

9310986-4150

PD-ADD-22-A1

9310986 (6) 86119

UNCLASSIFIED CLASSIFICATION

PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE  Local Action Guidance and Implementation (DAI)  AID/CM/ta-C-73-41	2. PROJECT NUMBER 931-0986	3. MISSION/AID/W OFFICE DS/RAD 32p
	4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) FINAL <input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	

5. KEY PROJECT IMPLEMENTATION DATES	6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION
A. First PRO-AG or Equivalent FY 77	A. Total \$ 759,000	From (month/yr.)
B. Final Obligation Expected FY 78	B. U.S. \$ 759,000	To (month/yr.) 8-31-78
C. Final Input Delivery FY 78		Date of Evaluation Review 5-21-79

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
NONE		

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT
<input type="checkbox"/> Project Paper <input type="checkbox"/> Financial Plan <input type="checkbox"/> Logical Framework <input type="checkbox"/> Project Agreement <input type="checkbox"/> Implementation Plan e.g., CPI Network <input type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input type="checkbox"/> PIO/P <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Other (Specify) _____	A. <input type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan C. <input type="checkbox"/> Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)	12. Mission/AID/W Office Director Approval
Alice L. Morton, DS/RAD <i>Alice L. Morton</i>	Signature <i>Paul Fritz</i>
	Typed Name Paul Fritz, RD Div. Chief
	Date 5/22/79

Project Evaluation Narrative -- Local Action Guidance and  
Implementation (DAI) AID/CM/ta-C-73-41

This is the final evaluation narrative on the subject project. Technically, the LOP ended August 31, 1978. The reason for delaying this final evaluation is, essentially, that the disposition of the final report under the project had been in question, due to some concern on the part of the regional bureaus that the original final version of the final report was incorrect as to some of the facts, and inappropriate in some of its tone. Therefore, it was determined that the contractor would prepare a revised version of the final report, incorporating comments from DS/RAD and from regional bureau representatives, at no additional cost. That final revised version (referred to as January, 1978 (revised)) has only recently been received. The contract has been terminated since August 31, 1978.

This evaluation is being written up as a regular end-of-project evaluation by the project manager who managed the contract/project since 1977. However, the results of the project have, in a sense, been informally evaluated in a number of ways, including in a discussion of a draft policy determination prepared on the basis of project findings. This discussion occurred at a meeting of senior A.I.D. staff at the Policy Discussion Group in November, 1978. The revised version of the draft policy determination is still under consideration. The initial quantitative methodology was independently evaluated by a contractor, Professor Jere Behrman, in 1978.

The essential purpose of the Local Action Guidance and Implementation project was to assist A.I.D. in understanding how more successfully to work with the rural poor, following the then-new New Directions Policy guidelines, based on the Congressional Mandate. The project included work by a number of contractors, of which the major contractor was Development Alternatives, Incorporated. Under its contract AID/CM/ta-C-73-41, DAI was asked to carry out a study of small-farmer-oriented development projects in two regions, to attempt to determine the relationship of participation and local action to project success. This phase of the project resulted in the report, Strategies for Small Farmer Development (1975), which has received wide circulation, and which has since become something of a landmark in the field.

Based on the conclusions of the Strategies report, DAI was asked to assist the Agency in applying its "process" approach

to project design in a number of projects, some of which were funded under the subject contract and project, and some of which were funded through mission programs.\* This led to the design of 12 projects. On the basis of these design experiences, DAI was asked to prepare a final report on the project, indicating what had been learned about local action and process design throughout the life of the project. It is this final report, The "New Directions" Mandate: Studies in Project Design, Approval and Implementation, with two accompanying annexes or manuals on project design for the field, which constitutes the final report under this project. The final report was submitted in January, 1978.

The findings of this project, and their implications for A.I.D. practice, are incorporated in the attached briefing paper, written by the A.I.D. project manager.

Overall, this project has been extremely successful. While the initial findings reflected in the Strategies report were first regarded as controversial, and while some questions were raised at the time of its submission about the appropriateness of the quantitative methodology used, these questions were answered through an independent evaluation, and the study is now accepted as an important work in the rural development field.

The twelve projects which were designed using the process approach, some of which were funded under this project, are either still in the pre-implementation phase, or early in implementation. Two of them -- Zaire, North Shaba and Upper Volta, Strengthening Women's Roles in Development, are currently being evaluated. Eleven of the 12 projects were eventually approved by AID/Washington, although as the final report demonstrates, in many instances there were considerable problems in adapting the project designs to the then-current approval system, or the approval system to the designs.

