

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____ DOCUMENT CODE 3
COUNTRY/ENTITY Africa Regional	3. PROJECT NUMBER 698-0535-3 0619802	
BUREAU/OFFICE AFR	5. PROJECT TITLE (maximum 40 characters) Industrial Policy and Sector Incentives	

PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 09 30 93	7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4) A. Initial FY 910 B. Quarter 4 C. Final FY 910
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8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY 90			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	500		500	500		500
(Grant)	(500)	()	(500)	(500)	()	(500)
(Loan)	()	()	()	()	()	()
Host Country						
Other Donor(s)	2,000		2,000	2,000		2,000
TOTALS	2,500		2,500	2,500		2,500

9. SCHEDULE OF AID FUNDING (\$000)

APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
DER	771R	710				500		500	
TOTALS						500		500	

SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code	BU	RDEV				
B. Amount	500	500				

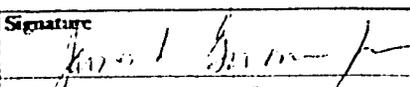
PROJECT PURPOSE (maximum 480 characters)

To support research and training on the effects of macro-economic and sectoral policies on industrial development in French-speaking Africa.

SCHEDULED EVALUATIONS Interim MM YY 06 92 Final MM YY 08 93	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input checked="" type="checkbox"/> Other (Specify) 925
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AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

BEST AVAILABLE DOCUMENT

17. APPROVED BY Signature:  Title: John Westley, Director, AFR/DP	Date Signed MM DD YY 06 08 93	18. DATE DOCUMENT RECEIVED IN AID/AF, OR FOR AID/AF DOCUMENTS, DATE OF DISTRIBUTION MM DD YY _____
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AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/PD, Timothy J. Bork

SUBJECT: Industrial Policy and Sector Incentives Project

I. Proposed Action: Your approval is requested to authorize \$500,000 in DFA funds to finance the Industrial Policy and Sector Incentives Project No. 698-0535 and to award a grant to the International Development Research Center (IDRC) in the amount of \$500,000 to carry out this project. It is planned that \$500,000 will be obligated in FY 90.

II. Discussion

A. Description:

1. Purpose: The purpose of the project is to support research and training on the effects of macroeconomic and sectoral policies on industrial development in French-speaking Africa.

2. Background: Economic researchers in French-speaking Africa are relatively weak in technical and quantitative analytical skills and are often isolated from policy decision makers and from each other. Policy makers are consequently extremely dependent on outside (and often transitory) expertise when making critical decisions on structural adjustment and sectoral policy issues. The International Development Research Center (IDRC) has had positive experiences developing networks of local scholars in Latin America and in East and Southern Africa. With appropriate funding and opportunities for intellectual exchange scholars in these areas are now in a better position to contribute positively to the policy development and reform efforts in their countries.

3. Project Description: This project will establish a network of economic researchers in French-speaking West and Central Africa which focuses on industrial policy. The network will offer comprehensive support to researchers through training workshops, seminars, fellowships, technical support, access to literature and the stimulation of contacts with policy makers. Research themes to be supported include: a) restructuring of the existing industrial base; b) linkages

between industry and agriculture; c) the role of small and medium enterprises; and d) the role of the state in supporting the industrial sector. Country teams for the project are currently in place in Benin, Burkina Faso, Cameroon, Congo, Ivory Coast, Mali, Senegal, Togo, and Zaire. Project implementation has already begun with funds provided by IDRC. Activities to date include the first two project workshops and several research grant awards.

The administrative coordination of the project will be housed in the Council for the Development of Economic and Social Research in Africa based in Dakar. Training and technical support will be provided by the Centre for Research and Economics of the University of Montreal. Close links will be maintained between this project and the existing network in East Africa.

4. Relationship of Project to A.I.D. Africa Bureau Strategy: This project directly supports the Africa Bureau Strategic Objective 3.3 of increasing the potential for long-term increases in productivity by expanding individual skills in policy analysis. It also indirectly responds to Strategic Objective 1 of improving the management of African economies.

5. Beneficiaries: The immediate project beneficiaries will be the participants at training seminars and workshops and the recipients of research grants. The longer-term beneficiaries will be the governments of those countries participating in the project and making enlightened use of the research results to improve the policy environment for sustained economic growth. The ultimate beneficiaries will be the employees of those industries able to function better in an improved policy environment, and the suppliers of inputs to those industries.

