, and particular details of geography, timing and the relationship of new policy with existing conditions. These illustrative cases, then, emerged evaluated in qualitative terms, but with an appreciation for the organic, functional interrelationships between different project components and between the project and its environment.

The third and final layer of investigation was that of examination of the entire 148 projects in the nine-country area. For these a necessarily simple unit record was used, and AID files were used to fill it in as completely as possible (see the forms as Table II.4). The Survey Instrument includes basic information about the project which serves to identify it as a set of project brief descriptors. These facts help to qualify the levels of impacts identified later on and to provide a basic accounting of project features active. Direct project outputs are also specified. Finally, there is an effort to briefly assess the impacts of project components on the urban poor by a simple scoring system and brief noted observations. Of this information, the most basic content is included on the summary table (Table II.5) level of effort, kind of output, and anticipated impact on the urban poor. In many cases this is sufficient to establish the congruity of the case with a similar illustrative case.

The process is one by which the basic features of each project are recorded, and more subtle interpretation is aided by relationships with more amply covered cases.

Finally, at the end of the review of all projects, the results are tabulated by simple scoring means onto tables summarizing the impacts of projects in the nine-country area. This is done by components (research, production, infrastructure, etc.) and also by project type (health, agriculture, etc.).

SURVEY INSTRUMENT

for

THE IMPACT OF AID PROGRAMS ON THE URBAN POORI. Identification

1. Name of Country: _____
2. Name of Project: _____
3. Number of Project: _____
4. Type of Project: _____ Grant _____ Loan _____ Other _____
5. Term of Project: _____ FY _____ to FY _____
6. Total estimated U.S. funding of Project: _____

II. Specification of AID Sector

1. Food and Nutrition _____
2. Population Planning & Health _____
3. Education & Human Resources Development _____
4. Selected Develop Problems _____

III. Types of Project Activities

1. Agriculture _____
2. Nutrition _____
3. Population _____
4. Health _____
5. Formal Education _____
6. Non-Formal Education _____
7. Vocational Education _____
8. Other Public Services _____
9. Infrastructure _____
10. Housing _____
11. Finance _____
12. Administration Improvement _____
13. Other _____

IV. Project Goals:

V. Project Purpose:

VI. Project Outputs:

VII Project Inputs :

1. U.S. contributions -

2. Host-country contributions -

3. Third party contributions -

VIII. Target Beneficiaries :

1. Direct -

2. Indirect -

IX <u>Impact on Urban Poor</u>	<u>Positive</u>	<u>Zero</u>	<u>Negative</u>
1. Employment	_____	_____	_____
2. Production	_____	_____	_____
3. Infrastructure	_____	_____	_____
4. Investment	_____	_____	_____
5. Social Services	_____	_____	_____
6. Other	_____	_____	_____

X Indicators of Urban Poor Impact :

XI Methodology :

XII Literature Reference :

COUNTRY _____ PROJECT _____ NO. _____

SECTOR _____

AMOUNT _____ KIND _____ TERM _____

PURPOSE(S)

COMPONENT	KIND OF OUTPUT		PROBABLE IMPACT ON URBAN POOR NATURE	LEVEL
	LEVEL*	DESCRIPTION		
Research and Statistics				
Policies, Plans, Program Develop.				
Training and Education				
Information Systems				
Institution Building				
Services Provided				
Production				
Capital Infrastructure				

* 1 - Large

2 - Medium

3 - Small

III. THE OPERATIONAL REVIEW PROCESS

The problem was defined and a conceptual methodology proposed and accepted by AID. The operational steps that followed included: identification of representative sample of countries with active AID programs which included all essential funding elements -- grants, loans, loan guaranties, and PL 480. Information was gathered through an intensive search of AID documents and interviews with knowledgeable informants. It was further agreed with AID that the search be limited to active projects receiving funding in Fiscal Years 1974, 1975, or 1976.

The countries selected were Bolivia, Dominican Republic, Nicaragua, Peru (Latin America Region), Ghana, Kenya (Africa Region), Tunisia (Near East - South Asia), and Pakistan, Philippines (Asia). See Table III.1 for salient country data. They were arrived at through a series of discussions between ourselves, the Urban Development Division, and designated representatives of the Regional Bureaus. They include representative distribution of projects by funding sources and sectors: Food and Nutrition, Population Planning and Health, Education and Human Resources, and Selected Development Problems. Initial draft instruments were designed for the collection of essential project data (and revised as needed) and the search through the documents initiated.

The data search for the study on the urban poor centered on available project and loan documentation for all grants, loans, PL 480 activities and Housing Investment Guarantee efforts in each of the nine selected countries. The most complete and up-to-date files on the individual grant projects and loans were available at the country desks with the exception of the Latin American program which has adopted a centralized filing system within LA/DR. PL 480 data was gathered from the Food for Peace Office and the Housing Investment Guarantee information was obtained from the HIG Office.

Our data search procedure brought us first to the Office of Urban Development in the Technical Assistance Bureau. TAB/UD provided the team with copies of relevant discussion material on urban development and the

Table III.1

Comparative Data
 Nine Sample Countries

<u>Country</u>	<u>Area</u> <u>sq. mi.(000)</u>	<u>Population</u>				<u>Per Cap.</u> <u>GNP *</u> <u>(\$) 74</u>	<u>Life</u> <u>Expect.</u> <u>(Year)</u>	<u>Rate</u> <u>Literacy</u> <u>(%) 75</u>
		<u># mil.</u> <u>Mid-1974</u>	<u>Growth</u> <u>Rate</u> <u>(%)</u>	<u>% Urban</u> <u>1970 1973</u>				
<u>Latin America</u>								
Bolivia	424.1	5.2	2.5	34	35	207	47	40
Dominican Republic	18.8	4.8	3.4	40	47	527	54	69
Nicaragua	53.9	2.2	3.2	48	49	542	52	57
Peru	496.2	15.2	3.0	52	60	636	58	61
<u>Africa</u>								
Ghana	91.8	10.3	3.1	31	33	294	48	25
Kenya	225.0	13.5	3.3	10	11	182	49	20-25
<u>NESA</u>								
Tunisia	63.4	5.6	2.2	43	45	496	55	32
<u>Asia</u>								
Pakistan	310.4	67.3	2.9	25	26	123**	50	16
Philippines	115.7	43.4	3.1	34	35	216**	59	83

* Per Capita GNP 1974 in 1973 dollars.

** 1973 in 1972 dollars.

urban poor generated over the past four years by the Agency. The TAB/UD material provided the team with guidance to AID's discussion of urban growth and development, and the consideration of the urban poor in AID policy and strategy. Supplemental material from the International Bank for Reconstruction and Development and other outside sources on urban growth and development and the urban poor in the LDC's rounded out the background search. Several IBRD documents that complemented the TAB/UD material include the Bank's sector working papers on urbanization, housing and transportation, and staff working papers number 209, The Task Ahead for the Cities of the Developing Countries, Number 211, The Informal Sector, and Number 222, Taxation and the Urban Poor in Developing Countries.

A review of the Congressional Presentations for each country, each region and the summary statements for Fiscal Years 1974, 1975, and 1976 was the second step in the data search. The purpose was to validate the selected country programs from each region as representative of AID's development effort,

The third step in the data search was to return to the Congressional Presentations of the nine countries for the three fiscal years for thorough identification and review of each country's program. The Congressional Presentation provided an overview of the individual project grants and loans and the level of effort (i.e., funding) for each project. The team compiled a composite of each country for the three years by project sector.

The team then considered a number of different approaches for assessing the incidence of impact on the urban poor of AID programs. The team generated a number of different analytical approaches for assessing impact. It was evident that the applicability of any of the different approaches was dependent on the availability of data and so it was necessary to make an initial data gathering effort using three of the nine countries to see what the data base was and how it could be plugged into an analytical framework.

The fifth step, therefore, was to use three of the country programs as our data base pretest. The Ghana, Philippine, and Peru programs were chosen on the basis of prior familiarity to the team. The procedure adopted for the data base pretest was to visit the country desks to discuss with the

desk officers the documentation on the individual grant projects and loans and to follow up the discussions with a search through the desk files to determine the extent of the documentation. The data base pretest revealed first that the documentation was uneven, regardless of the country desk. Few if any projects included a complete file of PIDs, PROPs, PARs, PRPs, or PPs (Table III.2). Numerous projects were without logical frameworks. The data base pretest also revealed that individual project cost breakdowns data necessary for benefit cost analysis were unavailable.

Following the data base pretest the team discarded a number of analytical approaches (discussed earlier) for lack of sufficient data. With the available data narrowed and the optimal analytical approach identified, the team chose the logical framework for each project as the basic data component for the analysis, this to be supplemented with other pertinent information available from other existing documentation and in-depth interviewing with informants.

The next step was to design a survey instrument for data collection. The survey instrument categorized the data into twelve analytically distinct categories that corresponded in part to the log frame. The twelve categories were: identification information, specification of AID sector, types of project activities, project goals, project purposes, project outputs, project inputs, including U.S.AID, host-country, and third-party contributions, direct and indirect beneficiaries, the impact on the urban poor, indicators of impact on the urban poor, methodology for further research and the source of information (see Table II.4). The team proceeded with the desk-by-desk data gathering.