Thus, in one sense, the major outputs of this project are two significantly important reports and eleven field development projects. The work done by DAI under this project has also, to a significant degree, altered the way in which A.I.D. views project design, and the doing of rural development projects generally.

In terms of inputs, these are primarily evaluable in terms of the quality of the consultants which DAI involved in the project.

\*See attached table for project breakdown.

By and large, they were senior DAI staff, and remained with the project throughout its life. Although there were problems, from time to time, with availability of senior staff, and with timeliness of reports, the contractor's performance overall was from satisfactory to excellent. Although some of the findings incorporated in the final report were regarded as controversial, they stimulated considerable discussion, and it also appears that the findings were in many ways important and correct. Since the report was written, the new policy of increased decentralization for project approval to the field has been based, in part, on some of the report's conclusions.

The final report is currently being reproduced. It should, in the view of DS/RAD, receive wide distribution to the field, through the regional bureaus. Equally, there should be similar wide distribution of the two manuals which were prepared to the field. However, at this time it is unclear whether this will occur or not. There is still some feeling on the part of PPC that the manuals may not be distributed in such a way as to imply that they constitute Agency policy on project design. Hopefully, this matter will soon be resolved.

<u>Formal Name(s)</u>	<u>Country</u>	<u>Project No.</u>	<u>AID/W</u>	<u>Funding Mission</u>
Rural Development Project Redesigned Phase I	Afghanistan	306-0131		X
Small Farm Management and Technology	Chile	513-0313	X	
Small Farmer Development	Colombia	514-0203	X	
Southern Gemu Gofa Area Rehabilitation	Ethiopia	663-0210		X
District Planning/Rural Development (Phase I)	Ghana	641-0073	X	
Integrated Agricultural Development	Haiti	521-T-008	X	
Niamey Development Development -- Phase I	Niger	683-0205		X
Agriculture Manpower Development	Tanzania	621-0119	X	
Arusha Planning/Village Development Project	Tanzania	621-0143		X
Oncho Areas Village Development Fund	Upper Volta	686-0212		X
Women's Roles in Develop- ment	Upper Volta	686-0211		X
North Shaba Maize Produc- tion	Zaire	660-0059		X

Briefing Paper on  
Local Action Guidance and  
Implementation

by

Alice L. Morton  
Social Science Analyst  
Rural and Administrative Development  
Development Support Bureau

April 12, 1978

## INTRODUCTION

The Local Action Guidance and Implementation Project, carried out under Contract AID/CM/ta-C-73-41 by Development Alternatives, Incorporated, (DAI), was developed to help the Agency to improve the design and implementation of projects to assist the rural poor, and especially small farmers. DAI's work under the project was done in two phases, each phase resulting in a final report. The first phase, whose findings are summarized in Strategies for Small Farmer Development (May, 1975) (hereinafter, Strategies), involved a detailed examination of 36 rural development projects sponsored by various institutions operating in 11 African and Latin American countries. The primary findings of the study are that to maximize the chances of project success, the small farmer should be involved in the decision-making process and should also be persuaded to make a resource commitment to the project. The study also includes the elucidation of a process approach to project development and implementation which leads to the requisite involvement and resource commitment on the part of small farmers.

In the second phase of the project, DAI was asked to operationalize the process approach to rural development by designing 12 projects for AID missions. The Agency also asked the contractor to evaluate its experience in using the process

approach in terms of AID's review and approval system and to indicate difficulties encountered by projects which were based on this approach. The findings of this second phase are presented in The 'New Directions' Mandate: Studies in Project Design, Approval and Implementation (January, 1978) (hereinafter, 'New Directions'). The major findings and recommendations of this study include a description of using the process approach in the field to encourage local action and self-sustained rural development; conclusions concerning how projects designed in this way, and with this end in view must have a quasi-experimental basis; how this presents problems for approval and implementation given the Agency's current emphasis on "stringent" cost-benefit analysis, pre-planning, and up-front expenditure; how the apparent disjunctions between AID's goal of reaching the rural poor and its project design, approval and implementation system might be reduced; and implications for project evaluation.

