



Department of State

TELEGRAM

UNCLASSIFIED 187

PAGE 01 ADDIS 03761 121432Z

51
ACTION AID-59

INFO OCT-01 AF-05 EL-03 IGA-02 INR-06 CIAE-00 DODE-00 /076 W
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FM AMEMBASSY ADDIS ABABA
TO SECSTATE WASHDC PRIORITY 7688

UNCLAS ADDIS ABABA 3761

AIDAC

SUBJ: PPP FOR REGIONAL RURAL DEVELOPMENT PROJECT NO.
663-55-130-167C

REF: STATE 144142
ADDIS 3709

BEGIN SUMMARY PPP PER REF B REQUEST

A. PPP COVER SHEET

1. PROPOSED U.S. OBLIGATIONS SPAN: FY 73 THRU FY 78
2. PROPOSED IMPLEMENTATION SPAN, FY 74 THRU FY 79
3. FINANCIAL REQUIREMENTS:
 - A. TC GRANT-DOLS 1,760,000
 - B. DL-NO CURRENT ESTIMATE (WILL BE COMPUTED WHEN PROP PREPARED)
 - C. IEG CONTRIBUTION-NO CURRENT ESTIMATE (WILL BE COMPUTED WHEN PROP PREPARED)
 - D. OTHER DONOR CONTRIBUTION-NO CURRENT ESTIMATE

B. AGRICULTURE AND RURAL DEVELOPMENT SECTOR GOALS:

1. EXPANSION COMMERCIAL FARMING TO (A) EXPAND EXPORT EARNINGS, (B) INCREASE PRODUCTION TO MEET URBAN DEMAND, AND (C) DIVERSIFY AG PROD.
2. INCREASE PEASANT AGRICULTURAL OUTPUT AND EARNINGS AND, THEREBY, IMPROVE QUALITY RURAL LIFE.

C. PROJECT PURPOSES:

1. INCREASE CROP/LIVESTOCK PROD AND IMPROVE MARKETING FACILITIES COMMERCIAL/PEASANT FARMERS (INCLUDING NEW SETTLERS)

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IN ONE S OR SW AREA ETHIOPIA.

2. IMPROVE QUALITY RURAL LIFE.
3. SETTLE IEG LAND IN PROJECT AREA. (PROJECT PURPOSES RELATED TO, BUT DIFFERENT FROM, PURPOSES PREVIOUSLY APPROVED SHASHEMENE AND ADA PROJECTS AND PROPOSED MINIMUM PACKAGE SUPPORT AND CROP/LIVESTOCK SUB-PROJECTS, AS WELL AS EXPERIMENTS IN COMMUNITY EDUCATION.)

D. PROJECT OUTPUTS:

1. INCREASED MARKETABLE OUTPUT MAJOR GRAINS FOR EXPORT AND DOMESTIC CONSUMPTION.
2. INCREASED LIVESTOCK PROD AND OFF-TAKE FOR EXPORT AND DOMESTIC MARKETS.
3. PREVIOUSLY UNUTILIZED IEG LANDS BROUGHT INTO PRODUCTIVE USE.
4. IMPROVED QUALITY RURAL LIFE-GRATER PARTICIPATION BY PEOPLE IN DECISION PROCESS, ACCESS TO PREVENTIVE HEALTH SERVICES (INCLUDING P/FP AND DESEASE SUPPRESSION), AND ACCESS TO COMMUNITY "NON-FORMAL" EDUCATION.

IV. PROJECT INPUTS:

- A. PHASE I:
 1. FY 72 RECONNAISSANCE SURVEY UNDER FEASIBILITY STUDIES PROJECT 663-11-995-153.
 2. EARLY FY 73 FEASIBILITY STUDY UNDER PROJ. 153.
- B. PHASE II:
 1. IEG INPUTS:
 - A. IEG TO ESTABLISH NATIONAL AND PROVINCIAL LEVEL COORD AGENCIES TO SUPERVISE INPUTS OF MINAG (I.E., MINIMUM PACKAGE AND LIVESTOCK TEAMS), MIN CD, IHA, WATER RESOURCES DEPT. MIN PH, MES, MIN ED (I.E., EXPERIMENTS IN COMMUNITY EDUCATION), AND MIN LAND REFORM.
 - B. LOCAL COSTS FOR CAPITAL CONSTRUCTION AND PROJECT OPERATIONS.
 2. AID INPUTS:
 - A. TC/DG FUNDS
 - (1) D-H PROJECT MANAGE
 - (2) AID SALARY SUPPLEMENTED IEG CONTRACT FOR SIX MAN TEAM
 - (3) COMMODITIES-PROJECT VEHICLES
 - (4) OTHER COSTS
 - B. DEVELOPMENT LOAN

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(1) CREDIT FOR FERTILIZER, IMPROVED SEED, STORAGE,
ETC.

(2) EQUIPMENT FOR LAND AND WATER DEVELOPMENT AND
PROJECT VEHICLES.