A three-step procedure was used for each country desk. First, an interview was held with desk officers and/or assistant desk officers to verify the Congressional Presentation country profile and necessary additions or deletions were made. The interview also covered the overall development thrust of the country program, the areas of country needs, and the desk officers' assessment of the impact of the AID country program on the urban poor. The desk officers were also asked to identify other resource persons within the Agency. The second of the three-step country desk data gathering was to go through the files of all grant and loan projects

Table III.2
DOCUMENT ABBREVIATIONS

CAP	-	Capital Assistance Paper
CASP	-	Country Analysis and Strategy Paper
CP	-	Congressional Presentation
DAP	-	Development Assistance Program
DASP	-	Development Assistance Support Program
GPOI	-	Goals, Purpose, Outputs, Inputs - principal elements of the Logical Framework
HIG	-	Housing Investment Guaranty
IRR	-	Intensive Review Request
PAR	-	Project Appraisal Report
PID	-	Project Identification Document
PIO/T-	-	Project Implementation Order/Technical Services
PP	-	Project Paper
PPP	-	Preliminary Project Paper
PROP	-	Project Paper
PRP	-	Project Review Paper

authorized during Fiscal Years 1974, 1975, and 1976. The individual filing systems differed in form and content, as mentioned earlier. In some cases documentation for any project was filed in a single project folder. In other instances, documentation on individual projects was filed by documentation heading (e.g., PIDs, PROPs, and PRO Ags together and all PARs and PPs together). In some cases the loan projects required visits to other desks (e.g., the Pakistan Capital Assistance Project Office, the Latin American Development Projects Office, and the Latin American Development Resources Office). The Housing Investment Guarantee program office and the Food for Peace (PL 480 Title II) were also visited for the necessary data on the nine countries.

As of the second step in the three-step data gathering, the team had visited 14 individual desks and spoken with 22 different officials.

The third step was to conduct in-depth follow-up interviews with other knowledgeable informants to further discuss the data and findings.

Limitations of the Data

The limited documentation of individual project inhibits the quantity and quality of the data. As noted earlier, few project files included all documentation identified in the AID project design/evaluation procedure. The result is that the data is uneven.

A second limitation of the data is the AID evaluation/appraisal procedure focus on the project target group beneficiary. The target group beneficiary is the rural poor as per congressional mandate and so project appraisal and evaluation focus on the output impact on that target group. The project output impacts are not appraised or evaluated on other groups or sectors.

Closely related to this data limitation is the third limitation of Agency emphasis on project purpose. The emphasis on project purpose measured by the End of Project Status located in the logical framework values project success by the difference between the targets and the actual output performance. Success or failure are not measured by the total flow of cost and benefits of a project or its components. Thus the redistributive effect (that is the equity impact) of a project on national development goals is not considered at this time. The Agency is, however,

studying analytical approaches that can evaluate the impact of projects beyond the purpose level.

The Project Papers (PPs), the Non-Capital Project Papers (PROPs) and the Capital Assistance Papers (CAPs) identify the project's direct target beneficiaries. The documentation does not trace or discount the flow of costs and benefits of a project or its components.

The Project Appraisal Reports (PARs) review the progress of a project during the funding life of a project. The PARs emphasize the progress made on the target measures identified in the input and output sections of the logical framework. The PAR is a short and quick assessment and is not intended to be an in-depth study.

Independently contracted consultant evaluation reports are scarce and not readily available. The few in-depth evaluations tend to emphasize the project purpose measures and identify organizational bottlenecks or strengths in the flow of inputs to outputs.

The Development Assistance Program Papers (DAPs) are reviews of AID policy and strategy for a country. Sector analyses are included in the DAPs. The sector analyses describe the sector make-up, the constraints, and the possible policy strategies to meet the constraints. The policy strategy is a generalized statement of approach and not an evaluation of the flow of benefits from specific projects.

IV. PRODUCTS OF THE STUDY

Each phase of the study has produced its own perspective on the impacts of AID projects on the urban poor. We will review them in order: the Philippines case, the illustrative cases, and the tabulated forms of the full project survey.

Philippines Case

The Philippines was chosen as the base set of programs for a variety of reasons. There was familiarity with AID activities, ATAC personnel have conducted evaluations of four of the major projects and assisted in design of two others, the scope of programs there included most of the components offered through AID, and the available documentation was particularly good. Typical of AID programs, the Philippines has a heavy emphasis on agriculture and family planning. While some program sectors deal directly with the urban populations, the greatest part of project impact on the urban poor is indirect. The integrated project in the Bicol River Basin is a basis for considering the interrelations between program elements. Indeed, the entire program is full of project interrelations and complementarities which produce combined effects sure to be significant in the long run, independently of the effects of the projects one-by-one (see Table IV.1).

In the simplest terms, the impacts on the urban poor of this wide variety of projects can be considered in four categories: rural social development, food production, family planning, and nutrition. These categories are not used in our reporting up to the present time because they necessarily cut across agency categories, but each is cogent and qualitatively different in the way it affects the human condition. Many of the programs contribute to more than one of these. As regards evaluation of impacts on the urban poor, nutrition and family planning are direct impacts, whereas rural social development and food production are indirect ones.

Nutrition is the most easily isolated, and potentially the most easily measured. It consists of providing food to specially needful members of

the population, such as children or lactating mothers. It can be located as a rural or urban service if the proper data are available (we do not have them). It need not be measured solely by intermediate impacts; it is indeed measured by the direct consumption measure cited at the beginning of our methodological section. It is measured in person-meals per day. The problems it presents for more thorough evaluation include the extent to which the program may be continued after the retirement of AID from it, or the extent of permanency of its impacts during the duration of a program. The latter may be considerable, resulting in better habits of nutrition by persons who are able financially to continue to support them once convinced. Improved health may result in new ability to get a job, which thereafter provides a stream of income which permits continuation of better nutrition. (It may be of some concern that those served by the program tend to be infants and young children, and others not currently productive, so that short term rise in paid productivity or personal income is not likely to be an important consequence of the program.) That is to say, it is possible to account for nutrition programs as they increase current consumption, but much harder to account for their impact on personal capital assets and reduction of risks. In any case, food and nutrition programs are the most easily accountable programs of AID serving the urban poor.

Family Planning and Health services are also directly received from clinics and other facilities by the urban poor. In the case of knowing the locations of service facilities, it is possible to account for the extent to which the poor take advantage of these services, or at least measures of the volumes of services offered. The problems of further evaluating the impacts of these programs on families, however, are greater than in the case of nutrition programs. That is principally because these programs have no easy dimension of increasing current consumption; their consequences are all in increased capital assets and the reduction of risks. Even knowing the extent to which the individual has communicated with family planning specialists, the question is whether his family size is reduced as a consequence of that. Further, one must then conclude how much family welfare is improved by not having additional children to raise. As an evaluation issue, this matter is fraught with problems. How much money does

it cost to raise a poor child? How much better off are his brothers and sisters in the case of maintaining lower family size?

The more conventional way to value consequences of this kind is at a larger scale, where the concern is for lower population growth and its benefits in reducing competition for jobs, and so forth. Here the relationship between program and outcome, however positive, is very difficult to estimate.

Rural social development and food production are indirect impacts because they are transmitted only secondarily to the cities from the rural populations receiving the primary contributions. At the same time, they may really be the most impactful kinds of projects. Large amounts of money are spent on them, under appropriate circumstances the responses to projects may be high, and under happy circumstances the consequences of projects may be permanent. Almost all rural projects affect both of these things simultaneously. They include the whole range: agricultural services, agrarian reform, small farmer income and production, agricultural research and extension, rural feeder roads, rural electrification, and so forth. Food production is obviously beneficial to the cities in whose hinterland agricultural improvements occur, but the level of consequence is surely quite variable depending on the mechanisms which control the entry of the new goods into the market. Rural social development is also sure to be impactful, but the consequence is experienced via the process of migration. The relationship between rural development and migration is sure to be a close one, but one difficult to evaluate. Our research base on the subject is not very strong.

A generality that emerges from looking at the Philippine programs is that along the lines of rural and food development there is no way to evaluate the likely impacts of a program on the urban poor except by piecing together a rather detailed set of observations of territories in which the component programs have specified interrelationships. For purposes of our initial efforts we isolated particular programs to consider their consequences. But there is no way, for example, to meaningfully consider the consequences of a program in rural electrification. Even supposing for the moment that one knew its exact territorial coverage and the homes and other establishments being served by it, only its relationship with other program components provide a scenario with any promise for evaluation of the results.

Another perspective emerging from the observation of Philippine programs is that of distinguishing between urban and rural program applications. Again, we have very little indication on this matter in our data. One level of further investigation on this matter, obviously, is to interview knowledgeable persons about where the services in question were actually provided, in rural or urban areas.

As a more general matter, however, it would be useful to consider the questions which affect the choice of localities for the offering of services by professionals responsible for program design. Assuming for the moment that there is no intrinsic virtue in making a particular program element "rural" or "urban" from the point of view of the program designer, what matters are likely to influence his choice? The following seem to be possible concerns:

1. Where is the need for service the greatest? Need is likely to be so great for nutrition or health services in both places that level of deficit is not a persuasive basis for locating a program.
2. Where is the program most likely to "take," offering the greatest direct effects? This is a matter of subtle questions of attitude -- e.g., are traditionally oriented rural people likely to accept the concept of family planning? It also depends on the existence of complementary policies, with which the new program would offer a productive package.
3. What are the areas currently not receiving welfare or development aid? To some extent countervailing the intent of the item last above, this is just the natural concern for spreading out the programs of aid over a country.
4. The availability of facilities for the provision of service, access to programs from administrative centers, and ease of program operation in general are likely to partly determine sites selected.
5. Which is the location where there is the greatest likelihood of continuing the program after retirement of aid?
6. Where are the populations with the greatest expectations from the quality of life? It is likely that pressures brought on their behalf will result in pressures toward providing programs for them.
7. Where is there likely to be the least interference with project development and risk of failure on account of actions by competing interests, different opinions, administrative obstacles, and so forth?