6. Major Outputs: The principal project outputs will be:

1) a network of researchers in French-speaking African countries who have received technical guidance on economic research methodology and funding assistance to carry out research projects on the manufacturing sectors in their own countries, and

2) systems for the regular dissemination of research results to members of the network and their governments and for the regular exchange of research results among network participants on topics of priority concern at workshops and conferences.

B. Financial Summary: This project is part of a \$2.5 million effort, the first \$1.1 million of which has already been provided by the International Development Research Center (IDRC). The World Bank has agreed to provide \$150,000. Additional funds are being solicited from the Canadian International Development Agency and the United Nations Development Program. The IDRC and the Project Committee believe the project is viable, albeit at a reduced level of impact, even if these additional funds are not obtained.

The overall project budget is as follows:

	<u>(\$000)</u>
Coordinator's office	431
Workshops and seminars	280
Research projects	783
Technical support	310
Training	415
Publications	10
Recruitment	13
Evaluation	29
Contingency (10%)	227
TOTAL COSTS	2,500

With the exception of recruitment and contingency costs which will not be paid by A.I.D., there is no specific attribution planned of line item costs by donor. The full life of project funding level of \$500,000 will be obligated in FY 90.

Committee Actions and Findings:

Application Review: The project committee reviewed the application on February 27, 1990, and confirmed the social, economic and technical soundness of the project. The principal concerns of the committee were the complementarity of this application with other capacity building efforts in the Bureau for Africa and the relative importance of this activity in the Bureau's program. The consensus of the meeting was that there is a good fit between the IDRC application and other capacity building efforts in the Bureau and that, given the high levels of policy-based program assistance planned for the region, it is appropriate to invest in developing the capacities of recipient countries to analyze policy issues. The conclusion was therefore that A.I.D. should proceed with the grant. Other items discussed at the review are described in the Review Meeting Reporting memo included as Attachment 2. Since this activity is a regional one which does not affect any one country program directly, no formal field concurrence was sought. All missions in the region have, however, been advised and are supportive of the Bureau's planned policy analysis capacity building program of which this project is part.

Environmental Considerations: The activities to be supported by the project are entirely for research grants, technical support and training, and as such qualify for a categorical exclusion. A categorical exclusion has been approved and is included as Attachment 3.

Implementation Plan and 611(a) Determination: The implementation plan included in the grant application has been carefully reviewed and the conclusion reached that a reasonable time frame and delineation of responsibilities among the implementing entities for carrying out the project has been established. The requirements of Section 611(a) have been met.

D. Special Concerns:

Special Provisions: As stated in the authorization, one special provision will be included in the grant. The provision is that IDRC carry out a project evaluation.

Implementing Agency: The grant will be implemented by the International Development Research Center (IDRC). IDRC is a Canadian Crown Corporation, an autonomous organization created and funded by the Canadian government to promote research on international development issues. In this regard, Code 935 is the eligible source under DFA-funded procurement. While we attempt nonetheless to "maximize" U.S. source procurement, we are not precluded from funding an attractive activity with a Code 935 implementor.

Competition: An exception to the competition requirement is appropriate for this grant because it responds to an unsolicited application from the International Development Research Center which is unique and innovative, and represents an appropriate use of A.I.D. funds. By its clearance on this memo the technical office (AFR/DP) certifies its finding and determination that this is the case. Therefore, in accordance with the provisions of A.I.D. Handbook 13, Chapter 2, Section 2B3a, competition is not required.

Gray Amendment Considerations: The International Development Research Center does not qualify as a Gray Amendment Institution.

Project Management: The project will be managed by AFR/DP/PAR.

III. Waivers:

No waivers are requested or anticipated,

IV. Justification to the Congress: A Congressional Notification was forwarded to Congress on May 15, 1990. The fifteen day waiting period expired on May 30, 1990, without Congressional objection.

V. Authority: Pursuant to Delegation of Authority No. 400, the Acting AA/AFR has the authority to authorize project assistance.

VI. Recommendation: 1) That you sign the attached Project Authorization and thereby approve life of project funding of \$500,000 of DFA grant funds for the Industrial Policy and Sector Incentives Project No. 698-0535. 2) That you sign the attached PIO/T instructing the Office of Procurement to develop and execute a grant to the International Development Research Center to implement this project.