These two studies raise a number of issues which are crucial in terms of the Agency's New Directions Policy. Although based on a restricted sample, the second study gives some of the most current evidence available on AID's performance in operationalizing this policy and fulfilling the Congressional Mandate. The studies also provide considerable information on the basis of which AID's capacity to respond to the needs of the rural poor in the context of self-sustaining development can be improved.

## STRATEGIES FOR SMALL FARMER DEVELOPMENT

### Major Empirical Findings:

Based on a detailed examination of 36 rural development projects sponsored by various donor and national institutions, and on field visits to 81 sites in 11 African and Latin American countries, this study concluded that there are two primary determinants of project success:

- involvement of small farmers themselves in the decision-making process;
- commitment by the farmers of their own resources.

These two factors together constitute local action. When the 36 projects were scored on the basis of four distinct components of success,<sup>1</sup> local action accounted for nearly 50 percent of the differences in project success scores.

The study showed that local action significantly increased as a result of the following factors:

- an effective two-way communication between small farmers and project staff;
- functioning local organizations controlled in large part by small farmers themselves; and
- crop-specific (as distinct from general) extension advice offered.

Analysis of the components of local action indicated that small farmers will become involved in development projects if

---

1. Components were a) the project's income to cost ratio; b) the acquisition of agricultural knowledge by small farmers; c) the increase in self-help capabilities as a result of project activities; d) the chances of project benefits to small farmers becoming self-sustaining. Considerable discussion of the adequacy and appropriateness of these components as defining success has taken place since the report was submitted in 1975. For the most inclusive review, see Prof. Jere Behrman, A Critical Evaluation of Quantitative Multivariate Analysis in Strategies for Small Farmer Development, September 1977.

presented with the opportunity for meaningful cooperation -- sharing in decision-making responsibility, testing new techniques, and spreading new knowledge as paraprofessionals. Further, small farmers committed more resources, proportionately, than did larger, wealthier farmers. Literacy, land tenure and involvement in decision-making were positive influences on resource commitment. The size of subsidy for new practices and the provision of social services in early project stages both appeared to have a negative effect on resource commitment. With regard to the adoption of new technologies, the study indicated that small farmers will take advantage of good ideas when these are defined to allow for constraints relevant to the farmers -- the risk involved and the farmers' assessment of the costs of taking that risk.

DAI concluded that the policy implications of these findings were straightforward:

- every effort should be made to foster small farmer involvement and resource commitments to projects in the early phases;
- the small farmer's involvement should complement (and ultimately replace) the work of the project's outside staff;
- small farmers' resource commitments (labor and cash) should complement (and ultimately render unnecessary) resources from outside sources.

The Process Approach to Rural Development Project Design:

The Strategies study concluded that the most successful projects were either those that started by acquiring a knowledge

of the local area prior to initiation or those that structured the project on the basis of a simple idea -- based in turn on an assessment of small farmers' needs -- and developed this knowledge base during the initial project stages. This conclusion led to several assertions concerning the data requirements for project design using a process approach (quasi-experimental design):

- data on existing agricultural production practices and socio-cultural patterns in the area are needed to determine what behavior changes may be required for a project to achieve its objectives and how these changes may be encouraged;
- data on the income, land and power structures of the local area and existing local organizational capabilities are needed to determine if special means are required to reach small farmers and the most effective mechanisms for doing so; and
- data are needed on the capability of local institutions to provide the project components deemed necessary for success.<sup>2</sup>

These data requirements are then to be modified and supplemented in the first stages of project implementation.

The first requirement of an implementation process, according to the Strategies study, is the recognition that revisions in project design are desirable and constitute attempts to improve overall success and not proof of design inadequacy.

A necessary input into the revision of project activities is a two-way communications system which allows project staff to obtain feedback from small farmers on basic directions and operations

---

2. Under contract AID/CM/ta-C-1323, DAI is currently carrying out a study on Alternative Local Organizational Strategies to Involve the Rural Poor in Development in seven countries.

This system should be designed into the project and initiated in the implementation phase. It should provide monitoring, evaluation and diagnostic functions to improve project performance.<sup>3</sup> It is particularly vital to gain a clear understanding of who (i.e., large or small farmers) is receiving project benefits. This can be accomplished through the development and use of an indicator system with low-level project staff and participants themselves as primary data sources. Such systems should be customized for each project, and should be cooperatively designed by project staff, participants and professional information and evaluation specialists.