Table IV.1
THE PHILIPPINE PROGRAM
FY 1974-1975-1976

Program Sector Project Name (No.)	Description	Target(s)	Components outputs	Impact on urban poor
<u>Food Production and Nutrition</u> <u>Agricultural Services (126)</u> (FY66-74, \$5,122.*, D.G.)	Improve agricultural productivity and incomes, by pilot projects, demonstration and research. (See #257, 259, 260, etc.)	Institutional experiments and support. Results - spin-off of seed labs. Integrated regional programs.	Res. - MIS, seed labs. Pol. - new programs Trng. - staff Inst. Bldg. - Bicol & N.Ecija Serv. - tech. assist. Prod. - ultimately	Indirect and remote as and when production and income increases reach urban areas and urban poor. <u>LOW</u>
<u>Agrarian Reform (257)</u> (FY74-78, \$1,889. , D.G.)	Improve rural family life by accelerating social and economic reforms through institutionalizing title transfers and ensuring leaseholds for small rice and corn farmers.	Tenant farmers.	Res. - tenancy Pol. - equity Trng. - staff Inf. - publicity Inst. - agrarian reform Serv. - tech. assist. & credit Prod. - increases	Increased sharing and income quickly to be reflected in urban areas and urban poor may benefit. <u>MEDIUM</u>
<u>Small Farmer Income & Production (259)</u> (FY75-78, \$1,545. , D.G.)	Assist Philippines achieve self-sufficiency in rice and corn production and increase small farmer income through improving capability provide tech. assist. crop research, credit, improved seeds, mkt. facilities and stable prices.	Small rice and corn farmers, rural poor.	Res. - MIS, crop, T.A. Pol. - aid rural poor Trng. - staff and farmers Inst. - ag.ext., coops, credit Serv. - tech. assist. credit, seeds, fert., price stab. Prod. - direct increases	Increased production impacts on supply and prices and urban poor may benefit. <u>LOW</u>
<u>Bicol River Basin (260) I.A.D.P.</u> (FY74-78, \$1,750. , D.G.)	Integrated area development program (IADP) as pilot for testing crop prod., agrarian reform, small farmer assistance and regional infrastructure development through developing areas' institutional capabilities.	Small farmer increase prod. and income.	Res. - Soc/econ & tech. Pol. - I.A.D.P. approaches Trng. - staff & farmers Inf. - publicity Inst. - ag.ext., irrigation, etc. Serv. - credit, tech. assist. Prod. - increases Infra. - plans for	Increased production ultimately may redound to benefit urban poor in lower or stabilized prices. <u>LOW</u>
<u>Bicol River Basin Secondary & Feeder Roads</u> (FY76-78 \$10,000. D.L.)	Support loan to carry out #260 above through secondary and feeder roads.	See above.	Infra. - secondary & feeder roads and bridges	(See above) plus direct employment generation. <u>LOW</u>
<u>Bicol River Integrated Area Development Loan I</u> (FY76-78 \$3,500. D.L.)	Support loan to carry out #260 above through irrigation and drainage in Sibmananan-Cabusao area.	See above.	(See above) plus land consolidation & village const., access roads.	(See above) <u>LOW</u>
<u>Bicol River Integrated Area Development Loan II</u> (FY76-79 \$3,000. D.L.)	Support loan to carry out #260 above through irrigation, drainage, land consolidation, new village construction in Bula area.	See above.	(See above) plus land consolidation & village const., access roads.	(See above) <u>LOW</u>
<u>Aquaculture Research & Extension (266)</u> (FY75-77, \$710. , D.G.)	Establish viable aquaculture research and extension service through research, demonstration & production assistance and marketing help.	Develop institutional capability to increase fresh and brackish water fish prod. Increase income & employment opportunities.	Res. - fish prod. Trng. - staff & farmers Inst. - aquaculture ext. Serv. - tech. assist. credit, mkt. Prod. - increases	Increased fish prod. may lower or stabilize price for urban poor. <u>LOW</u>

* All amounts in thousands of dollars (\$,000).

Table IV.1 THE PHILIPPINE PROGRAM (cont'd)

Program Sector Project Name (No.) Description	Target(s)	Component outputs	Impact on urban poor
Food and Nutrition (250) (FY74-78, \$1,587. , D.G.) (Continuing, \$11,000. per year, PL480-II) Develop plans and institutional capabilities to provide supplemental feeding for infants, school children, mothers. Use of 480 food and research for development of alternative local foods.	Infants, children and mothers of poor majority. Improved diets - relieve malnutrition.	Res. - nutrition Trng. - staff & mothers Inf. - mass media Inst. - food distribution Serv. - food supply	Urban poor will directly benefit through access to distribution centers. HIGH
Local Development (256) (FY74-78, \$4,070. , D.G.) Strengthen capability of central and provincial govt. units in planning, budgeting and admin. development programs for rural poor. Includes transport-road const. and maintenance, finance and taxation, public investment & employment.	Provincial development assistance program helps develop admin. capability, equipment maintenance depots & project planning development capability.	Trng. - staff Inst. - provincial govts. Serv. - tech.assist. to rural areas Infra. - roads and bridges	Direct impact on urban poor in small cities who may be employed on projects. LOW
Rural Roads (035) (FY75-79 \$15,000. , D.L.) Secondary and farm to market feeder road construction and maintenance.	Poor majority in rural areas. Improve access and provide employment and income.	Trng. - staff & farmers, self-help Infra. - roads and bridges	Remote benefit if any as effect of improved rural access impacts food production. LOW
Rural Electrification (248) (FY72-77, \$2,488. , D.G.) Establish system of operating rural electric cooperatives.	Rural poor, improve quality life.	Trng. - staff Inst. - rural elec. coops Infra. - electric systems	Remote possibility impact on urban poor if food prod. processing are helped. LOW
Rural Electrification Loan (034) (FY74-78 \$18,000. , D.L.) See above.	See above.	See above.	See above. LOW
Rural Electrification Loan (036) (FY75-79 \$20,000. , D.L.) See above.	See above.	See above.	See above. LOW
Population Planning and Health			
Family Planning (220) (FY67-cont., \$44,400. , D.G.) Reduce birth rate through establishing system of family planning services available to all who desire them.	Poor majority - urban & rural	Res. - demo. survey Pol. - family planning Trng. - staff Inf. - all people Inst. - pop. centers Serv. - clinics Prod. - reduction	Direct impact on urban poor in terms of access to information, supplies and techniques. HIGH
Provincial Water Systems (263) (FY74-76, \$750. , D.G.) Assist establish viable institution to foster potable water utility systems in outlying (provincial) urban areas.	Create institutional capability plan & admin. projects for water supply.	Res. - feasibility studies Pol. - program development Trng. - staff Inst. - local water utility Serv. - tech.assist.	Indirect - first step in process secure potable water for smaller cities. MEDIUM
Provincial Waterworks Loan (033) (FY74-78 \$15,000. , D.L.) Loan to fund first five potable water systems (see #263). N.B. Additional loans under review.	Five urban potable water system-urban poor target.	Trng. - staff Infra. - potable water system.	Direct benefit to urban poor through public taps. HIGH
Education and Human Resources			
General Participant Training (237) (FY68-cont., \$466. , D.G.) Upgrade management, professional and technical skills through financing graduate & other advanced training in U.S. and third countries.	Civil servants and other institutional staff.	Trng. - staff	Indirect and remote if trainees upgrade services which impinge on urban poor. NEGLIGIBLE
Selected Development Problems			
Tiwi Geothermal Power (032) (FY74-79 \$3,700. , D.L.) Install 10-20 MW generating capacity. Introduce new power source to Phils.	General benefit to produce alternative power source.	Res. - R&D Trng. - new tech. Serv. - elec. power Infra. - power	Indirect and very generalized. NEGLIGIBLE

There are two reasons for bringing up this matter. One is that in situations where there is scant information about whether a project is impacting rural or urban population, further understanding of these matters might enable an observer to infer which populations are served. The more significant question approached by this thinking is that of whether to choose urban or rural areas for the application of projects in certain categories, especially family planning, health, education, and nutrition. That is, we have asked about the extent to which AID programs affect the urban poor without considering the underlying query: To what extent should AID programs affect the urban poor, rather than the rural poor? Interpreting that problem openly -- that is, outside the constraints of program selection -- would be very difficult. It is not quite so difficult to consider it on the basis of programs: Is a nutrition program more effective as an urban or rural program?

There is a very important reason for posing this question. Assuming that funding of various programs is to some extent fixed, it is a way of previewing the useful dimensions of an AID urban strategy. And in particular, to the extent that this form of question is useful, it ought to be asked. It is a much easier question to answer than the more general question, What are the urban impacts, since many of the measures remain constant between an urban and rural application of the same project.

As the background for this thinking, the Philippine case leaves us with a clear indication that the significant AID projects for consideration in urban poor impacts are nutrition and family planning. Other programs are sure to have considerable effects over the long run and by indirect means, but cannot be adequately traced for purposes of direct evaluation.

The Illustrative Cases

The illustrative cases are to display the breadth of content in AID program components for greater sensitivity in the analysis of the individual projects. They were chosen with a concern for distribution over the countries under study, representation of the different funding sources, representation of the different sectors, and relative comprehensiveness in sectoral coverage. The twelve illustrative cases are presented in Table IV.2. the basic characteristics suggesting the basis for selecting them include at least one from each of the nine countries: grants - 6, loans - 4, housing investment

guarantee - 1, combined PL480 and grant - 1; Sectors: food - 5, health - 2, education - 2, selected development problems - 3.

A look over them serves to document and extend the conclusions reached above about program components. The most effective programs in terms of urban poor impact, are those in food and nutrition and family planning. The agricultural programs are scored with less strong expectation because of the less direct nature of their effect on the urban poor. Another high-scoring program is the Peruvian disaster relief. It is a unique kind of program which is out of the normal scope of our concerns here (separate discussion follows). The Housing Investment Guarantee study scores low because the benefits it generates are consumed by families of higher than low income. While one might contend that it creates benefits by enabling a filter-down process, most observers would agree that any effect of that kind would be so limited and unpredictable as to be scarcely worth attention. For this reason we give no further attention to HIG projects here.