C. LOCAL COST CONTRIBUTIONS FOR AG SECTOR LOAN

C. FUNDING TABLE SUMMARY (\$000)

FY	TOTAL	AID D-H	CONT TECH	COMMOD	OTHER COSTS
73	490	50	405	30	5
74	55	50			5
75	325	50	270		5
76	340	55	280		5
77	340	55	280		5
78	210	55	150		5
TOTAL	1760	315	1385	30	30

END PPP SUMMARY

POUCHING PPP AUGUST 17TH.
ADAIR

UNCLASSIFIED

PRO AG

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE PLANNING COMMISSION

AN AGENCY OF THE GOVERNMENT OF ETHIOPIA

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

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

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

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE 6/16/51
 ECONOMIC COOPERATION AGREEMENT DATE 4/25/57
 (other) DATE

1. PROJECT/ACTIVITY NO. 663-55-130-167 PAGE 1 OF 6 PAGES
2. AGREEMENT NO. 299 3. ORIGINAL OR REVISION NO. _____
4. PROJECT/ACTIVITY TITLE
RURAL AGRICULTURAL DEVELOPMENT
(Minimum Package Support)
5. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)
6. AID APPROPRIATION SYMBOL 72-1121004 7. AID ALLOTMENT SYMBOL 254-50-663-00-60-22

8. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input checked="" type="checkbox"/> DOLLAR <input type="checkbox"/> LOCAL CURRENCY				
(a) Total		300,000		300,000
(b) Contract Services		300,000		300,000
(c) Commodities				
(d) Other Costs				
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT \$1.00 = Eth. \$2.30				
(a) Total		1,300,000		1,300,000
(b) Technical and other Services		887,000		887,000
INVESTMENT (c) RESEARCH		207,000		207,000
(d) Other Costs		206,000		206,000

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

11. DATE OF ORIGINAL AGREEMENT June 30, 1972 12. DATE OF THIS REVISION 13. ESTIMATED FINAL CONTRIBUTION DATE June 30, 1975

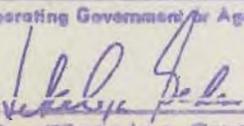
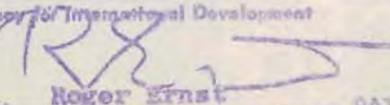
14. FOR THE COOPERATING GOVERNMENT OR AGENCY
SIGNATURE: Likela Gada DATE: 30/VI/72
TITLE: The Planning Commission

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE: Roger Ernst DATE: _____
TITLE: Director-Counselor, USAID/Ethiopia

H. E. Ato Abbebe Betta
Minister of Agriculture

Mission Clearances

RDG
PPS
FMS

AID 1820-1A (3-70) PRO AG CONTINUATION SHEET ANNEX	PROJECT AGREEMENT BETWEEN AID AND The Planning Commission AN AGENCY OF THE GOVERNMENT OF Ethiopia	1. Project/Activity No. 663-55-130-167	PAGE <u>2</u> OF <u>5</u> PAGES
		2. Agreement No. 299	3. <input checked="" type="checkbox"/> Original or Revision No. _____
		3. Project/Activity Title RURAL AGRICULTURAL DEVELOPMENT (Minimum Package Support)	
<p>I. BACKGROUND</p> <p>It is conjectured that 87% of Ethiopia's manpower, or about four million heads of families, are directly engaged in agricultural pursuits. The bulk of these are sedentary farmers confined principally to the highland regions from which almost 90 percent of the total yields of grains, oilseeds and pulses are produced.</p> <p>The current average size of highland farms is unfavorable for efficient agricultural production. Approximately 90% of the highland farms have less than 5 hectares of cultivable soil and about two-thirds have less than 1.5 hectares of usable land. Capital investment is limited to a few simple implements, oxen and tools. Operating capital for the procurement of modern inputs is practically nonexistent. Information on innovations and improved techniques rarely reaches the tenant and small holder.</p> <p>In the northern highlands the traditional system of communal ownership, with its attendant fragmentation of land, has resulted in dwarf holdings. In most of the central, western and southern highlands the widespread share-cropping schemes of tenancy stifle incentive for tenants who might be induced to invest in progressive technology and inhibit motivation to produce more by hard work.</p> <p>The Minimum Package Project was designed by the IEG, with SIDA assistance, in order to raise net income of small-holders and tenants and to increase agricultural production for domestic consumption and export in selected areas of Ethiopia.</p> <p>In 1972 the IEG requested USAID to participate, in a supportive role, by providing a limited number of technicians so that coverage of the Minimum Package Program could be effectively accelerated. USAID willingness to participate in the project stems from the fact that the Minimum Package Program is a clear manifestation of IEG priorities and strategies aimed at improving peasant agriculture. Even without foreign assistance at currently programmed levels, the Ministry of Agriculture would continue, albeit at a reduced scale, to devote available resources towards assisting those small farmers operating at marginal output.</p>			
For the Cooperating Government or Agency SIGNATURE:  DATE: <u>3/15/73</u> TITLE: <u>The Planning Commission</u>		For the Agency of International Development SIGNATURE:  DATE: <u>6/30/73</u> TITLE: <u>Director Counselor, USAID/Ethiopia</u>	

PROJECT AGREEMENT

BETWEEN AID AND

The Planning Commission

AN AGENCY OF THE GOVERNMENT OF
Ethiopia

1. Project/Activity No.

663-55-130-167

PAGE 2 OF 6 PAGES

2. Agreement No.

299

3. Original or
Revision No. _____

3. Project/Activity Title

**RURAL AGRICULTURAL DEVELOPMENT
(Minimum Package Support)**

II. ACTIVITY OBJECTIVES

The purpose of the project is in keeping with the IEG goal to modernize and monetize peasant subsistence agriculture.