An additional special concern in implementation should be how to make project benefits self-sustaining after outside staff and funding have been withdrawn. The study indicated that while many projects deliver income benefits as long as subsidies continue, few are operated in such a manner that, over time, participants can assume payment for essential services from their earnings. This in turn indicates that training programs are required which gradually substitute local participants as are self-taxing mechanisms to recover essential expenses.

Finally, the study found that development projects receiving funds over one million dollars scored poorly on success, local action, and self-sufficiency. Major problems elucidated included:

---

3. Under contract AID/CM/otr-C-1383 w.o. 20, DAI has just completed a study on Rural Development Information Systems (April, 1978) for DS/RAD.

- a time constraint caused both by a need on the part of the donor agencies to commit large sums of money and to show quick results;
- a knowledge constraint, originating from the belief of foreign and host country government staff members that small farmers have little to offer to project design and implementation. The study found that small farmers can be a basic data source on local constraints, behavior and risk;
- an assumption in project design that small farmers will change their behavior without an assessment of what changes (in terms of involvement and resource commitment) are required on their part if the project is to achieve its objectives, and of how these changes might best be realized;
- the use of restrictive benefits measures such as cost-benefit ratios or repayment rates which narrow the focus of the project, instead of applying measures such as the increase in self-help capacity, the acquisition of agricultural knowledge, and progress toward making benefits independent of outside assistance.

General Conclusion:

"Getting the benefits of development to the small rural producer in a manner which can become self-sustaining will require fundamental changes in the project identification, design and implementation procedures of AID and other external assistance agencies. Projects have failed frequently in the past because of mistaken conceptions or inadequate information on the small farmer's priorities and the alternative mechanisms by which they might be realized. Regrettably, these are not things an outsider can uncover in the short time frame during which external assistance projects are usually generated. It calls for a detailed knowledge of the thinking processes and behavior of the small farmer and it requires the small farmer's trust; these things take time to develop.

In recognition of the time, knowledge and procedural constraints under which large donor agencies operate, we offer several possible approaches that are consistent with the process outlined. One possibility would be to take

an 'organic' approach to project development. This would involve identifying a very simple activity that would clearly be of assistance to small farmers. The first year or two of the project ... would be used to determine what might further be done to involve and benefit the small farmer. Although the approach calls for individual attention to the needs of each local area (to insure that relevant local constraints to the adoption of new technology are overcome), it does not prevent national or regional programs from being developed and implemented . . .

A second possibility is to assume that large donor agencies, because of constraints imposed by operating procedures and external pressures, are unable to be effective directly in the design and implementation of projects in accordance with the patterns suggested by our findings. This would suggest that the attention of the donor agencies might better be focused on identifying or creating and supporting small institutions operating in developing countries that are in a better position to follow the process . . . outlined, and in so doing, operate as intermediaries for the large donors. It may be that this will require as dramatic a change in the operations of the large donor agencies as would be necessary for them to follow the process ... outlined directly."<sup>4</sup>

THE 'NEW DIRECTIONS' MANDATE: STUDIES IN PROJECT DESIGN, APPROVAL  
IMPLEMENTATION

Major Empirical Findings:

Based on DAI's experience under the project in designing 12 rural development projects in Africa, Latin America and the Near East, this report summarizes the history of those projects from inception through approval and, in two instances, through the beginning of implementation. It highlights the contractor's experiences in this context, but also attempts

---

4. Strategies for Small Farmer Development: An Empirical Study of Rural Development Projects, Executive Summary, Development Alternatives Incorporated, May, 1975.

to trace other inputs into the design and approval process, and to distinguish among those projects in which there was continuity in the application of the process approach from those in which there was not.

In essence, the report outlines, by means of project histories, the contractor's somewhat idiosyncratic experience with project design in the AID context. While admitting that the sample of projects is small, an attempt is made to draw broader conclusions about the AID project system and the ways in which it is challenged by the process approach in particular, and the New Directions concerns in general.

The study concludes that, while there is distinct variation between and among regional bureaus, projects designed with participatory, "bottom-up", quasi-experimental approaches clearly in mind tend to encounter a range of difficulties in approval and implementation. More specifically, concerns are expressed about the appropriateness of the "adequate planning requirement" of the FAA (Section 611(A.) (1.)) for rural development projects designed to include and foster participation; the relevance of environmental assessment and its timing in the design-approval process; the need for more effective evaluation in the context of changes in the locus of responsibility for project approval; the trade-offs between intensive AID/W project review and approval and a more flexible approach which would devolve considerable authority in this area to the field; the problem

of continuity in staffing of projects both by AID direct-hire and contract personnel; and, finally, the question of attention to implementation and typical problems encountered in the implementation phase.