APPROVE _____

DISAPPROVE _____

DATE JUN 27 1990

Attachments

1. Project Authorization
2. Project Review Reporting Memo
3. Initial Environmental Examination
4. PIO/T and IDRC Proposal

Clearances:

<u>AFR/SWA:RSimmons (draft)</u>	Date	_____
<u>AFR/CCWA: MGolden (draft)</u>	Date	_____
<u>AFR/TR:RCobb (draft)</u>	Date	_____
<u>AFR/CONT:RKing (draft)</u>	Date	_____
<u>AFR/DP:JWestley (draft)</u>	Date	<u>6-18-90</u>
<u>OP/S/AFR:JHacken (draft)</u>	Date	_____
<u>GC/AFR:KO'Donnell</u> <u>JRM</u>	Date	<u>6/1/90</u>
<u>DAA/AFR:ELSaiers</u> <u>EL</u>	Date	<u>6/24/90</u>

(B)
Drafted by GBertolin:gb:5/25/90:X76335:0169M

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PROJECT AUTHORIZATION

NAME OF COUNTRY: AFR Regional

NAME OF PROJECT: Industrial Policy and Sectoral Incentives

NUMBER OF PROJECT: 698-0535

1. Pursuant to the Foreign Assistance Act of 1961, as amended, and the provisions of the appropriation heading "Sub-Saharan Africa, Development Assistance" of the Foreign Operations, Export Financing and Related Programs Act, FY 1990, I hereby authorize the Industrial Policy and Sectoral Incentives project involving planned obligations not to exceed \$500,000 in grant funds over a 24 month period from date of initial obligation, subject to the availability of funds in accordance with the A.I.D. OYB allotment process to help finance the foreign exchange and local currency costs of the project. The planned life of the project is 36 months from the date of initial obligation.

2. The project will establish a network of economic researchers in French-speaking West and Central Africa which focuses on industrial policy. The network will offer comprehensive support to researchers through training workshops, seminars, fellowships, technical support, access to literature and the stimulation of contacts with policy makers.

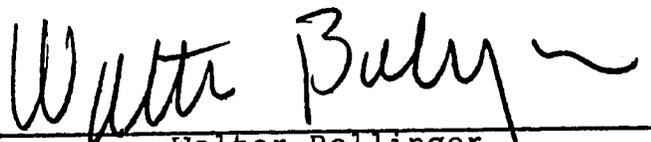
3. The Agreements which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority shall be subject to the following terms and major conditions as A.I.D. may deem appropriate.

a. Source, Origin and Nationality.

The nationality for suppliers of services, including ocean transportation services, and the source/origin of commodities financed by A.I.D. shall be as set forth in the Africa Bureau's Instructions on Implementing Special Procurement Policy Rules Governing the Development Fund for Africa ("DFA Guidance"), dated April 4, 1988, as may be amended from time to time.

b. Evaluation:

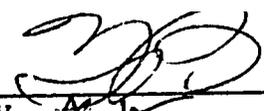
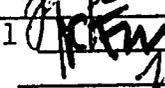
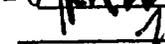
The grantee agrees to carry out an evaluation of project activities.



Walter Bollinger
Acting Assistant Administrator
Bureau for Africa

Date: JUN 27 1990

Clearances:

AFR/PD:TBork		Date:	<u>6/13/90</u>
AFR/DP:JWestley		Date:	<u>6-18</u>
GC/AFR:KO'Donnell		Date:	<u>6/6/90</u>
DAA/AFR:ELSaiers		Date:	<u>6/14/90</u>


Drafted by GBertolin:gb:5/25/90:X76335:0170M

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

March 5, 1990

MEMORANDUM

TO: See Distribution

FROM: AFR/PD, Gordon Bertolin ^{GB}

SUBJECT: 2/27/90 review meeting on unsolicited applications for assistance from Winrock and IDRC.

REF: A) February 21 memo from T. Bork
B) February 5 memo from J. Westley

The review meeting for the unsolicited applications from Winrock and IDRC was held on February 27, 1990. Both activities are for policy analysis capacity building activities in Africa. The principal issues raised in the meeting and in memoranda received by AFR/PD prior to the meeting, along with the conclusions reached are summarized below.

1) To what extent are these proposals complementary or overlapping? Should they be managed jointly?