U.S. obligations for support to the project are programmed initially for two years with the possibility of an extension. IEG physical implementation of the project spans 10 years, FY 1971 through FY 1980.

In essence, the project calls for SIDA, FAO and USAID technical personnel, and substantial SIDA and IBRD (or IDA) financing, to assist a newly organized Ministry of Agriculture unit, the Extension and Project Implementation Department (EPID), in providing technical assistance and production inputs -- fertilizers, seeds, chemicals, and small implements -- to increase productivity and net income of small-holders and tenants occupying less than 20 hectares of land. The project purposes, to be achieved through assistance to small farmers, are to increase agricultural production for domestic production and export, to optimize rural employment and to demonstrate the efficacy of the project methodology for replication throughout Ethiopia.

III. COURSE OF ACTION

The IEG launched the Minimum Package Program in 1971 and envisages that forty-three areas of potential interest will be subjected to two years of observation to identify development prospects. This task will be undertaken by a single agent in each location. During the third year innovations will be demonstrated at each site in order to test their acceptability. At this stage each area will be staffed by two agents, and preparations for the establishment of a minimum project will be undertaken.

The Minimum Package Program will be started the fourth year. One supervisor will be assigned to each area to guide, coordinate and oversee five agents. Each agent is expected to reach about 2,000 families through the device of model farmers (20 model farmers per project); a minimum package area will thus contain about 10,000 families. A credit officer and five trade center foremen, all under the direction of the supervisor, will also be provided in each project area.

For the Cooperating Government or Agency

SIGNATURE: [Signature] DATE: 20/6/72
TITLE: The Planning Commission

For the Agency for International Development

SIGNATURE: [Signature] DATE: 6/30/72
TITLE: Director-Counselor, USAID/Ethiopia

AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND <u>The Planning Commission</u>	1. Project/Activity No. 663-55-130-167	PAGE 4 OF 6 PAGES
		2. Agreement No. 299	3. <input checked="" type="checkbox"/> Original or Revision No. _____
	AN AGENCY OF THE GOVERNMENT OF <u>Ethiopia</u>	3. Project/Activity Title RURAL AGRICULTURAL DEVELOPMENT (Minimum Package Support)	

The Agricultural and Industrial Development Bank, S.C. has agreed to procure, distribute and sell certain inputs to farmers in the minimum package and demonstration areas. The Bank has appointed the Extension and Project Implementation Department (EPID) of the Ministry of Agriculture as its agent in disbursing and monitoring credit funds. EPID will provide credit for seeds, fertilizer, herbicides, pesticides and small implements. A trade center is to be established by each supervisor for distribution of supplies on credit and for the marketing of produce. A credit officer, who reports to the supervisor, will be responsible for the promotion of cooperatives and for in-service training and supervision of the five trade center foremen.

As soon as cooperatives are formed in the project areas, the Agricultural and Industrial Development Bank will cease to use EPID as its agent and will deal directly with the cooperatives. It is anticipated that cooperatives may be organized within three years following the demonstration phase.

During the first three or four years, minimum package programs will be initiated in areas where there are existing roads. As the program expands (10 areas per year) construction of feeder roads will be a pre-condition to establishing the program in more remote areas. It is anticipated that IBRD will assist with feeder road construction in CY 1974-75. A self-help activity utilizing PL 480 commodities may be considered in areas where significant surplus labor exists.

In FY 1972, SIDA is providing ten technicians, funds to cover the capital costs of vehicles, small farm implements and limited office equipment, and funds for project operating costs. FAO will furnish three specialists and supporting commodities. The IEG is supplying up to 31 high-level personnel and up to 126 middle-level employees for field operations in FY 1972. The IEG is also financing operating costs in the capital budget and recurrent costs of high and middle-level personnel and in-service training. USAID will provide, under cooperating country contracts three agronomists in support of the Minimum Package Program. USAID plans to finance, through Agricultural Sector Loans, an agreed portion of the mounting IEG operating costs in the capital budget.

In addition, A.I.D. is financing the FY 1973 fertilizer requirements through a direct loan to the Agricultural and Industrial Development Bank, S.C. It is anticipated that the IBRD will assist in the financing of fertilizer and other project capital costs in subsequent years.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: [Signature] DATE: 3/10/72
 TITLE: The Planning Commission

SIGNATURE: [Signature] DATE: 6/30/72
 TITLE: Director-Counselor, USAID/Ethiopia

PROAC
CONTINUATION
SHEET

ANNEX

**PROJECT AGREEMENT
BETWEEN AID AND**

The Planning Commission

AN AGENCY OF THE GOVERNMENT OF
Ethiopia

1. Project/Activity No.
663-55-130-167

2. Agreement No.
339

3. Project/Activity Title

**RURAL AGRICULTURAL DEVELOPMENT
(Minimum Package Support)**

3. Original or
Revision No. _____

IV. PROGRESS TO DATE

Nine minimum package projects in eight provinces were started in CY 1971. Nine additional areas have been started in CY 1972. Approximately 5,000 farmers (including 300 model farmers) participated and 7,500 hectares were involved during CY 1971. About 120 demonstration fields (one hectare each) and 1,500 small fertilizer plots (20 meters by 40 meters) have been established in CY 1971. In addition, an estimated 1,000 tons of fertilizer have been sold in 1971. The activities are expected to at least double in CY 1972.