Another aspect which surfaces through these illustrative cases is the effect of complementarity of related policies and projects as listed in the right-hand column of Table IV.2. These become interesting issues when considering the consequences of particular cases.

Category Tabulations

Calling upon the unit records for the full variety of projects investigated (148 of them) in the nine-country sample, a simple tabulation is prepared indicating the level of significance to the urban poor of projects in Food, Health (Population), Education and Selected Development Problems.

The "negligible" through "high" scoring system is used in a fairly intuitive way, but serves to illuminate certain aspects of the variety of cases. In particular, programs are scored low to the extent that they produce impacts which are distant from the terrain of the urban poor and transfer to them only by indirect means, when the urban poor are simply not impacted, or when the program is poorly funded. The scoring is high when the treatment of the urban poor is positive and direct, and when project funding is high. The summarized tabulations for the nine-country area are presented as Table IV.3. (See Appendix B for selection of individual project summaries.)

Table IV.2

ILLUSTRATIVE CASES: TWELVE PROJECTS

Includes: Nine countries, four sectors, and loan, grant, guaranty or PL 480 in Fiscal Years 1974, 1975, and 1976

Country	Activity, No., Form, Amount Description by Components	Target(s)	Impact on U.P.	Comments
	Food Production & Nutrition			
	Small Farmer Income & Productivity(259) (FY75-78, \$1,545.*, D.G.) Res. - crops, statistics Pol. - prices and credit Trng. - staff & technicians Inst. - ext.res. credit, irrig., mkt. Serv. - credit, seeds, fert., mkt., tech. assist.	Increase prod. & income small rice and corn farmer and inst. support.	Develop. of food prod. system may ultimately benefit urban poor. <u>LOW</u>	Complemented by: Agr.Reform (257) - equity/dist. Agr. Res. & Ext. (266) - res. & trng. Local Devel. (256) - feeder roads Bicol Basin (260) - integ. road development Food & Nutr. (250) - home gardens Rural Elec. (248) - rural power Family Plan. (220) - reduce risks
	Food & Nutrition (252) (FY74-78, \$1,587. , D.G.) (plus 11,000/yr PL480-II) Res. - develop alternatives Trng. - staff Inf. - mass media Serv. - food dist. & home gardens Prod. - vegetables	Infants, pre-school, & elementary children - reduce malnutrition 35% to 27% by '78.	Operation of national nutrition program direct benefit to urban poor. <u>HIGH</u>	Complemented by: Family Plan. (220) - reduce risks Local Water (262) - reduce risks and all above (re #259) Integral part: PL480-II programs of infant, children and lactating mothers
Am.Rep.	Agricultural Sector Loan (FY74-78, \$12,000. , D.L.) Res. - mkt. res. sector analysis Pol. - Agr. pol. and stat. planning and price Tenure & land use Trng. - college students Inst. - small scale infra. program Serv. - credit & savings, land sale guarantee Infra. - small scale irrig. and mkt./storage	Rural poor - improve living through tenure, better land use, price policies. Increase prod., income, employment of small farmers.	Increased production generally may stabilize or lower food costs. <u>LOW</u>	Complemented by: Agr.Devel.Support (059) - admin., plan. and management Health/Nutrition (107) - admin. support Spec.Devel.Activ. (050) - small scale infra.
	Agricultural Sector Loan, I (FY75-78, \$13,500. , D.L.) Res. - eval. & small farmer surveys Pol. - credit for small holders Trng. - staff & farmers Inst. - coops.ext. & coops. Serv. - credit, tech. assist.	Provide assistance to less productive small farmers to increase production & income & integrate them in mkt. economy. Commercial & large farmers - initial credit assistance.	Increasing overall pro- duction & bringing small farmers into mkt. system will have general effect on prices and production. <u>MEDIUM</u>	Complemented by: Agr. Plan. Proj.(162) - expand crop res. Agr.Sector Loan II - res. & trng. for SH Agr.Credit (148) - inst. support for AFC Natl Livestock Devel.Loan - support agr. sector PL 480-II - child feeding IBRD proposed 25 million loan
	Agriculture Devel. & Operations (060) (FY62-76, \$17,527. , D.G.) Res. - agr. sector studies, test plan models Pol. - agr. prod. & price Trng. - rural leaders, key Min. staffs Inst. - agr. plan: prod. & mkt. agr. plan. programs	Assist upgrade Min. cap. plan., manage. develop.: prod. & pricing to help small farmers and con- sumers by increased food prod. at reasonable prices.	Remote affects of basic policy studies and analyses and upgrading of Min. of Agr. <u>NEGLIGIBLE</u>	Complemented by: Vol.Agr.Revolv.Fund (147) - infra. Agr.Ind.Trng. (143) - manpower staff Nutrition Plan. (142) - support H.R. & Pop. Studies (132) - support Spec. Devel. Act (061) - infra. Rural Enterprise Devel. Loan (057) - support IBRD & IDB loans - livestock prod. IDB & W. Germany - irrigation loans Tech.Assist. - Netherlands, W. Germany, Israel & UNDP

- research and statistics
- policies, plans and program development
- training and education
- information campaigns

- Inst. - institution building
- Serv. - services provided
- Prod. - Production
- Infra. - capital infrastructure

*All amounts in thousands of dollars (\$,000).

Table IV.2 ILLUSTRATIVE CASES: TWELVE PROJECTS (cont'd)

Country	Activity, No., Term, Amount Description by Components	Target(s)	Impact on U.P.	Comments
<u>Population Planning and Health</u>				
Pakistan	<u>Population Planning (393)</u> (FY73-cont., \$20,071., D.G.) (plus 6.5 mill. D.G. #256) Res. - demo. Trng. - staff Inf. - mass media Inst. - family plan. system Serv. - contraceptives, techniques Infra. - clinics	Improve life by assist. reducing birth rate - reduce live births from 45/1000 to 35/1000 by '78 by better management & operations: contraceptive supply & delivery, man- power & trng., project data feedback, publicity - communications, automotive fleet operation and maintenance.	National Family Planning Program of direct benefit to urban poor through ease of access. <u>HIGH</u>	Complemented by: Family Planning (256) - start-up project (6.5 mill D.G.) P.I.D.E. unit (384) - FP Data Banks Nutrition Plan. & Res. (394) - food support Fortification of Flour (404) - res. & prod. Fortification of Tea (405) - res. & prod. Village Food Processing - support UN Pop. Fund - 15 mill. UK, Germany, and others
Turkmenistan	<u>Family Planning (224)</u> (FY68-77, \$6,588., D.G.) Res. - demo. data Pol. - natl. pol. Trng. - schools, staff Inf. - media programs Inst. - natl. office Serv. - contraceptives, 340 units FP + MCH integration. Infra. - clinics	Improve life by assist. reduced birth rates from 168/1000 in '71 to 138/1000 in '82.	National Family Planning Program direct benefit to urban poor through ease of access. <u>HIGH</u>	Complemented by: Family Planning Grant 5,000. direct support assist. Infra. Potable Water (286) - support PL 480 II, child feeding 2.7 mill.- food support PL 480 II, Vol.agencies 2.8 mill.- food support PL 480 II - Food for Work 0.5 mill. - food support Others - <u>Nutrition Plans, Cereals Prod., Rural Devel., etc.</u> UN Pop. Fund France, Belgium, Netherlands
<u>Education and Human Resources</u>				
Egypt	<u>Economic Development Management (062)</u> (FY72-76, \$1,439., D.G.) Res. - mgt. data analysis Trng. - key staff Inst. - econ. planning unit Serv. - special studies: investment, forest products, exports, taxation, etc.	Assist develop manpower, info & expertise to develop & implement programs & policies con- ducive to equitable econ. growth by training key personnel & carrying out studies: econ. analysis & stat., customs admin., export promotion taxation, pub. admin. & mgt.	Remote term impact on problems of urban poor. <u>NEGLIGIBLE</u>	Complemented by: Agr. Mgt. Devel. (070) - support Mgt. Rural Health Serv. (068) - support
India	<u>Education Management & Instructional Development (051)</u> (FY74-77, \$9,650., D.L.) Res. - dev. educa. data bank Pol. - reorg. & reform educa. pol. Trng. - admin. & staff Inst. - develop. sys. cap. admin. inst. (2) technology centers (3) Prod. - educa. material	Reform educa. system, improve rural pop. access to educa. by trng. admin. and staff, gather educa. data, educa. tech. & res., develop. educa. material.	Long-term improvement of educational plan- ning and admin. <u>LOW</u>	Complemented by: Govt. Mgt. Assist. (082) - training support Ed. Mgt. & Rural Devel. (450) - support Rural Comm. Org. (452) - support Special Develop. Act (412) - infra.