Project Design Process:

Overall, a major contention of the study is that continuity in personnel and approach to design is very important both for project content and for project approval. Especially significant is the involvement throughout the process of a variety of host government officials who are consistently kept abreast of changes in the design and their implications for implementation.

As to key involvement within AID, the study stresses the importance of involvement from the outset by key mission personnel, and the significance of the quality of interaction between these practitioners and managers, the contract design team, and key AID/W backup personnel.

The report goes on to deal further with questions of data collection and monitoring and evaluation systems, and explores in some detail the nature and implications of a "quasi-experimental" approach to project design. The case is made for flexibility in determining and testing inputs serially, dropping those which do not appear either appropriate or significant, and adding others which increasingly refined data indicate are more appropriate to the needs of the target population. This

section of the report is of particular interest in terms of its implications for costing and disbursement, and for standard cost-benefit analysis as usually applied in AID's design and approval system.

The Project Approval Process:

After discussing in some detail the history and evolution of each of the 12 project designs, the report turns to the description of the AID approval process, highlighting the Africa Bureau, under whose aegis 8 of the 12 projects were developed. Contrasts are drawn between Africa and Latin America bureau procedures, emphasizing differences in packaging and ostensible differences in available guidance on the "adequate planning" requirement, and in the project review and approval process itself. The conclusion is that LA projects are more efficiently dealt with than are AFR projects, but also that in general--including NE as well--a disproportionate amount of AID/W staff time is allocated to the review and approval process, especially given the evidence from the 12 projects that very little was changed between submission and approval, despite the long time period (average 10 months) which elapsed for the AFR and NE projects and the number of review meetings that were held.

Several more detailed assertions are made about problems encountered by process-designed projects in the review and approval system which are used as the backdrop for recommen-

dations about changes which could improve that system. These deal most particularly with changes in the authorization process, devolving greater authority to mission directors for approval of projects up to 2 million dollars, whose progress would then be assessed after two years by specialist evaluation teams from AID/W. Recommendations are also put forward which address apparent disjunctions between Congressional expectations and the Agency's ability to meet them, and the Congressional notification process.

Project Implementation:

While only two of the 12 projects under review had reached the implementation phase by the time the report was prepared (January, 1978), one was being implemented by the contractor, and was experiencing considerable difficulty. The report examines what is now happening to the North Shaba project in Zaire, and puts forward some basic generalizations concerning project implementation, especially for projects designed with the process approach, and which emphasize a collaborative approach to project implementation. A variety of issues are raised which have implications for AID's system of procurement, again for "adequate planning", and for the relationship between the contract team and host government personnel. A number of assertions are made about the Agency's present reward system and policy-making, both of which are seen as geared toward increased emphasis on up-front decision-making about

project design, and away from the creation of incentives for constructive and innovative project implementation.

"AID currently has no sustained capability to measure the development impact of the projects it supports, either in absolute terms or relative to the level of funds expended. It is in this domain that the Agency's capacities must be strengthened if the existing incentive system is to be effectively transformed. AID professionals will respond positively, it is argued here, to measures that create incentives for quality of project performance as opposed to promise. The state of the art in project evaluation work is sufficiently advanced for the Agency to move toward rigorous, systematic assessments of implementation efforts and their results."

This conclusion, while going somewhat beyond the scope of the 12 projects analyzed in the study, is an important one. It underscores some questions which have already begun to arise in connection with the Agency's attempt to conform to the requirements embodied in Section 102(d). That is, given the report's assertion that, as a development donor, we cannot presently effectively assess our own performance in delivering benefits to the rural poor at the project level, there is little reason to assume that we can do a more effective job of evaluating or assessing the intent and performance of recipient countries in delivering such benefits at a more global level. This is all the more true if we accept a basic premise of the 'New Directions' report, namely "that what is perhaps most wrong with the conventional (AID) approach to rural development is that it "assumes that solutions to the problems of the rural poor are known, and that projects are vehicles for applying them."