V. FINANCIAL PLAN

By the terms of this Agreement the U.S. agrees to contribute a total of U.S. \$300,000 for twenty-four months funding of three technicians. For FY 1973, the IEG has budgeted a total of U.S. \$1.3 million for the operation of EPID. U.S. will provide funds through the Agricultural Sector Loan for the financing of an agreed portion of IEG local operating costs in the capital budget in FY 1973.

The U.S. and IEG funds including Agricultural Sector Loan funds are allocated as follows:

COST COMPONENT (U.S.\$)	U.S.G.	I.E.G.
Ethiopian high and middle level staff		816,000
Ethiopian low-level staff		71,000
Operating costs		206,000
Investment		207,000
Contract Services	<u>300,000</u>	
Total	300,000	1,300,000

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: [Signature] DATE: 30/7/72
TITLE: The Planning Commission

SIGNATURE: [Signature] DATE: 6/30/72
TITLE: Director-Counselor, USAID/Ethiopia

PRO AG

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
Ministry of Planning and Development

AN AGENCY OF THE GOVERNMENT OF Ethiopia

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

1. PROJECT/ACTIVITY NO.
663-55-130-167

PAGE 1 OF 9 PAGES

2. AGREEMENT NO.
318

3. ORIGINAL OR
REVISION NO. _____

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

4. PROJECT/ACTIVITY TITLE

Rural Agricultural Development
(Non-Formal Education Support)

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

GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE 3/16/51

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

ECONOMIC COOPERATION AGREEMENT DATE 4/25/57

6. AID APPROPRIATION SYMBOL

7. AID ALLOTMENT SYMBOL

72-11X1023

402-50-663-00-69-41

(other) DATE _____

8. AID FINANCING
 DOLLARS LOCAL CURRENCY

PREVIOUS TOTAL (A)

INCREASE (B)

DECREASE (C)

TOTAL TO DATE (D)

(a) Total

106,500

106,500

(b) Contract Services

60,000

60,000

(c) Participants
(c) Commodities

9,000

9,000

17,000

17,000

(d) Other Costs

20,500

20,500

9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT

\$1.00 = E\$2,054.47

(a) Total

20,000

20,000

(b) Technical and other Services

(c) Participants
(c) Commodities

(d) Other Costs

20,000

20,000

10. SPECIAL PROVISIONS (Use Additional Construction Sheets, if necessary)

The purpose of this ProAg is to obligate funds in support of a Non-Formal Education component of this Project.

11. DATE OF ORIGINAL AGREEMENT
June 30, 1974

12. DATE OF THIS REVISION

13. ESTIMATED FINAL CONTRIBUTION DATE
June 30, 1976

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

HDG:TEMorse

SIGNATURE: *[Signature]* DATE: 6/28/74
TITLE: Ministry of Planning & Develop.

SIGNATURE: *[Signature]* DATE: 28 June 1974
TITLE: Director, USAID/Ethiopia

Ministry of Education

Clearances:
HDG (draft)
RDG (draft)
TCO (draft)
POC (draft)
PPS *[Signature]*
FMS *[Signature]*
A/D (draft)

AID 1980-1A (8-73)	PROJECT AGREEMENT BETWEEN AID AGENCY		1. Project/Activity No. 863-55-130-167	PAGE 2 OF 9 PAGES
	PRO AG CONTINUATION SHEET	Ministry of Planning & Development	2. Agreement No. 318	3. <input checked="" type="checkbox"/> Original or Revision No. _____
		AN AGENCY OF THE GOVERNMENT OF Ethiopia	3. Project/Activity Title Rural Agricultural Development (Non-Formal Education Support)	
ANNEX A				

I. Introduction and Purpose

A. Statement of Problem and IEG Policy to Deal with It

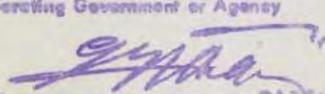
Over the last several decades, the Imperial Ethiopian Government has developed an education system which will be able to meet the nation's need for academically trained high and middle-level manpower for the foreseeable future. However, at the present time, less than 15% of the nation is literate or has access to any form of education. And even for those who are fortunate enough to have access to the formal education system, there are growing questions about the applicability of that same type of education for the majority of the people, especially the adults. Inasmuch as 85-90% of the existing and immediate future population will live out their lives in the rural areas, the Ministry of Education is experimenting with a new strategy to provide the adult, rural population with opportunities for "development training" relevant to this environment.

This strategy in education is in turn part of a broader IEG experiment in ~~Integrated~~ Rural Development which has as its objectives increased productivity, decreased un- and under-employment, increased income and improved standard-of-living for the rural people. It includes projects of agricultural development, rural public works, expansion of basic health and sanitation services, and this experiment in Work-Oriented Adult Education. These programs are to be executed in the context of a pilot system of decentralized administration with new emphasis on horizontal collaboration between functional ministry projects. It is hoped this system will both expedite the delivery of government services, and provide a greater degree of citizen participation in planning and executing programs designed to increase their productivity and living standards.