The discussion focused primarily on the distinctions between the two applications. The IDRC application is much more strictly focused on economic issues, particularly as they relate to the manufacturing sector whereas the Winrock activity is more generally oriented to a wide spectrum of rural social sciences. The conclusion was therefore that, although both applications were devoted to capacity building and took similar approaches to the problem, there was little if any potential overlap between the two applications. Consequently there appears to be no strong motivating factor for joint management.

How do the applications fit into and will they be coordinated with the other capacity development efforts being (and to be) supported by the Bureau?

Of greater concern than their relationship with each other was the potential duplication and lack of complementarity between these two applications and the future programs which may be a part of the capacity building

working group. Two considerations motivated the conclusion that it would be appropriate to move forward now with these two applications: 1) they are ready to go now and are not considered likely to conflict with the working group's program; and 2) they may in fact work well as test cases for the design of capacity building interventions--a sort of "trial balloon".

How high do capacity building efforts rank in the DFA program of action? That is to say, how much, overall should the Bureau plan to spend in this area?

Both applications directly respond to Strategic Objective 3.3 of increasing the potential for long-term increases in productivity by expanding individual skills in policy analysis. They also both indirectly respond to Strategic Objective 1 of improving the management of African economies.

There was consensus that, given the high levels of assistance now being provided on the basis of policy reform, efforts to develop African capacity to develop appropriate policy interventions make good programmatic sense. No specific levels of assistance which might be provided in this area were discussed, but there was agreement that the relatively modest requirements of these two applications were reasonable and appropriate.

Who should manage these projects? This question must be answered prior to the preparation of authorization documentation. It is clear from reference B that AFR/DP is ready to take on management responsibility for the IDRC activity. What was not clear from either that memo or from the meeting was who should manage the Winrock grant.

ACTION: AFR/PD will prepare a memo to AFR/DP and AFR/TR to try to gain agreement on this point.

A final point of uncertainty was the type of grant instrument which should be used for the IDRC activity. Should it (can it) be a direct grant to the IDRC or should it be directly to one of the implementing organizations?

ACTION: AFR/PD will explore grant options with legal and contracts.

CONCLUSION: Provided that the last two issues can be resolved, the project committee recommended approval of both applications. 1

Distribution:

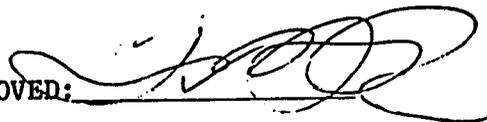
A/AA/AFR:WBollinger 6936 NS	AFR/EA:DLundberg 2851A NS
DAA/AFR:ELSaiers 6942 NS	AFR/TR:RCobb* 310 1515 Wilson Blvd
AFR/DP:JWestley* 3913 NS	AFR/TR/EHR:CBonner* 310 "
AFR/PD/SA:CRozell 2638 NS	AFR/TR/ANR:LJepson* 310 "
AFR/PD/EAP:DMackell 2665C	AFR/DP/PRE:JAtherton 3913 NS
AFR/SA:FFischer 3921 NS	AFR/DP/PAR:CCowey 2937C NS
AFR/CCWA:MGolden 2664 NS	PPC/PB:RMaushammer 3841 NS
AFR/SWA:PDichter 3491 NS	GC/AFR:ESpriggs 6889 NS
AFR/CONT:RKing 4533 NS	AFR/TR/EHR:BBenison* 310 "

INITIAL ENVIRONMENTAL EXAMINATION
OR
CATEGORICAL EXCLUSION

COUNTRY : Africa Bureau
PROJECT TITLE : Industrial Policy and Sector Incentives
PROJECT NUMBER : 698-04
Funding : FY 1990 \$500,000 (DFA)
CATEGORICAL EXCLUSION PREPARED BY : Gordon Bertolin, Project Development Officer, AFR/PD
ENVIRONMENTAL ACTION RECOMMENDED : Positive Determination _____
: Negative Determination _____
: Categorical Exclusion X

CATEGORICAL EXCLUSION:

This activity meets the criteria for a Categorical Exclusion in accordance with 22 CFR Section 216.2(c) and is excluded from further review because under Section 216.2(c)(2)(iii) programs involving analyses, studies, academic or technical workshops and meetings are not subject to the provisions of Section 216.3. Since this project only provides funding for research grants, technical support and training, the Africa Bureau has determined that the proposed project meets the criteria specified in Section 216.2(c)(2)(iii) for a Categorical Exclusion.