Table IV.2 ILLUSTRATIVE CASES: TWELVE PROJECTS (cont'd)

Country	Activity, No., Term, Amount Description by Components	Target(s)	Impact on U.P.	Comments
<u>Selected Development Problems</u>				
Nicaragua	<u>Managua Urban Reconstruction (029)</u> (FY75-78, \$30,000. D.L.) Res. - reconstruction studies Inst. - small enterprises, reconstr. programs Serv. - credit, tech. assist. Infra. - housing, water, streets, etc.	Earthquake - reconstruct & deconcentrate city of Managua through low pop. density reconstr, low-cost housing, temp. shelter, new dispersed communities, public services, streets, water, sewer & transp.	Rebuilding of shelter and services has direct impact on urban poor. <u>MEDIUM</u> and Relocation away from jobs impact. <u>NEGATIVE</u>	Complemented by: Centers for Earthquake Hazard Reduction (104) - support Prog. Develop. & Impl. (106) - Impr. CON cap. reconstr. HIC 15 mill.- support AID Reconstr. loans, 60 mill. Other govts, 4 mill. CABEL - roads, tele. & ind., 29 mill. IBRD - reconstr. loan IDB - reconstr. loan
Peru	<u>Housing and Urban Development (065)</u> (FY62-75, \$1,843. , D.G.) Res. - mkt., housing res., earthquake system Trng. - staff & self-help constr. skills Inst. - housing constr. cap. Serv. - constr., credit Infra. - housing	Earthquake disaster relief and prevention damage by bldg. res., low cost housing constr. & finance, trng. & employ. serv., commm. self-help constr., loan mgt.	Rebuilding shelters and employment in construction facilities. <u>HIGH</u>	Complemented by: Commun. & Urban Res. Loan - support Small Bus. Enterprise Loan - support HIC - support Urban Relief & Rehab. - support UN Pilot Res. & Housing - support
Thailand	<u>Housing Investment Guaranty (002)</u> (FY72-75, \$10,000. , HIG) Inst. - housing const. Serv. - loan guaranty Infra. - housing	Housing for middle and lower middle class families.	Employment on projects and relief of housing pressures <u>LOW</u>	(No relation to other specific AID programs)

Simply noting the numbers of projects of different kinds, it is significant to see that there are more food-oriented projects than all the rest together. This is a fair indication of overall AID resource allocations. It is also an added dimension to their significance to the urban poor, since we have already established that they are extraordinarily impactful on these groups.

Looking at the average scores for the specific project types (where 4 is high), it is seen that the average turned out close to three, medium, in this intuitive evaluation. The exception is education programs, which on average got lower scores, primarily because these programs are for central administration of educational systems and the training of teachers, rather than the more direct services that would have been easier to confidently associate with particular population groups as beneficiaries.

Considering the data country by country, one notes that the highest scores by a considerable measure are those of Nicaragua and Peru. This is not surprising, of course, since they are the scene of disaster relief programs which have more than usually direct program components.

Tabulations by Program Components

In describing our approach to the project we indicated the selection of a set of components to record the facets of projects. These were arranged to be the same for all project types and were presented above as Table IV.3. For purposes of their use in identifying impacts on the urban poor they can be divided into three categories:

The first category includes Research and Statistics and Policies, Plans and Program Development. These are activities which have, in most cases, no direct impact on the beneficiaries of a project during its lifetime. Further, the exact content of these activities is usually difficult to determine from the documentation. As a result, while recognizing that the value of these activities may be very great, we feel it is not possible to intelligently appraise their content as impactful on the urban poor. Again, this is not to suggest their value is small. Policy proposals emerging from the program development activity, for example, might be extremely important. It is just that means of systematic evaluation of this output does not exist, and the near term average output of projects is probably fairly low in this category.

TABLE IV.3

Overall Project Impact Tabulations by Category

All Projects (148)

Impact	Food and Nutrition	Population Planning and Health	Education and Human Resources	Selected Development Problems
High	23	10	2	9
Medium	20	6	4	7
Low	31	8	9	2
Negligible	7	3	5	2
Number of Projects	81	27	20	20

TOTAL

148

81 medium to high
 50 low
 17 negligible

The second category of components includes Training and Education, Information Systems, and Institution Building. These are components which make a real and identifiable contribution to the problems of the urban poor, but one which generally has to be interpreted over the long term and by indirect measures. Thus, the training of professionals in nutrition, for example, will eventually profit the urban poor, pending certain assumptions about the market for services in that profession. But these benefits are more tenuous than direct contributions in nutrition, both because one cannot be confident that the services will be offered, or if they are that they will be effective. Simple arguments can be made in information systems and institution building. In this category the level of benefits foreseeable can be quite high, and need to be recognized as such in our evaluation. They are less clearly identified than in the category below.

The third category includes Services, Production and Infrastructure. These are the direct contributions to the current consumption, assets, and lowering of risks for the urban poor we are looking for. As a result there is a somewhat more comfortable use of them in these evaluations, and a tendency to value them more highly.

The incidence of project components in all the projects investigated is summarized as Table IV.4. Notice the significance apparent from the fact that Food (and agriculture) projects tend to have more components in the service, production and infrastructure categories than any of the other program types by considerable measure. The comparison with Health (and population) is particularly important because it is the only sector competitive with it in volume of expenditure. It tends to be relatively heavier in the second category of project components.

Sample Cases of Project Scoring

We have discussed Category Tabulations and Tabulations by Program Components. The Cases of Project Scoring are a series of evaluated projects presented for the purpose of showing the two forms of scoring together for the same projects. It is a means of suggesting some of the relationships between component and category assembly (see Appendix B).

First, more dramatically than in other forms of presentation in this report, these sheets highlight the contrast between high-impact, short term actions, and relatively low-impact long term ones. Thus we

TABLE IV.4

Component Incidence for All Projects (148)

Component	Food and Nutrition	Population Planning and Health	Education and Human Resources	Selected Development Problems	
Research and Statistics	42	20	7	7	100
Policies, Plans and Program Development	16	5	2	1	
Training and Education	41	22	15	6	197
Information Systems	7	9	0	1	
Institution Building	47	23	13	13	
Services Provided	39	17	8	13	142
Production	25	0	0	0	
Infrastructure Capital	20	7	2	11	
	237	103	47	52	439

have the food distribution programs, where very direct and effective consequences are achieved in benefitting the urban poor, but they leave room for concern as to what longer term consequences may be induced for the time when the stream of help is no longer offered. Projects in education and rural development, on the other hand, offer benefits hard to appraise in the first instance, but generate a more wholesome environment which, hopefully, is resilient and constitutes a permanent improvement. Our tendency throughout this study has been to score the former higher than the latter. This bias needs to be appreciated by the reader and in further conclusions.

Another notable observation is the fact that most projects do not include all the components. Indeed, there is a tendency for those with strong research, policy and training components to exclude or minimize attention to services, production and infrastructure. By our orientation, as mentioned elsewhere above, this results in higher scoring for projects which emphasize the latter, more directly productive functions. But another interesting issue emerges; that of the value of associating all these parts. It may be especially recommendable to associate research and policy activities with projects also including directly productive activities. That would facilitate keeping the research and policy activities on target, responsive to the experience of the others.

The question of project size is another which needs to be engaged. The examination of impacts on the urban poor is not a good single perspective on it, particularly in the case of projects which have rural and other objectives as their principal ones. That is, it is natural for this study to conclude that projects should be large. The problem of the urban poor is great, and it takes a very large project to make any appreciable dent in it. If lasting impacts are to be achieved which measurably change urban conditions for this majority of the cities' populations, it would certainly be advisable for AID to put more of its effort in fewer, larger projects. This is a conclusion which does not respect, however, the other objectives of the projects under consideration. Counting those in, we suspect the conclusion would be the same, but somewhat more moderate from the one which arises from considering the poor alone.

Disaster Relief

Little attention so far has been given to components of the Peruvian and Nicaraguan emergency programs because there is a difference between the contribution of ongoing programs intended to slowly affect a continuing pattern of urban development and those which are meant to cope with short-term crises or major changes.

A disaster relief situation is one with special planning opportunities. It is a time when the viability of ordinarily stable systems is so low that one can contemplate generic change. Thus in Managua the plan calls for newly deconcentrated development which will be more resistant to future seismic disturbances. On the other hand, the chaos of the situation and the speed with which action is required tends precisely to make depth of consideration the most difficult under these circumstances. Urban impact appraisal is affected correspondingly. Under disaster circumstances, the ordinary concern for urban versus rural impacts of policy action is presumably cancelled. That concern needs to be within the context of more stable circumstances. On the other hand, long term consequences may result from options taken, which condition urban welfare for the years to come. Some of the prominent observations emerging from this activity which contrast with the rest of our report:

1. Whereas food and nutrition programs create concern under normal times for the extent to which they will adequately strengthen peoples' condition against the time when the program will no longer exist, the short term objectives of a disaster situation make this concern unnecessary. The provision of food is a much more straightforward proposition in these cases, provided its shortage is due to some primary or secondary consequence of the disaster. It is important to consider that matter. An earthquake would normally interfere with food production only in indirect ways, such as the destruction of processing plants, damaging transportation facilities, or removing sources of income families use to buy it.

2. The repair of water and sewerage systems should get very high priority in urban expenditures, as in the Managua case, because of the great risks of disease in the case of breakages in the distribution lines of water and sewerage systems (especially simultaneously).

3. Perhaps the most complex issue in disaster relief is presented by the housing sector. Whereas AID's concern with the housing problem has

been largely limited to rather specialized contributions (and housing investment guarantees), disaster conditions encourage quick response to those left homeless by the destruction of the housing stock. One might desire to make purely temporary solutions, so that proper planning under national authority could undertake definitive solutions in due course. Long experience has taught us that this is not possible. Solutions, however provisional, tend to endure.

Housing solutions are a somewhat different matter under disaster conditions than otherwise. There is reason to believe that satisfactory solutions might be easier to achieve. All the political forces complicating satisfactory solution and sometimes forcing bad redistributive patterns on housing programs may well be easier to deal with under the special circumstances of a disaster. Land may be acquired which is not normally available. Funding may be made available on more generous terms; less contribution from the housing occupant may be required; materials may be made available on more favorable terms.

How all these matters would turn out in practice is a fascinating problem to consider, but it is well beyond the scope of this report. The burden of discussion here is only to suggest that housing under disaster conditions is a very difficult problem than under ordinary circumstances in a developing country. It is always a politically delicate question, but possibly somewhat less so under these circumstances. Considering the consequences of disaster, one suspects that a somewhat more unfettered problem solving context might make possible better solutions than would otherwise be possible. This requires further investigation. But the situation under which housing is the more desperately needed, as well as the fact that it may be more beneficially provided from the welfare point of view is promising. It suggests that there might be special possibilities for disaster housing which are worth developing into a special program category.