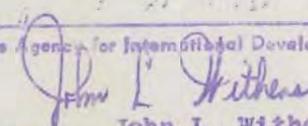
B. Purposes

The purposes of this project are to assist the Ministry of Education develop the rural education component of the IEG ~~Integrated~~ Rural Development Program, and to do so in a way which will identify the critical components of the Program which could be flexibly replicated on a national level in rural Ethiopia to provide increased, relevant learning

For the Cooperating Government or Agency

SIGNATURE: 
DATE: 6/28/74
TITLE: M. H. of Planning & Development

For the Agency for International Development

SIGNATURE: 
DATE: 28 June 74
TITLE: Director, USAID/Ethiopia

AID 1980-1A (I-70) PRO AG CONTINUATION SHEET ANNEX <u>A</u>	PROJECT AGREEMENT BETWEEN AID AND	1. Project/Activity No. 662-55-120-167	PAGE <u>3</u> OF <u>3</u> PAGES
	<u>Ministry of Planning & Development</u> AN AGENCY OF THE GOVERNMENT OF <u>Ethiopia</u>	2. Agreement No. 318	3. <input checked="" type="checkbox"/> Original or Revision No. _____
		3. Project/Activity Title Rural Agricultural Development (Non-Formal Education Support)	

opportunities for the masses. More specifically, the project will test: (1) Can a relevant, development-oriented training program increase the productivity, income, employment or quality of life of the rural adult poor? (2) Can the Ministry of Education system deliver relevant training for the rural adult as well as formal academic education to the school age population, and with what impact on each? While researching these questions, this experimental project will attempt to identify the components of, and design an implementation support system for, a possible national program.

II. Background

In preparation for the experiment, a great deal of pre-project planning has occurred. An exploratory workshop was held in February 1974. It reached general consensus on the project purposes, relationship with other development activities, target learners, educational program/content, methods and research/evaluation approaches. These preliminary conclusions and assumptions were then discussed with local awraja authorities during six field visits (in March 1974) as part of the process to select the general locations for six pilot programs. In mid-May, a planning workshop was convened which outlined the major components required in this national experiment in Work-Oriented Adult Education. The results of these three exercises, plus the lessons learned at the Michigan State University International Conference in Non-Formal Education (April 1974) are embodied in the "Proposal for the Creation of Six Experimental Work-Oriented Adult Education Programs." ~~These~~

III. Course of Action

A. General Strategy

It is recognized that final evaluated data on the rural impact of this project may not be available for many years after the actual training is received. However, the need for experience on which to base a policy decision of national replicability dictates that the experiment be conducted to give preliminary results in one year (July 1975) and final results in three years (July 1977). Resources committed in this ProAg are for the first year of the project. Support beyond that date will be the subject of joint discussions and will be based on the first year's preliminary findings.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: [Signature]
 TITLE: Ministry of Planning & Development

SIGNATURE: [Signature]
 TITLE: Director, ISAM/Ethiopia

DATE: 6/28/74

DATE: 28 June 74

AID 588P-1A
0-700
PRO AG
CONTINUATION
SHEET
ANNEX A

PROJECT AGREEMENT
BETWEEN AID AND

Ministry of Planning & Development
AN AGENCY OF THE GOVERNMENT OF
Ethiopia

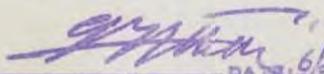
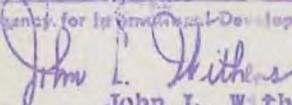
1. Project/Activity No. 663-55-130-167	PAGE <u>4</u> OF <u>9</u> PAGES
2. Agreement No. 318	3. <input checked="" type="checkbox"/> Original or Revision No. _____
3. Project/Activity Title	

It is not the purpose of this project to create new institutions, rather it is to determine what changes would be necessary to adapt the present institutions to training for rural development. Therefore, to the fullest extent possible, this project will be carried out through existing organizations by present staff. This general course of action is chosen to keep costs down, test receptivity to change and generally create conditions necessary for national replicability.

Training will be arranged in six Awrajas to reinforce or to prepare the people for effective use of the development services of other rural transformation agencies. Therefore, close coordination with other projects will be necessary not only because of the overall integrated strategy, but because it is now believed the training will not be effective unless there is a reasonable assurance that the technical services and inputs to use the training are immediately forthcoming. The six pilot areas have been chosen to coincide with Model Decentralized Awraja and Mizimum Package Agriculture production areas. It is hoped that health and public works programs will be added shortly, but they are not preconditions for success of this experiment as long as the projects chosen fall outside these immediate fields.

B. General Design

Village level committees will identify development priorities in their areas using guidelines developed by the Awraja and Woreda based development representatives. The project will be referred to as the Awraja Development Committee chaired by the Awraja Administrator and made up of members of the development ministries. The project will be analyzed for its feasibility and responsiveness to the guidelines. Village and awraja level resources to implement the project will be identified, as will the education/training components of the project. The latter might be instruction of a general nature to help the people prepare themselves to receive the technical training component of the project; in other instances, it might be instruction to reinforce the requested technical training, or to build on--take the people beyond, the technical training component to the next step of development. Still in other instances, the organization of the technical training itself may be desirable.