General Conclusions:

The study concludes that:

"While lively debate over how to implement the 'New Directions' mandate is both understandable and praiseworthy, there is little to be gained from staging such debate in the midst of the review of individual project proposals. . . . The time and energy AID expends in project reviews reflect an understandable, if misguided, attempt to meet the unrealistic demands posed by Congress.

The most obvious manifestation of this problem is the occurrence of unconscionably long delays between submission of projects for review, and final Washington approval."

It asserts that in those bureaus where these delays occurred most frequently, they were in large measure the result of

- unclear chains of command;
- uncertainty about procedures and requirements;
- arbitrary and discretionary decision criteria.

But it emphasizes that the crux of the problem is that even given the delay, "AID/W has shown itself unable to improve project quality during the review and approval process."

"Among the 12 projects studied. . . neither the rapid arrival of four projects (which serious assessment could have found wanting in many respects), nor the long delays in approval of the other eight improved the quality of the design. In only one instance was a major substance change made in the field submission during the final review." In that instance, in fact, the design was essentially scrapped.

The study goes on to conclude that the field missions are best placed to assess local needs and to design projects that meet them as well as fulfilling the intentions of the Congress and fitting host country development priorities, and suggests devolution of considerable approval authority to the field. After further discussion of Congressional restrictions and expectations, the study recommends a restructuring of AID's priorities and incentives toward actual implementation of development projects. It asserts that this calls for "substituting a 'development benefits delivered' incentive for the current 'funds obligated' incentive, and that in part this can be accomplished by establishing a central office to perform cross-project evaluation of development impact."

While it may be the case that better, more professional evaluation is desirable in the Agency, this conclusion of the 'New Directions' study misses an essential point. The primary basis for the current "funds obligated" incentive in AID results directly from the present constraints on the Agency to apprise the Congress, well in advance of any implementation, of exactly what projects we propose to carry out, exactly how much they will cost, and exactly what they will accomplish before the Congress will appropriate the funds. Thus, we

are forced to adopt a "blue-print" approach which emphasizes up-front and fairly stringent design requirements and investments, and which tends to de-emphasize implementation considerations.

AID must persuade the Congress to decycle our budget from the Congressional appropriations calendar if there is to be real hope for a change to a "benefits-delivered" approach. The Congress must be persuaded to accept a budget system under which large blocks of funds are allocated for regional and country programming for subsequent incremental funding of projects, and to wait either for post-audit data to assure our accountability or until a reasonable point in the project-ized development or implementation process to learn further details of how the money is to be divided up and spent in a project mode.

If these two things can be done, then there is a good chance that DAI's assertion that AID professionals will respond positively to an approach which stresses benefits-delivered and constructive and creative project implementation will prove correct. But if this does not occur, there is essentially no way out of the present insistence on up-front planning, and attempts at convincing "blue-printing" if the Agency is to conform to the Congressional strictures under which it legally must operate. Simply deleting Section 611(a)(1) from the FAA will not accomplish this since the entire appropriation process now militates against an incremental, evolutionary, quasi-experimental process approach to development.

ISSUES

A number of the points made in the Strategies report were not new, even in 1975 when the report was submitted. Rather, they are points which grew out of the experience of the development community with "trickle-down" approaches, and which had considerable currency among Agency practitioners as well as other concerned development experts.<sup>5</sup> However, the Strategies study did attempt to test a number of these consensually agreed upon points and to summarize the findings derived through quantitative analysis of the 36 cases examined. Partly as a result of concerns within AID about the adequacy of the quantitative methodology applied, the report has only just been accepted by the Agency (March, 1978).

Aside from the methodological concerns, the findings of the Strategies study are threatening to a number of AID personnel insofar as the report argues strongly for a participation-based or quasi-experimental approach to project design and implementation. Further, it is threatening insofar as it places considerable stress on the necessity to arrive at an understanding of evolving technological solutions that emerge from the project design and implementation process itself. That

---

5. See, inter alia, Owens, Edgar and Robert Shaw, Development Reconsidered (Lexington, Massachusetts: DC Heath and Co.) 1972.

is, it urges AID practitioners to take the risk of admitting that not all agricultural technologies are known, and to try to develop and test them in trying circumstances. It thus brings into question, among other things, the contention that there are, already known in the U.S. or elsewhere, technological practices and extension methodologies which are appropriate to virtually all development situations.