APPROVED: 

Disapproved: _____

DATE: 4/27/90

Clearance: GC/AFR, ICFM Date 6/6/90

Concurrence: AID/AFR Environmental Officer John Gaudet Date 5/1/90
John Gaudet, AFR/TR/ANR

AFR/PD:GBertolin:ss:4/26/90:0171M

1350-1
71
O/T

AGENCY FOR
INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION
ORDER/TECHNICAL
SERVICES

1. Cooperating Country
Africa Regional

Page 1 of 3 Pages

2. PIO/T No. **698-0598-3-**
0619802

3. Original or
Amendment No. _____

4. Project/Activity No. and Title
**Industrial Policy and Sector
Incentives
Project No. 0619802**

INSTRUCTIONS
Date Posted: **6-27-93**
FUNDING RESERVED BY:
K Anderson
PFM/FM/PAFD

5. Appropriation Symbol
72-110 1014

6. Budget Plan Code **GSSA-90-31698-KG12**
(014-61-698-00-69-01)

7. Obligation Status
 Administrative Reservation
 Implementing Document

8. Project Assistance Completion Date
(Mo., Day, Yr.) **6/30/93**

9. Authorized Agent
M/SER/OP/OS/AFR

10. This PIO/T is in full conformance with PRO/AG No.
Date

11a. Type of Action and Governing AID Handbook
 AID Contract (HB 14)
 AID Grant or Cooperative Agreement (HB 13)
 PASA/RSSA (HB 12)
 Other

11b. Contract/Grant/Cooperative Agreement/
PASA/RSSA Reference Number (If this is
an Amendment)

12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No. 1)

Maximum AID Financing Available	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
				-0-	500,000
	B. U.S.-Owned Local Currency				

14A. Instructions to Authorized Agent

Authorized Agent is requested to execute a grant to the International Development Research Center in accordance with the proposal contained in Attachment 2

14B. Address of Voucher Paying Office

AID/W: PFM/FM/PAFD

Clearances—Include typed name, office symbol, telephone number and date for all clearances.

The Project Officer certifies that the specifications in the statement of work or program description are technically adequate. AFR/DP/PAR: CCowey	Phone No. 647-5997	B. The statement of work or program description lies within the purview of the initiating office and approved agency programs. AFR/DP: JWestley	Date 6-18-90	
	Date 6/7/90		D. Funds for the services requested are available FM/F/PN: RAnderson AFR/DP/PAB: GCauvin	Date 6-25-90
	Date 6/11/90			
For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to Signature _____ Date _____	17. For the Agency for International Development William J. Bull Signature _____ Date 6/27/90			
Title AA/AFR (Acting)				

See HB J, Sup. A, App. C, Att. B, for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject employee to disciplinary action.

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Statement of work or program description for this project is described in Attachment No. 2.

Special Provisions

- Language Requirements (specify) Some staff members must have fluent French language ability.
(If marked, testing must be accomplished by AID to assure desired level of proficiency.)
- Access to classified information will will not be required by technical specialists. (Indicate level) _____
- Duty post(s) and duration of technical specialist(s) services at post(s) (months) N/A
- Dependents will will not be permitted to accompany technical specialist(s). N/A
- Geographic code applicable to procurement under this PIO/T is 000 899 935 941 Other (specify) _____
(If other than authorized in HB 1, Sup B, Chap 5, Para 5A1d, attach waiver(s).)
- Salary approval(s) to exceed FS-1 salary ceiling are attached in process N/A.
- Cooperating country acceptance of this project (applicable to AID/W projects only)
 has been obtained is in process is not applicable to services required by PIO/T.
- Justification for use of external resources for consulting services is attached N/A.
- Clearance for procurement of ADP equipment, software, and services is attached in process N/A.
- OMB approval of any report to be completed by ten or more members of the general public under the statement of work is
 attached in process N/A.
- Participant training is is not being funded as part of this PIO/T.
- Requirement (contracts only) is recommended for small business set-aside SBA 8(a) Program neither.
- Other (specify).