For the Cooperating Government or Agency	For the Agency for International Development
 SIGNATURE: _____ DATE: <u>6/28/74</u>	 SIGNATURE: <u>John L. Withers</u> DATE: <u>28 June</u>
TITLE: <u>Ministry of Planning & Develop.</u>	TITLE: <u>Director, USAID/Ethiopia</u>

AID 1200-1A (2-70) PRO AG CONTINUATION SHEET ANNEX A	PROJECT AGREEMENT BETWEEN AID AND Ministry of Planning & Development AN AGENCY OF THE GOVERNMENT OF Ethiopia	1. Project/Activity No. 663-55-130-167	PAGE <u>5</u> OF <u>9</u> PAGES
		2. Agreement No. 318	3. <input checked="" type="checkbox"/> Original or Revision No. _____
			3. Project/Activity Title Rural Agricultural Development (Non-Formal Education Support)

The District Education Officers and Adult Education Supervisors will assist in identifying individuals (teachers, priests, development agents, competent private citizens, etc.) to take the local lead in organizing the training. They will also assure close coordination with the functional change agents associated with other aspects of the project chosen by the village committee. They, in turn, will be able to call on Ministry of Education centrally organized support for training materials, in-service training, mobilization of trainers, baseline surveys and evaluation, general methodology and coordination with other national programs.

C. Implementation

In carrying out the above design, the Ministry of Education and USAID will follow an experimental approach as they evolve the concepts and implementation of the project. In addition, a systems approach will be necessary to develop the critical components of the support mechanisms. Lastly, a willingness to critically analyze the existing structure, policies and procedures for delivering education must be a hallmark of the Ministry's approach.

Basically, implementation will take the form of two closely related activities: the organization of field operations, and the design and organization of a support system.

Field operations will be organized by the Ministry of Education so as to produce a complement of adult rural participants trained and ready to take a more active role in the rural economy. The target is to train between 80 and 100 individuals at each of the six pilots during the first year. This will require development of a mechanism for recruiting, screening, training and providing training application opportunities for rural participants. A mechanism will be developed for identifying awraja and village level development priorities and the training components of these. A reinforcement of the training using radio is planned in one experimental area. In addition, a coordinated administrative system for project decision making, resource allocation and technical support at the awraja level will be developed. A mechanism for drawing on locally available talent as trainers will be required.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____

DATE: 6/28/74

SIGNATURE: _____

John L. Withers

DATE: 26 June 74

TITLE: Ministry of Planning & Development

TITLE: Director, USAID/Ethiopia

AID 1329-1A 9-733 PRO AG CONTINUATION SHEET ANNEX <u>A</u>	PROJECT AGREEMENT BETWEEN AID AND	1. Project/Activity No. 863-55-130-167	PAGE <u>6</u> OF <u>9</u> PAGES
	Ministry of Planning & Development AN AGENCY OF THE GOVERNMENT OF Ethiopia	2. Agreement No. 318	3. <input checked="" type="checkbox"/> Original or Revision No. _____
		3. Project/Activity Title Rural Agricultural Development (Non-Formal Education Support)	

Centrally designed support systems will be required to backstop the immediate field operations and to identify the components which would be necessary in a nationally replicated program. These will include: development of a dynamic concept/philosophy to guide the project; alternative methodologies for imparting relevant learning and skills to rural adults; a program for in-service training; a financial system to support each training activity with local, awraja or central resources; an evaluation system for each level of the experiment; a national coordination mechanism both within the Ministry of Education and inter-ministerially.

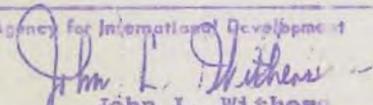
D. Commitments:

The Ministry of Education and USAID agree with the purposes and course of action, as set forth above, and agree to jointly implement this project. A Project Director will be supplied by the Ministry of Education from its senior staff to provide overall direction to the project. In addition, two full-time Field Liaison Officers will be appointed from within the Ministry to provide field coordination and supervision during the experiment. The Ministry agrees to provide the part-time services of the Adult Education Department and Work-Oriented Adult Literacy Program organization and staff to carry out the project. The support services of existing central and awraja Ministry of Education offices (secretarial, planning, administration, curricula and materials development, etc.) will be made available on a priority basis. The Ministry will organize and conduct the necessary in-service training activities as required, as well as establish a rural-oriented training materials "package" and reference center. Training and administration space and equipment will be made available "in-kind" along with necessary transport. In addition, the Ministry will organize inter-ministerial cooperation at the awraja and central level necessary to support this project with technical services, in-service training/orientation, tools, equipment and supplies. It is not anticipated that many new commodities will need to be purchased for this project. Most items will be allocated from stocks of on-going projects, e.g. the MPP. See attached budget for total IEG costs and in-kind contribution of E\$510,700. The Ministry will also arrange other donor support as required.