// Then why all of the foregoing details

Housing and the Urban Poor

The Housing Investment Guarantee Program operated by the AID Office of Housing provides the most substantial AID input into the LDC housing Sector needs apart from disaster relief. Since its inception in 1963, the HIG program has guaranteed some \$659 million by FY 76 in housing loans

to LDC governments obtained from U.S. commercial money markets at prevailing interest rates for sub-lending to U.S. investors in LDC housing construction. In addition to guaranteeing housing loans at a fee rate of ½ of one percent, the AID housing office conducts shelter sector analyses to determine and assess existing needs and in some cases will provide technical assistance to establish and improve the organization, management and operations of local housing authorities and institutions.

The Office of Housing adopted in 1973 a Shelter Sector policy revised in an October 1974 policy statement which reflected the Agency's congressional mandate to concentrate AID programs on the "poor majority." The AID shelter program, as of 1975, channels resources to the extent possible in projects "benefitting low income groups either directly or indirectly."

Another Office of Housing initiative was to adopt an integrated approach to housing and urban development as its housing sector policy approach. In accordance with this statement of approach, the HIG has undertaken integrated sites and services projects in the Camerouns and another sites and services project is scheduled for the Ivory Coast. The impact of these projects on the urban poor will not be lost for as the World Bank has noted in its Housing Sector Policy Paper, sites and services projects are "the prime instruments for improving the housing conditions of the urban poor."

A second new initiative undertaken by the Office of Housing through the HIG program has been the rehabilitation of existing low income housing. In FY 75, the Office of Housing undertook a \$10 million program for improvement of slums and squatter housing in Soeul with another project scheduled for Peru. Housing guarantees for low income housing construction totalling \$50 million was authorized for projects in Portugal and Chile.

Agricultural Projects and the Urban Poor

The magnitude of AID resources allocated to agriculture suggest special consideration. Agricultural progress has important secondary effects in generating urban income and employment. They not only increase incomes on the farms, they also create jobs for people engaged in supplying inputs and machinery services, trucking, handling, wholesale and retail distribution, sorting, packaging, canning, processing, inspecting, producing packaging materials, and all sorts of ancillary services in both the private and the public sectors.

The additional urban income generated by increased agricultural production can easily exceed that produced in the rural area. This is certainly the rule in the United States, where the fact that only a few cents of the 40¢ the housewife pays for a loaf of bread goes to the farmer is well publicized.

Available studies in developing countries suggest that as a rule of thumb it is not unreasonable to expect that each marketable increment to agricultural production will generate as much off-farm (urban and small town) income as it does agricultural income. This is demonstrated most abundantly in the case of Columbia by the Columbia sectoral study.

Obviously a rural development program based essentially on encouraging subsistence production will have little urban effect to the extent that added production is simply consumed on the farm and does not move into marketing channels. However, even in the poorest countries the "pure subsistence" farm is rare and often mythical. A recent survey of small farmers in the altiplano of Guatemala found that about 40 percent of farm production was consumed by the family (and the proportion that would be consumed from marginal increments to output would doubtless be less). Among minifundistas in Chile the comparable figure was under 15 percent.^{1/}

Conversely, rural development programs which include the more sophisticated forms of marketing and processing of agricultural produce should generally have the most substantial urban impact. For example, a proposed plant for producing dehydrated vegetables in Chile for export (proposed for financing under a cooperative development bank loan financed by AID) is projected to have the following annual incidence of benefits:

^{1/}These figures exclude from total farm production crops fed to animals inasmuch as they constitute an input to animal production rather than a final product.

<u>Item</u>	<u>Amount</u>	<u>Beneficiary Group</u>
Farm labor	\$16,000	Low income rural
Collectors of wild mushrooms	31,000	Low income rural
Suppliers of farm inputs	31,000	Mixed urban and rural; partly for imports
Small and medium farmers	33,000	Low and middle income rural
Processing plant workers	30,000	Low income urban
Plant suppliers, service industries, managerial salaries, transport, etc.	132,000	Various levels of urban income (% to lower income not easily measurable)
Anticipated surplus of sales over costs	47,000	Available for loan repayment and otherwise for reinvestment in similar income-generating projects
<hr/>		
Total (equal to projected annual sales)	\$320,000	

The above case is useful to illustrate the statistical difficulties of distinguishing between program impact not only as between urban and rural groups but also as between various income levels within both the urban and rural sectors.

The case is also useful as an example of a project which, if successful, can have a significant dual effect in relieving both rural and urban poverty. With respect to real income, the project would offer an opportunity to farmers to produce a more intensive, higher income yielding crop, which means not only more profit to them but also requiring them to provide more farm labor for unemployed rural workers.

Further, the marketing of the crop generates more urban income ("value added") up to time of sale by the dehydrating plant than its value at farm gate. Note also that we have still some additional

prospect of further income generation in the wholesale and retail distribution of the product (though probably limited as the bulk is intended for export).

A project of this kind, which aims to expand market opportunities, can be contrasted with a rural development program which succeeds only in increasing production of a commodity for which demand is relatively inelastic. Such a project, though ostensibly intended to benefit the rural poor, may actually benefit only the urban poor. That is to say, the urban poor may benefit from lower food costs while the farmer works harder to produce more for lower prices and less net income.

Some implications of this analysis for AID policy are the following:

1. De-emphasize the dichotomy between urban and rural poor and give attention to the total effects of programs on both urban and rural poor. The aim should be to optimize benefits to the poor generally rather than to some particular segment of the poor, particularly where benefits to one segment might do damage to another.
2. Emphasize in development programs not only easy-to-plan production programs (production credit, technical assistance, etc.) but also income-boosting marketing and processing projects which lift all the links in the poverty chain. In the alleviation of poverty as in the development process, general production push should be matched by marketing pull.
3. Recognize that a key element in the development process lies in the development of commerce and industry based on the production of the developing country's primary agricultural sector. A focus of attention on that element touches all the bases — rural poverty, urban poverty, and last but not least — the development process through which poverty must ultimately be solved if it is solved at all.

See Appendix A for a suggested survey approach.

Public Law 480 - Title II

The significance of PL 480 Title II food distribution programs merits further comment. In calendar year 1974 it was reported that 55.5 million individuals in 88 countries were assisted by these, 40.2 million people were either infants, school children, pregnant and lactating mothers. An additional 8.8 million received assistance for participating in self-help, Food for Work projects (usually small-scale infrastructure: roads, drainage ditches, ...). The remainder, 6.4 million, were assisted through refugee, disaster, and relief programs. Table IV.6 shows recipients by country, category, and program sponsor for the nine countries in the sample. Table IV.7 provides the commodity breakout. The proposed worldwide budgets for PL 480-II programs were: 1974 - \$384.8 million; 1975 - \$473.6 million; and 1976 - \$406.2 million.

Other Centrally Funded Programs

Projects not explicitly dealt with via the nine-country review include centrally funded activities in Urban Development, Cooperatives, Labor, Agricultural Production Research, and Nutritional Research.

Generally these programs are handled with funds from AID/Washington with emphasis on development of U.S. institutional capacity, other international or regional institutional capacity, and discrete pilot or demonstration programs. These programs are functioning at research and institutional development levels sufficiently remote in time, mass, or proximity to the urban poor to have a current negligible impact on them. The ultimate implications of the pilot work in urban development and food research can and will be of great significance to the urban poor.

Funding support of cooperative and other voluntary agencies may have direct and beneficial impact on the urban poor. However, the disaggregation of these activities was not available for analysis.

Table IV.5

PL 480-II -- Number of Recipients, by Program Type and Sponsor

FY 1974

COUNTRY AND PROGRAM SPONSOR	TOTAL	FOOD FOR DEVELOPMENT				EMERGENCY ASSISTANCE		Welfare (General Relief)
		Maternal Child Feeding	School Feeding	Other Child Feeding	Food for Work	Refugee	Disaster	
GHANA:	232,100	55,000	82,000	10,500	84,600			
CRS	152,100	55,000	82,000	10,500	5,000			
WFP	79,600				79,600			
KENYA: CRS	114,000	60,000	43,000	11,000				
TUNISIA:	922,561	180,692	518,344	1,025	222,500			
CARE	313,726	392	313,959	275				
CRS	206,335	300	205,285	750				
GOV'T to GOV'T	180,000	180,000						
WFP	222,500				222,500			
PAKISTAN:	1,040,768	91,468			949,300			
CARE	29,225	27,925			1,300			
UNICEF	63,543	63,543						
WFP	948,000				948,000			
PHILIPPINES:	2,129,963	1,430,934	224,752	10,184	221,887		239,994	2,212
CARE	1,100,000	1,100,000						
CRS	796,606	303,438	224,752	10,184	16,026		239,994	2,212
CWS	35,395	27,496			7,889			
SAWS	15,000				15,000			
WFP	182,962				182,962			
BOLIVIA:	277,804	4,000	228,000	6,000	3,804			
CRS	274,000	4,000	228,000	6,000				
WFP	3,804				2,804			
DOMINICAN REPUBLIC:	802,000	277,000	400,000	7,000	118,000			
CARE	539,000	135,000	400,000	4,000				
CRS	238,000	135,000		3,000	100,000			
CWS	14,000	7,000			7,000			
WFP	11,000				11,000			
NICARAGUA:	342,500	58,000	60,000	2,500	30,000		192,000	
CRS	245,500	58,000	60,000	2,500			125,000	
WFP	97,000				30,000		67,000	
PERU:	888,192	88,490	598,432	15,975	185,295			
CRS	272,034	46,800	68,259	15,975	141,000			
SWS	10,450	3,946	6,114		390			
SWS	51,608	12,744	24,059		14,805			
GOV'T to GOV'T	500,000		500,000					
WFP	54,100	25,000			29,100			
GRAND TOTAL: ALL COUNTRIES, ALL PROGRAMS	55,543,327	12,189,175	27,046,277	974,549	8,798,956	1,170,500	5,114,759	159,111