1. Provisions for Logistic Support	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER	N/A
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY		
Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")						
(1) Office Space					X	
(2) Office Equipment					X	
(3) Housing and Utilities						X
(4) Furniture						X
(5) Household Appliances (Stoves, Refrig., etc.)						X
(6) Transportation in Cooperating Country					X	
(7) Transportation To and From Country					X	
(8) Interpreter Services/Secretarial					X	
(9) Medical Facilities (Health Room)					X	
(10) Vehicles (official)					X	
(11) Travel Arrangements/Tickets					X	
(12) Nightwatchman for Living Quarters						X
(13)						
(14)						
(15)						

15

Provisions for Logistic Support (Continued)

B. Additional Facilities Available From Other Sources

Diplomatic pouch

PX

Commissary

Other (specify, e.g., duty free, entry, tax exemption) None

C. Comments

Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

The cooperating agency will receive technical guidance from the office of Development Planning, Policy Analysis and Research Division.

B. Cooperating Country Liaison Officials

C. AID Liaison Officials

AFR/DP/PAR: CCowey

Background information (additional information useful to authorized agent)

Summary of attachments that accompany the PIO/T (check applicable boxes)

A. Detailed budget estimate in support of increased funding (Block 12)

B. Evaluation criteria for competitive procurement (Block 14A)

C. Justification for procurement by other than full and open competition or noncompetitive assistance

D. Statement of work or program description (Block 18)

E. Waiver(s) justification(s), clearance(s), certification(s) (Block 19) (specify number _____)

Overall Grant Budget

	<u>(\$000)</u>
Coordinator's office	431
Workshops and seminars	280
Research projects	783
Technical support	310
Training	415
Publications	10
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0318M



INTERNATIONAL DEVELOPMENT RESEARCH CENTRE
CENTRE DE RECHERCHES POUR LE DÉVELOPPEMENT INTERNATIONAL

Ref: 3-P-88-1025

July 19, 1989

Mr. Jerry Wolgin and Ms. Colette Cowey.
USAID, State Dept.
Washington, D.C.
U.S.A.

RE: Réseau sur les politiques industrielles

Dear Mr. Wolgin and Ms. Cowey,

Following prior correspondence and discussions, this is to formalise our invitation for USAID to participate in the financing of the "Réseau sur les politiques industrielles et les incitations sectorielles," which IDRC is in the process of establishing in French-speaking countries of West and Central Africa. Details of the project have been submitted on a separate occasion. We add here an English language abstract and an abridged English translation of the proposal, for your further use.

The Réseau project has now initiated its activities, based on IDRC financing of approximately \$1.1 mil. US out of a \$2.5 mil. budget). The project is felt to be viable at that level, but sub-optimal in terms of impact and cost-effectiveness. CIDA financing of the balance had been planned but had to be abandoned following dramatic cutbacks in the Canadian aid budget last April. It is our intention to renew negotiations for partial financing from CIDA in the fall months. In the meantime, \$700,000 US, or one half of the remaining budget, could be covered by IBRD and USAID financing, if both parties were to contribute the maximum amounts being considered (\$200,000 from IBRD and \$500,000 from USAID). A contribution of this magnitude would allow the Réseau project to proceed with confidence in our ability to produce a quality output and have an appreciable impact.

We attach a revised budget illustrating the proposed plan of expenditures assuming this level of World Bank and USAID financing. Compared to the original budget, the major cutback would be in the area of fellowships. It is hoped that some funding for fellowships could be secured elsewhere on an ad hoc basis. Other cutbacks are more or less proportional to the original budget. They imply a reduced impact, but do not sacrifice the overall integrity of the project.

We thank you in advance for your support.

Yours sincerely,

David Glover
Associate Director
Economic Policy

cc. Anne Whyte, Director, Social Science Division
Jim Mullin, Vice-President, Programs

19

Network on Industrial Policies and Sectoral Incentives

**(Réseau sur les Politiques Industrielles
et les Incitations Sectorielles)**

**PROJECT SUBMITTED BY IDRC
FOR CONSIDERATION OF OUTSIDE DONORS**

Abridged translation from the French

**International Development Research Centre
Ottawa
July 3, 1989**

ABSTRACT

Network on Industrial Policy and Sectoral Incentives
in Francophone Africa

This project will support research and training on the effects of macroeconomic and sectoral policies on industrial development in Francophone Africa. It will train researchers in quantitative and analytical techniques, and focus on research on industrial policy in the context of incentive structures and adjustment in Africa. The network will offer comprehensive support to researchers through training workshops and seminars, fellowships, technical support, access to literature, and the stimulation of contact with policy makers.