For the Cooperating Government or Agency

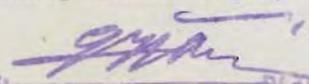
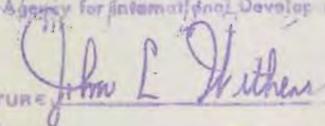
For the Agency for International Development

SIGNATURE:  DATE: 6/28/74
 TITLE: Ministry of Planning & Development

SIGNATURE:  DATE: 28 June 74
 TITLE: Director, USAID/Ethiopia

AID 1100-1A 2-74 PRO AG CONTINUATION SHEET ANNEX A	PROJECT AGREEMENT BETWEEN AID AND	1. Project/Activity No. 663-55-130-167	PAGE 7 OF 9 PAGES
	Ministry of Planning & Development	2. Agreement No. 318	3. <input checked="" type="checkbox"/> Original or Revision No. _____
	AN AGENCY OF THE GOVERNMENT OF Ethiopia	3. Project/Activity Title Rural Agricultural Development (Non-Formal Education Support)	

USAID agrees to provide the technical services of a U.S. Project Manager (part-time), a Field Coordinator (U.S., but local hire contract - \$16,000) and U.S. Consultants in overall project design, evaluation and education methodology (\$19,000). Support for two Ministry of Education officials to attend the May 1974 Michigan State University Conference has already been provided (\$3,000). USAID agrees to provide additional funds for an African and an Asian study tour (\$6,000) and local in-service training (\$24,000). An additional \$5,000 is included to help defray the costs of training materials preparation, analysis and reproduction. \$25,000 is obligated by this ProAg to help defray the contractual costs of local research and evaluation services, and \$12,000 is obligated to purchase locally procured supplies and materials for the pilot programs. \$4,500 is obligated to support Workshops, Field Visits and Conferences, including a mid-year coordination conference and an end-of-year evaluation conference. Total: \$106,500.

For the Cooperating Government or Agency  SIGNATURE: _____ DATE: 6/28/74 TITLE: _____	For the Agency for International Development  SIGNATURE: John L. Withers DATE: 28 June 74 TITLE: _____
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AID 1300-1A G-700 PRO AG CONTINUATION SHEET ANNEX A	PROJECT AGREEMENT BETWEEN AID AND	1. Project/Activity No. 663-55-130-167	PAGE 8 OF 9 PAGES
	Ministry of Planning & Development AN AGENCY OF THE GOVERNMENT OF Ethiopia	2. Agreement No. 318	3. <input checked="" type="checkbox"/> Original or Revision No. _____
		2. Project/Activity Title Rural Agricultural Development (Non-Formal Education Support)	

B U D G E T

Non-Formal Education Support Sub-Project
Rural Agricultural Development Project
FY 1974 Funds (for FY 75 Expenditures)

USAID COSTS

I. Technical Services

- A. Project Manager (covered from Operating Exp.)
 - B. Field Coordinator (local hire) US\$ 16,000
 - C. U.S. Consultants:
 - 1) Project Design (63 days) 10,500 *
 - 2) Instructional Methodology (42 days) (7,000)**
 - 3) Evaluation Design (56 days) 8,500 *
- US\$ 35,000

II. Training

- A. Short-term/observational:
 - 1) MSU April 1974 Conference (2 people) US\$ 3,000
 - 2) Two (Africa & Asia) Study Trips 6,000
 - B. Local in-service Training:
 - 1) Six Development Team Orientation Sessions 5,000
 - 2) Adult Education & Teaching Staff 10,000
- US\$ 24,000

III. Contract Services

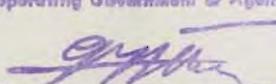
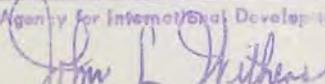
- A. Local Research and Evaluation Services US\$ 25,000

IV. Commodities

- A. Local supplies and materials for six pilots US\$ 12,000

* Assumes any overhead charges will be covered by existing 211(d) Grants from AID/W.

** To be supplied if available under FSU 211(d) Grant from AID/W.

For the Cooperating Government or Agency	For the Agency for International Development
	
SIGNATURE: _____ DATE: 6/28/74	SIGNATURE: John L. Withers DATE: 28 June 74
TITLE: Ministry of Planning & Development	TITLE: Director, USAID/Ethiopia

AID 1230-1A (3-72) PRO AG CONTINUATION SHEET ANNEX A	PROJECT AGREEMENT BETWEEN AID AID	1. Project/Activity No. 663-55-130-167	PAGE <u>9</u> OF <u>9</u> PAGES
	Ministry of Planning & Development AN AGENCY OF THE GOVERNMENT OF Ethiopia	2. Agreement No. 318	3. <input type="checkbox"/> Original or Revision No. _____
		3. Project/Activity Title Rural Agricultural Development (Non-Formal Education Support)	

V. Other Costs

A. Workshops (two, already held)	US\$ 2,000
B. Field visits (one of two, already made)	1,500
C. Mid-point coordination conference (October)	1,000
D. End-of-year evaluation conference (June)	1,000
E. Training materials preparation, analysis and reproduction	5,000
	US\$ 10,500

Total US\$106,500 US\$106,500

I.E.G. COSTS

I. Technical Services (in-kind)

A. Director M.O.E. 32 part-time staff 2 full-time staff	E\$ 45,200 12,000
B. Indirect (M.O.E.) support staff	80,000
C. Other IEG Ministry support staff	120,000

II. Training (Budget)

A. In-service - local	10,000
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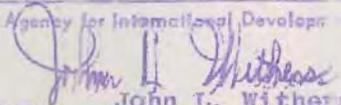
III. Commodities (in-kind)

A. M.O.E. (vehicle, equipment, facilities and supplies)	175,000
B. Other Ministries	38,000

IV. Other Costs (Budget)

A. Operational Research and Honorariums	10,000
B. Materials Collection, Evaluation	10,000
C. Field Liaison - Supervision	8,000
D. Evaluation Conference	2,500