Table IV.6

PL 480-II -- Total Commodities Shipped, by Program Sponsor

FY 1974

Country and Program Sponsor	Total ^{1/} CCC (thousand dollars)	COMMODITIES (thousand pounds)												
		Total	Wheat	Wheat Flour	Bulgur	Corn Meal	Corn	Grain Sorghum	Rolled Oats	CSM*	CSB**	WSB***	Veget. ^{2/} Oil	Other ^{3/}
GHANA:	\$ 1,932	14,092			4,828					2,244	1,137	1,368	1,321	3,194
CRS	1,395	10,284			3,164					1,592	487	859	988	3,194 ^{4/}
WFP	537	3,808			1,664					652	650	509	333	
KENYA: CRS	468	2,707								155	1,819		723	10 ^{4/}
TUNISIA:	6,249	61,041	11,949	22,961	110		13,228			3,366		6,544		2,883
CARE	1,770	14,401		9,298						1,475		3,332	296	
CRS	1,178	8,555		3,989						792		3,212	562	
Gov't to Gov't	2,074	23,292	11,949	9,674						1,099			570	
WFP	1,227	14,793			110		13,228						1,455	
PAKISTAN:	4,828	97,232	87,303	120			8,233					685	891	
CARE	229	2,575	1,600	120								685	170	
UNICEF	4	16											16	
WFP	4,595	94,641	85,703				8,233						705	
PHILIPPINES:	11,990	97,306		47,405	16,434	1,948	71		3,218	4,933	22,660	382	55	200
CARE	2,996	23,110		23,110										
CRS	4,916	39,776		12,949	2,228	1,948		2,438	4,533	15,680				
CWS	362	3,147		1,896				101	300	850				
SAWS	54	535		120	150			114	100	51				
Gov't to Gov't		-5												
WFP	3,662	30,743		11,226	12,160		71	570		6,079	382	55		200 ^{4/}
BOLIVIA:	1,847	15,464	221	5,003	311	1,484	2,205	575	1,592	2,997			1,076	
CRS	1,722	13,038		5,003	311	1,484	2,205	575	1,592	2,997			1,076	
WFP	125	2,426	221											
DOMINICAN REPUBLIC:	4,279	30,416		2,294	6,259	1,947		999	1,442	6,987	7,520	2,968		
CARE	1,898	13,590		11	3,313			450	1,204	2,368	5,198	1,066		
CRS	2,180	15,333		2,000	2,565	1,736		500	100	4,580	2,074	1,778		
CWS	171	1,183		184	381			69	138	39	248	124		
WFP	30	310		99		211								
NICARAGUA:	2,029	20,023		631			10,356	544	2,856	2,891	443	2,202	100	
CRS	521	4,281		78				460	219	2,891	443	190		
Gov't to Gov't	-123	-2,043					-1,783					-260		
WFP	1,631	17,785		553			12,139	84	2,637			2,272	100 ^{4/}	
PERU:	3,418	27,433	-1	6,066	4,588	3,870		1,638	3,155	1,607	2,170	2,135		
CRS	1,376	10,821		2,321	2,291	1,714		1,094	1,960		440	1,001		
CWS	219	1,519		328	523				161	20	363	124		
SAWS	1,071	8,562		1,528	1,374	1,660		554	37	1,487	1,367	565		
Gov't to Gov't	403	2,674		1,143	400				997			134		
WFP	349	3,857	-1	746		496	2,205			100		311		
GRAND TOTALS ALL COUNTRIES ALL COMMODITIES	282,914	3,002,210	375,542	570,320	382,550	97,386	202,956	824,901	14,682	153,002	124,530	120,525	118,019	17,797

^{1/} CCC-Commodity Credit Corporation; ^{2/} Vegetable Oil (soy bean); ^{3/} Others-include sorghum grits, soy flour, rolled wheat, etc. ^{4/} Soy fortified sorghum

V. CONCLUSIONS

This project has been conducted in a form gauged to generate discoveries about the impacts of projects on the urban poor. The form of project review and observations has been to create loose instruments for the categorization of characteristics, and to make intuitive conclusions about the fit of scant project data to those categories. We feel it has been a productive approach in highlighting some principal impacts, and suggesting the path of further research.

The principal effects in play when considering the urban poor are:

1. The consequences of increased food production on the availability of food in the cities for the urban poor.
2. The consequences of agricultural and rural development in changing the rate of migration to cities.
3. The consequences of family planning and health activities in changing the demographic profile of the urban poor, at least in the long term.
4. The benefits of food conveyed through the food programs.

It is virtually certain that all these effects are quite significant, and are substantially more so than any other AID programs' impacts on the urban poor. The possible exceptions would be disaster relief programs.

We feel that subsequent research could focus on these benefits. In facilitating that, there are four main features required of larger scale research on the subject:

1. Make direct observations on the current consumption of the urban poor, and their acquisition of capital assets under circumstances of program availability. This would have the effect of advancing our understandings further beyond the intermediate effects and toward the final effects, relieving the uncertainties of association between the intermediate and final impacts. The specific means of doing this requires some further examination. Simply visiting the program sites and searching for consequences is not likely to be productive. It requires a structured

search technique to assure that the results are relevant to program inputs. Interview schedules which record family consumption may be a useful direct way of getting at this information. These could be accomplished by means considerably less elaborate than comprehensive evaluation techniques such as cost-effectiveness analysis or cost-benefit analysis. Questionnaire components could be added to the small farmer surveys currently in use at small additional cost.

2. Record locations of output. The simplest information currently obstructing more useful observation and prediction of impacts is knowledge of where the projects will actually be undertaken, whether in urban or rural environments. This information would be crucial to advancing the subject further. It would be of interest to correlate options of rural-urban siting by project designers, and their reasons for selecting options. This would be an interesting way to preface development of urban project design method.

3. Further studies of migration in the developing countries. At the risk of pressing a topic which has remained difficult to interpret even after considerable research attention, it does remain important to understand the consequences to urban immigration of rural policies. The surely enormous importance of agricultural projects to the urban poor cannot be adequately dealt with until better understandings of this kind are reached.

4. Further studies of food markets. This is an area which would more amply reward the effort of research. Reasonable attention to the food marketing process of any city for a limited period of time would substantially improve our understanding of the consequences of rises in hinterland agricultural productivity. The problem is that it would be necessary to do such research for a number of cases because practices surely vary greatly from one place to another. Since economists are giving increasing attention to this matter, studies which might satisfy the need already exist for a number of cities.

It is almost unquestionable that far and away the most significant contribution to the urban poor made by AID programs is via agriculture.

The other major impact of rural projects on urban areas is even more problematic, that of migration. Many of the key problems in urban areas suffered by the poor are the consequence of heavy migration streams. They inflict competition for jobs, for housing, and for other services. Even to the extent that the economy can accommodate the influx to some degree, just the unbalance created by it may be a great problem to the urban poor. When industry and public services simply cannot move fast enough to keep up with fast-growing deficits in housing, infrastructure, employment, and so forth, it is the poor who are the most likely to suffer. Disequilibrating impacts knock everyone out of kilter, but the more affluent a family the better its means are likely to be to absorb the consequences and quickly restore itself to a viable position.

A program which substantially improves rural conditions has an effect on migration from rural to urban areas which is unpredictable. On the one hand, it probably increases employment in those areas, encouraging the population to stay. On the other hand, in opening the opportunities for higher income and awareness, it may produce an impetus to move to urban areas — a conduit to the city. In most cases, increased viability of rural residence resulting from the program would probably tend to reduce urban immigration, but the extent to which it would do so is hard to judge and little evidence exists to support the thesis.

Family planning programs also have direct impact on the urban poor but their impact cannot be assessed in the short term.

We find that projects which have high service, production or infrastructure components have more direct impact on the poor majority and given geographic data, urban poor impacts can be assessed.

Projects with training, education and information system components have more intermediate, indirect affects on the urban poor. Finally, research, statistics, program plans and planning, and policy-oriented activities have very remote, long-term potential for affecting the urban poor not susceptible to current time-frame assessment.

Appendix A

SURVEY OF URBAN POOR RELATIVE TO RURAL POOR AND
SMALL FARMER ORGANIZATIONS

Appendix A

SURVEY OF URBAN POOR RELATIVE TO RURAL POOR AND SMALL FARMER ORGANIZATIONS

In order to better understand the problems of the poor and to determine how AID programs can be better oriented toward meeting them, it would be useful to conduct surveys in a selected group of countries. Such studies should be particularly oriented toward obtaining the fullest possible information on employment and incomes. This would include assistance from charitable and relief agencies and urban-rural family remittances. While income and employment factors bearing thereon would be the main thrust of the survey, an adequate amount of comparative data should be obtained on living conditions, health, education, and other relevant factors. Particular attention should be given to the interrelation of poverty factors with family formation and the birth rate within various poverty groups.

If the point of view is accepted that poverty is an urban-rural continuum in developing countries, it will be desirable to include in the survey all of the groups in that continuum including (a) long established urban poverty groups; (b) newer arrivals to urban areas; (c) families which are divided as to members or seasons of the year between urban and rural membership; (d) suburban families which may be engaged in minifundist agricultural activities; (e) lower income village groups, both landed and not landed; and (f) finally, small farmers and farm laborers. A particular effort should be made to determine the employment and other factors that determine patterns of migration between urban and rural areas.

Some significant advantages could be gained if poverty studies of this kind, or some of them, were undertaken in the same countries and during the same time period as small farmer surveys. A cost savings is evident since this sector of the poor could be surveyed in a single canvass both for purposes of the comprehensive poverty survey and for the planning and evaluation of agricultural projects. There would be no difficulty in including in the normal small farmer type survey a number of questions which would deal with such matters as the employment status of the various members of his family, his provision of labor to landless rural poor and others, and the interrelation of his family with urban employment and urban poverty.