Research themes for the network include a) restructuring of the existing industrial base, b) linkages between industry and agriculture, c) the role of small and medium enterprises, d) the role of the State in support of the industrial sector.

The project is open to French-speaking researchers in West and Central Africa. Country teams currently exist in Benin, Burkina Faso, Cameroon, Congo, Ivory Coast, Mali, Senegal, Togo and Zaire.

Administrative co-ordination of the project will be housed in the Council for the Development of Economic and Social Research in Africa (CODESRIA), based in Dakar; and training and technical support will be administered by the Centre for Research and Development in Economics of the University of Montreal (CRDE). The program will be implemented by an Executive Committee representing IDRC, CODESRIA, CRDE, and presided by a full-time coordinator hired to manage the project. The Executive Committee will operate under the guidance of a Scientific Committee consisting of senior African and international experts.

Duration: 3 years, beginning July 1989

Cost: US\$ 2.5 million

IDRC contribution: US\$ 1.1 million

Lacking: (US\$ 1.4 million)

Contributions requested from CIDA, IBRD, SAREC, USAID, UNDP

For further information, contact David Glover or Réal Lavergne, IDRC.

INTRODUCTORY COMMENTS

Current status of the proposal

1. The attached proposal was developed in 1988, and the first part of 1989, through a process of intensive consultation with researchers and institutions likely to be involved in the project. The process began and ended with workshops involving respected African scholars and representatives, among others, of IDRC, the Centre de Recherche et de Développement en Economique affiliated with the University of Montreal (CRDE), and the Council for the Development of Economic and Social Research in Africa (CODESRIA). These were complemented by national-level meetings and work-sessions of the drafting committee.

2. The "Réseau" project, as we refer to it in shorthand, is now being implemented, on the basis of IDRC funds already approved in March 1989. A network coordinator was selected in June 1989 and will be taking up his duties in CODESRIA (Dakar) in August of this year. IDRC funding covers approximately 46 % of the project budget. This is considered just sufficient to ensure the viability of the project, but is sub-optimal in terms of impact and cost-effectiveness. Complementary funding is thus being sought from other donors.

Background

3. The logic behind the current IDRC initiative was based on three principal observations:

- a. first, IDRC's own, positive, experience in organizing similar networks in Eastern and Southern Africa and Latin America;
- b. secondly, a series of observations on the needs of French-speaking Africa in the area of economic analysis: relatively weak technical and quantitative analytical skills, isolation of researchers, lack of a critical research mass in each country, excessive dependence of policy-makers on outside skills in the area of structural adjustment, etc.
- c. and finally, the availability of a reliable outside institution - the Centre de recherche et de développement en économique (CRDE) -- to help establish the network on a sound footing.

4. IDRC currently supports two economic research networks in the macroeconomic field: one is in Latin America, the other in Eastern and Southern Africa.

5. The Latin American network was established in 1982 and operates largely on its own, with light monitoring by IDRC. This approach is made possible by the strength of in-house expertise possessed by the institutions involved, all of which are headed by seasoned researchers. Network research has focused on linkages between the financial system and the real economy.

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6. The Eastern and Southern African network has operated, since 1984, under much more difficult research conditions -- conditions more like those existing in West Africa. Approximately 35 researchers from six countries participated in the network during the first 4 years of operation. Technical and administrative supervision has been much closer than in the Latin American network, and emphasis was placed on the reinforcement of research capabilities, through the presence of a permanent coordinator and the establishment of biennial and annual meetings including researchers and invited experts. The network has concentrated on two main policy areas: exchange rate policies, and fiscal and monetary policies. It has been managed since 1987 by the African Economic Research Consortium (AERC), supported by a group of donors including CIDA, the World Bank, IDRC, the Ford and Rockefeller Foundations, and USAID.

7. The current Network on Industrial Policies and Sectoral Incentives (Réseau sur les Politiques Industrielles et les Incitations Sectorielles), is based to a large extent on the Eastern and Southern African network. The main difference is its concentration on Francophone Africa, where research capabilities in economic analysis are relatively underdeveloped. The Network will enable researchers in this region to function in their main language of work, and establish a support system suited to the professional needs of the research teams involved.