Total E\$510,700 US\$248,580

For the Cooperating Government or Agency  SIGNATURE: _____ DATE: 4/25/74 TITLE: Ministry of Planning & Development	For the Agency for International Development  SIGNATURE: John L. Withers DATE: 28 June 74 TITLE: Director, USAID/Ethiopia
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PRELIMINARY PROJECT PROPOSAL (PPP)

Country: Ethiopia

Project Number: 663-55-130-167-C

Submission Date: August 17, 1971

Project Title: RURAL AGRICULTURAL DEVELOPMENT (Sub-Project C -
Regional Rural Development)

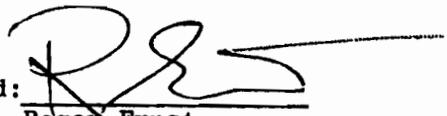
Proposed U.S. Obligations Span: FY 1973 thru FY 1978

Proposed Physical Implementation Span: FY 1974 thru FY 1979

Estimated Life-of-Project Financial Requirements:

U. S. Dollars (TC/DG)	\$1,760,000
U. S. Dollars (DL)	*
Cooperating Country Cash Contribution	*
Other Donor	*

* No current estimate (will be computed when PROP is prepared)

Approved: 

Roger Ernst
Director-Counselor

Date: August 16, 1971

I. Agriculture and Rural Development Sector Goals:

- A. The expansion of commercial-scale farming to 1) expand export earnings, 2) to increase production to meet growing urban demand, and 3) to diversify agricultural production.
- B. To increase peasant agricultural output and earnings and, thereby, improve the quality of rural life.

II. Project Purposes:

- A. To increase crop and livestock production and improve marketing facilities for both commercial and peasant farmers (including new land settlers) in a Southern or South Western area of Ethiopia.
- B. To improve the quality of rural life.
- C. To settle government lands.

The purposes of the proposed project are related to, but different from, the purposes of the previously approved Shashemene Agricultural Development (commercial farming) and Ada District Development (peasant agricultural development) projects and to the proposed Minimum Package Support and Crop/Livestock Production sub-projects (A. and B., respectively) under Rural Agricultural Development, as well as Experiments in Community Education.

III. Project Outputs:

- A. Increased marketable output of major grain crops both for domestic consumption and for export to adjacent areas as well as more distant markets.
- B. Increased livestock production and off-take to meet partially the unsatisfied demand of central Ethiopian markets and for the export of meat, hides and skins.
- C. Improvement in the quality of rural life -- greater participation by the people in decision making processes, improved access to preventive health services (including child spacing, MCH Care, and disease suppression), and access to opportunities for community "non-formal" education.

- D. Previously unsettled and under-utilized government lands are brought into productive use.

IV. Project Inputs:

A. Phase I:

1. AID/W TDY services to assist an IEG team to survey and identify development possibilities in one Southern Ethiopian Province. The reconnaissance survey is to be conducted in FY 72 under Feasibility Studies Project 663-11-995-153.
2. An AID salary supplemented IEG contract to conduct a feasibility study of project possibilities identified in the reconnaissance survey. The feasibility study is to be completed in early FY 1973 under Feasibility Studies, project 153.

B. Phase II:

1. IEG Inputs:

- a. The IEG will establish national and provincial level coordinating agencies to supervise the inputs of the Ministry of Agriculture (a "minimum package" team for crop production and a team of livestock specialists and animal health assistants), the Ministry of National Community Development (cooperative and community organizers), the Imperial Highway Authority (feeder road construction), Water Resources Department (groundwater development), the Ministry of Public Health (rural health station staff), the Malaria Eradication Service (malaria suppression), Ministry of Education (experimentation in community "non-formal" education), and Ministry of Land Reform and Administration (settlement).
- b. The Local costs for capital construction and project operations.
- c. Funding for (i) IEG counterparts and (ii) basic salary and allowances for U.S. contractors.

2. AID Inputs:

a. TC/DG Funds:

- (1) DH Project Manager for six years.

- (2) An AID salary supplemented IEG contract for a six man technical assistance team.
- (3) Commodities - project vehicles
- (4) Other Costs - technician local travel.

b. Development Loan

- (1) Agricultural credit for fertilizer, improved seed and storage.
- (2) Project vehicles and equipment for land clearing and preparation.

c. Local cost contribution for an Agriculture Section Loan.

TABLE I

Preliminary Project Proposal
(\$000)

Country: Ethiopia Project Title: Rural Agriculture Development Project No.: 663-55-130-167C
(Regional Rural Development)

Fiscal Year	AP	Total	CONT	AID	Personnel		Participants		Commodities		Other Costs	
			(non-add)		PASA	CONT	AID	CONT	AID	CONT	AID	CONT
Prior Year Thru.		--										
Act. Year FY 72												
Budget Year	TC	490	405	50		405			30			5
FY 1973	DL	No Est.		50								5
B+1 FY 1974	TC	55		50								5
B+2 FY 1975	TC	325	270	50		270						5
B+3 FY 1976	TC	340	280	55		280						5
B+4 FY 1977	TC	340	280	55		280						5
B+F FY 1978	TC	<u>210</u>	<u>150</u>	<u>55</u>		<u>150</u>						<u>5</u>
Est. Total Life		1760	1385	315		1385			30			30