It will also be very illuminating to our understanding of rural poverty to survey small farmers in conjunction with other rural poverty groups. While we generally think of the rural poor and the small farmer as being substantially identical, a small farmer is on at least a modest scale a capitalistic entrepreneur.

We do not know as much as we should how he relates or compares with the landless rural and village poor. Further, while logic suggests that it is the landless that tend most to gravitate to the cities, the factors may be more complex. It should be useful to have more information not only on the factors that motivate emigration but also as to its consequences in either increasing or decreasing employment and income levels among poverty groups.

One feature of such a study that could be particularly helpful would be to obtain from the poor themselves their judgments as to the kinds of things they believe are most important to alleviating their problems and improving their prospects for upward mobility in either urban or rural sectors.

Appendix B

SELECTED EXAMPLES OF INDIVIDUAL PROJECT SUMMARIES

Table B.1

Appendix B

SELECTED EXAMPLES OF INDIVIDUAL PROJECT SUMMARIES

COUNTRY Philippines PROJECT Agrarian Reform NO. 257
 SECTOR Food and Nutrition
 AMOUNT \$1,889,000. KIND Grant TERM 1974-1978

PURPOSE(S) Improve rural family life by accelerating social and economic reforms through institutionalizing land title transfers and ensuring leasehold arrangements for small rice and corn farmers. Develop system and facilitate its operation.

COMPONENT	KIND OF OUTPUT		PROBABLE IMPACT ON URBAN POOR NATURE	LEVEL
	LEVEL*	DESCRIPTION		
Research and Statistics	3	Tenancy research	Crop increases intended and greater equity in sharing proceeds may have remote, indirect benefit to urban poor with increased rural incomes, value added of production increases entering commercial channels.	Low
Policies, Plans, Program Develop.	2	Implement agrarian reform policies		
Training and Education	2	Managers and staff		
Information Systems				
Institution Building	1	Support Agrarian Reform Agency		
Services Provided	1	Legal, tech. assist., credit, etc.		
Production	3	Ultimate - increased rice and corn prod.		
Capital Infrastructure				

* 1 - Large 2 - Medium 3 - Small

NOTE: This project supported by a network of AID programs designed to provide research, technical assistance, small scale infrastructure, credit, applied technology, and integrated agricultural development programs.

SECTOR Food and Nutrition

AMOUNT \$4,770,000

KIND Loan

TERM 1967-1972

PURPOSE(S) Develop and improve small farmer organizations as a means of improving the economic and social conditions of the small farmers participating in these organizations.

COMPONENT	KIND OF OUTPUT		PROBABLE IMPACT ON URBAN POOR NATURE	LEVEL
	LEVEL*	DESCRIPTION		
Research and Statistics			Creation of viable farm credit and market organizations to facilitate production increases and supplies of food to market. Urban poor indirectly benefit from stabilizing prices and/or increases in food.	MEDIUM
Policies, Plans, Program Develop.				
Training and Education	2	Leaders of small farmer organizations		
Information Systems				
Institution Building	1	National Community Development Service Small farmer organizations		
Services Provided	1	Credits for small farmer organizations cooperative development projects TA		
Production	2	Establish revolving funds		
Capital Infrastructure				

* 1 - Large 2 - Medium 3 - Small

NOTE: Project is one of a series which effectively complement one another to attain overall agricultural development and are targeted on rural poor - the small farmer.

COUNTRY Tunisia

PROJECT Family Planning

NO. 224

SECTOR Population Planning and Health

AMOUNT \$6,588,000

KIND Grant

TERM 1968-1977

PURPOSE(S) Develop institutional capacity to attract the patronage of, and to deliver effective family planning services to a sufficiently large portion of the population in the reproductive age group as to permit attainment of its goal (reduction in fertility rate and birth).

COMPONENT	KIND OF OUTPUT		PROBABLE IMPACT ON URBAN POOR NATURE	LEVEL
	LEVEL*	DESCRIPTION		
Research and Statistics	3	Statistical and research services	Sets up system for family planning and urban poor have fair chance of direct access to services.	HIGH
Policies, Plans, Program Develop.				
Training and Education	3	Family service professionals		
Information Systems	2	Health education and public information		
Institution Building	1	Family planning programs		
Services Provided	1	Family services, public education, contraceptives		
Production				
Capital Infrastructure				

* 1 - Large 2 - Medium 3 - Small

COUNTRY KenyaPROJECT Housing Investment GuaranteeNO. 101SECTOR Selected Development ProblemsAMOUNT \$15,000,000.KIND Loan GuaranteeTERM 1975-1979PURPOSE(S) Provide housing investment guarantees to stimulate low and middle income housing market.

COMPONENT	KIND OF OUTPUT		PROBABLE IMPACT ON URBAN POOR NATURE	LEVEL
	LEVEL*	DESCRIPTION		
Research and Statistics			Direct impact through provision housing for lower middle class families relieve pressure on urban poor competition for basic shelter.	<u>MEDIUM</u>
Policies, Plans, Program Develop.				
Training and Education				
Information Systems				
Institution Building	2	Low and medium cost housing institutions		
Services Provided	1	Loan guarantees		
Production				
Capital Infrastructure	1	Housing		

* 1 - Large 2 - Medium 3 - Small

COUNTRY NicaraguaPROJECT Health Sector AnalysisNO. 102SECTOR Population Planning & HealthAMOUNT \$140,000KIND GrantTERM 1975-1976PURPOSE(S) Assist the GON conduct an assessment of the health sector which will include a description and analysis of problems, identification of constraints and proposals for improving health care with emphasis on rural areas.

COMPONENT	KIND OF OUTPUT		PROBABLE IMPACT ON URBAN POOR NATURE	LEVEL
	LEVEL*	DESCRIPTION		
Research and Statistics	1	Assessment of the health sector	Remote time frame before any probable assessment can be made.	<u>NEGLIGIBLE</u>
Policies, Plans, Program Develop.				
Training and Education	2	Key staff		
Information Systems				
Institution Building				
Services Provided				
Production				
Capital Infrastructure				

* 1 - Large 2 - Medium 3 - Small

NOTE: This project will be complemented by two other grant projects: Rural Health Institution Development and Rural Community Health Services.

COUNTRY PeruPROJECT National School Lunch ProgramNO. 000SECTOR Food and NutritionAMOUNT \$214,000 and
\$6-7,000,000/yrKIND Grant & PL480-IITERM 1974-1975

PURPOSE(S) Grant project provides essential administration support to ensure development of effective food distribution system to handle infant, children and lactating mothers supplemental feeding program.

COMPONENT	KIND OF OUTPUT		PROBABLE IMPACT ON URBAN POOR NATURE	LEVEL
	LEVEL*	DESCRIPTION		
Research and Statistics			Direct positive impact on nutrition for all school children and urban poor will receive fair share through access.	HIGH
Policies, Plans, Program Develop.				
Training and Education				
Information Systems				
Institution Building	1	School lunch program		
Services Provided	1	Distribute food		
Production				
Capital Infrastructure				

* 1 - Large 2 - Medium 3 - Small

COUNTRY Dominican RepublicPROJECT Agricultural Development SupportNO. 059SECTOR Food and NutritionAMOUNT \$11,837,000KIND GrantTERM 1965-1978

PURPOSE(S) Assist the Ministry of Agriculture develop capability to identify and resolve principal constraints on the agricultural sector.

COMPONENT	KIND OF OUTPUT		PROBABLE IMPACT ON URBAN POOR NATURE	LEVEL
	LEVEL*	DESCRIPTION		
Research and Statistics	1	Sector assessments	Indirect and remote impact on agricultural production, prices, and food distribution.	NEGLIGIBLE
Policies, Plans, Program Develop.	2	Sector plans		
Training and Education				
Information Systems				
Institution Building	1	Develop capability Min. of Agriculture identify and resolve agricultural problems.		
Services Provided				
Production				
Capital Infrastructure				

* 1 - Large 2 - Medium 3 - Small

SECTOR Education and Human Resources

AMOUNT \$1,920,000

KIND Grant

TERM 1970-1975

PURPOSE(S) Develop an indigenous vocational training institution in Accra-Tema area to train urban poor in skills suited to local job market. OIC potential for replication in other urban parts of Ghana.

COMPONENT	KIND OF OUTPUT		PROBABLE IMPACT ON URBAN POOR NATURE	LEVEL
	LEVEL*	DESCRIPTION		
Research and Statistics			Significant direct impact on urban poor by providing vocational training in an urban area to students from working class families. Such students not otherwise eligible for formal vocational or other education.	HIGH
Policies, Plans, Program Develop.				
Training and Education	1	Faculty - inservice Students - vocational		
Information Systems				
Institution Building	1	Establish training institute		
Services Provided	3	Stimulate small enterprises		
Production				
Capital Infrastructure				

* 1 - Large 2 - Medium 3 - Small

COUNTRY Pakistan

PROJECT Institutional Grants

NO. 366

SECTOR Education & Human Resources

AMOUNT \$240,000

KIND Grant

TERM 1974-1976

PURPOSE(S) To reinforce on an experimental basis already existing US-Pakistani institutional relationships by providing grant funding to continue a system of professional exchanges and to strengthen those AID-sponsored institutions in the post-project phase.

COMPONENT	KIND OF OUTPUT		PROBABLE IMPACT ON URBAN POOR NATURE	LEVEL
	LEVEL*	DESCRIPTION		
Research and Statistics	2	Research, materials, staff	No discernible impact on the urban poor. General academic upgrading too remote for impact assessment.	NEGLIGIBLE
Policies, Plans, Program Develop.				
Training and Education	1	Student exchanges		
Information Systems				
Institution Building	1	Develop capability to conduct research		
Services Provided				
Production				
Capital Infrastructure				

* 1 - Large 2 - Medium 3 - Small