Further, an important conclusion of the study is that an early emphasis on social services inputs--those which are now referred to as inputs to meet Basic Human Needs--may in fact be counterproductive for self-sustaining development defined in terms of equitable increases in income to small producers. This conclusion is a significant one, and should be further examined in light of AID's shifting its emphasis from food production and food self-sufficiency to an emphasis which stresses BHN. The key question which remains to be answered in the development community, including AID, is whether and how income-producing and social service inputs can effectively be integrated into the project planning and implementation process.<sup>6</sup>

Perhaps even more controversial is the matter of commitment of resources. Again, it is a significant conclusion of

---

6. DS/RAD Draft Administration and Organization of Integrated Rural Development PID.

the study that local action--defined as participation of decision-making and commitment of resources in the form of savings or labor--is diacritical to self-sustaining development among the rural poor. The implications of this conclusion are far-reaching, as the report indicates. That is, if the conclusion is correct, emphasis on "high-impact" or "action" projects in which relatively large amounts of money are programmed for inputs and services delivery, and in which institutional structures are designed to channel these resources down to the poor, is inappropriate to self-sustaining development. Rather, an approach which may cost less up-front, and which may take longer to institutionalize among the target population, is to be preferred if the study's conclusions about project success are accepted. This, in turn, has important implications for the way in which AID and other major donors presently do business. Further, it runs counter to the argument made in the Brookings study, among others, that what is most appropriate and feasible for such donors is increased wholesaling of funds to developing countries.<sup>7</sup>

While the Strategies study is neither all-inclusive nor perfectly argued, it is one of a handful of studies which provide well-documented, analytical evidence that the "bottom-up" approach to development does work. The breadth of the data base is unusual, and adds to the study's persuasiveness. Careful attention to the study should force AID and other major

---

7. Interim Report: An Assessment of Development Assistance Strategies (Washington, D.C.:The Brookings Institution) Oct. 6, 197

donors to examine their priorities and their practice in attempting to meet the needs of the rural poor, especially those who have access to productive land. It is also extremely contemporary insofar as it addresses one crucial aspect of the currently troubled issue of Basic Human Needs, namely the question of phasing of social services inputs in conjunction with inputs more directly related to income producing activities.

However, there are a number of issues which the study does not address, but which the Agency must address if it is to do something serious about the findings of the study. The first is the matter of persuading the Congress to allow incremental funding of projects, especially those which attempt to address rural development problems in innovative ways, thus allowing us to drop out of the race to early and complete obligations.

Secondly, the Agency must be willing to take the risk implied in working in a situation where it is clear that not all the answers are known.

If we accept the fact that we do not know very well how directly to reach the rural poor with self-sustaining development benefits, then we must start with this premise in designing projects. This is not to say that "adequate planning" is neither desirable nor useful. Careful design is important, especially if implementation is to have a chance of succeeding. However it is crucial, as DAI points out in Strategies, to accept that changes which are necessitated in implementation do not necessarily imply failure either in implementation or in design, but rather an honest appraisal of the real world situation the project is attempting to address.

Thirdly, it should be remembered that the Strategies study concentrated on projects designed to increase incomes to small farmers through agricultural production. Similarly, the 'New Directions' study reviews 12 projects designed essentially with the same purpose in view. This is important, since neither study claims it deals with the only way to get benefits to the rural poor. AID must still attempt to determine what the appropriate mix may be of small farmer production projects, infrastructure projects which will benefit the poor, area development projects which include central places or other urban centers, etc. DAI's contention that AID should explore alternative strategies for working with the rural poor should be taken seriously.<sup>8</sup>

The Strategies study found that:

- local action is critical to project success in small farmer-oriented projects;
- that local action is facilitated by feedback between small farmers and project staff, by the presence and activity of local organizations controlled by the farmers themselves, and crop-specific extension advice;
- that social services inputs phased too early in the project tend to militate against the adoption of other inputs which will yield increases in production and income;
- that a process approach to design and implementation is necessary to encourage local action and through it, self-sustaining development.

---

<sup>8</sup>. DS/RAD's applied research and consulting projects respectively on Alternative Rural Development Strategies and Area Development are a significant step in this direction.

The 'New Directions' study takes the process a step further, to show us how we are doing what we are attempting to do in this area. While it is more descriptive than analytical, it does provide some well-documented and intelligently argued recommendations for improvements in the AID project process, and surfaces a number of issues of which many practitioners and managers in the Agency are aware, but which have not so far been met head on.

Especially important are the issues relating to emphasis on design including attempts to "blue-print" projects in advance -- against implementation on the ground.

Related to these issues is the Agency's ability to respond to the increasingly specific mandates of the Congress in a time-frame which is essentially too short, and in a range of situations which in fact often have relatively little in common. While the report stresses problems which arise in doing rural development projects which are designed directly to benefit the rural poor -- largely through agricultural production improvements -- it does not address large infrastructure projects, such as those connected with irrigated agriculture in river basin situations, which may be expected to benefit the rural poor. Thus, the Agency reader should not conclude that the report's findings are intended to hold for all efforts designed to meet the development needs of rural dwellers.

Rather, attention should be given to the fact that, even

though concentrating on problems encountered in the design and approval of 'New Directions' projects in difficult environments, the report takes a positive approach. It encourages AID to continue to attempt to grapple with alternative approaches to rural development despite many problems which are intrinsic to that enterprise and which may be exacerbated by the limited response capability of a large, complex, and "distant" donor such as AID.

The report's conclusions about "adequate planning" have already caused considerable dissension within the Agency. This is an issue which must be addressed more directly within AID if we are to understand the planning implications of what we are trying to do in targeting our resources on the rural poor.

Similarly, the assertions in the report concerning implementation and evaluation cannot safely be ignored. Here again, the constraints placed on AID by the Congress for pre-planning, notification, and LOP funding must be explored and firmly dealt with.

Additionally, the report points AID's attention to the important question of institutions in the context of project design and implementation. It points up the need further to explore a variety of institutional options in working with host country governments. While it briefly discusses some of these options -- the involvement of line ministries, regional bodies which represent decentralization of decision-making power and action, or the establishment of separate, para-statal project

implementation bodies which endure for the life of the project -- it does not discuss their pros and cons in depth, especially as these may relate to local action and self-sustaining development outcomes. While a number of DS/RAD's applied research and consulting projects are currently examining a number of these options and related issues, more attention needs to be given throughout the Agency to institutional concerns and trade-offs in the context of self-sustaining development benefits delivered to the rural poor.

This point becomes especially significant when we admit the present reality: in most countries where AID currently gives assistance, we are working as one among many donors, and in many instances, we are one of the smaller donors present. Thus, if we are not able effectively to define the needs of our target population -- the rural poor -- or are unable correctly to identify and strengthen the local institutions through which we attempt to meet these needs, we are unlikely to do our job well. We cannot compete with the World Bank, or with other major donors in wholesaling money. We are not, or so it would seem, likely in the near term to renounce the project made. Therefore, we must make sure that we take account of the complexity of the context in which we are operating, and the implications it has for how we try to do the job we are given.

The 'New Directions' report reveals some of the intellectual and practical slights of hand which AID's present project design

and approval system appears to generate in coming to grips with these realities. Yet, it presents strong arguments for continuing to improve on the Agency's performance despite the complexity of the issues involved. In a sense, even where the analysis is incomplete or even faulty, this report shows some of the best and most useful kind of analytical work a contractor can be asked to do for us.

Yet, it is highly significant that this is the work of a contractor to the Agency. DAI's scope of work asked it to assess its experience in designing 12 projects using the process approach. Understandably, in discussing this experience, DAI concentrated on those aspects of the design-approval-implementation system in which it had been most closely involved.

However, for the Agency reader, it soon becomes apparent that a number of problems were encountered in the design and approval of these projects, and a number of issues proved salient to DAI, precisely because it was a contractor performing the work. A contractor, however willing and well-informed, cannot take the place of the Agency and its professional staff. But it can, as in this case, call our attention to what needs to happen for that staff to operate more effectively.

Thus, one of the major implications of the 'New Directions' study for AID is the necessity to come to terms with the problem of staffing. If we are to take seriously the report's findings with regard to design and implementation, it becomes

clear that we must have direct-hire practitioners who can carry out these tasks creatively. The argument which is made in the report for continuity in project design and implementation is well-founded. For a contractor such as DAI, the implication to be drawn is that the same contractor which does the design should be allowed to do the implementation of a project. In fact, this is the conclusion which is reached in the report.

However, it is up to the Agency to provide that continuity, the skilled people to do the work, and the incentives to them to do it well. The most reasonable solution to this is a more adequate and broadly-based professional technical staff in the Agency to maintain continuity in the entire project identification design-implementation-evaluation process.