8. The intent is to maintain close contact between the two networks, all the more so since Consortium researchers have indicated their interest in the theme of industrialization policies chosen by the Réseau. There are plans for bilingual researchers from both networks to participate in workshops and conferences. More formal links may be established in a latter phase, although these cannot be specified at this time. The budget includes provisions for the translation of key documents, along with English training for researchers. Advantage will be taken of the AERC meeting planned for Abidjan in December 1990 to ensure the participation of some Réseau researchers in this meeting.

Topic

9. The choice of an area of concentration for the Réseau meets a range of criteria. The choice was not based only on the intrinsic importance of the topic, but also on the fact that it lent itself well to the use of proven and generally accepted tools of economic analysis such as those described in the section on methodology. The micro-economic or meso-economic approach involved in the analysis of economic incentives as applied to African industry would constitute a better starting point for the Réseau than one based on macro-economic modelling, which is subject to more debate among the various schools of economic thought.

10. The subject of industrial incentives has been relatively neglected by the African research community over the last 10-15 years. A great deal of emphasis has been put on agricultural economic policy, and this emphasis has been deserved, since agriculture has been both neglected and exploited. Studies on industrial policy have thus been thin on the ground.

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numerous.¹ Although a lot of work certainly remains to be done, the importance of agriculture has at least now been established. Furthermore, several countries have already adopted major reforms with respect to agricultural prices and support structures, within the framework of a structural adjustment process that has characterized Africa in the '80s. While it would be an exaggeration to say that the industrial sector was forgotten in this process, it certainly did not receive the same critical and detailed examination from researchers as agriculture.

11. One of the problems that had to be solved was the degree of freedom to accord Réseau research teams in the areas of methodology and research topics. Researchers and others consulted over the course of project development have opted for a relatively high degree of commonality, while retaining IDRC's usual principle of responsiveness to researcher priorities. As regards methodology, the proposal specifies a number of methodological tools which all research teams must use to some extent, although they remain free to add any other methodological approach or tools as required by the specifics of their research problem.

12. Regarding the choice of research topics, the unanimous preference of the teams was for a fairly limited scope. Thus, although we expanded the scope of the title to include "sectoral incentives" in order to provide the possibility of studying incentives in sectors other than industry, the researchers expressed a preference for a fairly limited interpretation of this addition (i.e.: other sectors would be studied mainly in terms of their relationship with industrial development). The advantage of a relatively limited research topic is that it facilitates team cooperation and mutual assistance in a network such as the one in question. However, expanding the scope of the Réseau provides managers with greater flexibility for changing the direction taken, if future needs so dictate.

¹ This is confirmed by a review of the research activities cited in the Directory of Research on Development in Africa published in 1986 by OECD and CODESRIA, and which lists 82 research projects on agricultural development and agricultural policies and prices, as compared with 21 on industrial development and policies. Among the important agricultural policy research initiatives which come to mind, one may cite the study on pricing, marketing and storage policies in the countries of the Sahel conducted in 1977 and 1983 for CILSS and the Club du Sahel; the work of the International Food Policy Research Institute (IFPRI); studies on the agricultural policies of Mali and Burkina Faso conducted by the OECD; research carried out by CEDRES in Burkina Faso on agricultural prices; and the analysis of agricultural policies included in the well-known Berg report, Accelerated Development in Sub-Saharan Africa. There were also some notable advances in the area of institutional development, with the creation of a macro-economic analysis office at the Institut Sénégalais de Recherches Agricoles and the increase of rural economics research at the Centre National de Recherches Économiques et Sociales.

13. Although industrial policies will usually be the starting point for research projects undertaken by the Réseau, this does not exclude the examination of broader economic issues. The industrialization experience in Africa, as elsewhere, demonstrates the interdependence of industry and other economic activities such as agriculture, non-industrial exports, and commercial, financial and government services. Moreover, we know that industrial adjustment has a better chance of success in a macro-economic environment that is healthy with respect to exchange rates, monetary policy, and fiscal balance. The industrial sector thus constitutes the major -- but not the only -- area of interest for researchers.

Institutions

14. CODESRIA and CRDE are expected to contribute substantially to the success of the Réseau, with the former acting as the Réseau's operational base in Dakar, and the latter as a support facility providing researchers with access to professional, documentary and other resources normally available in an international setting.

15. IDRC has supported the work of CODESRIA since it was founded in 1973, and an evaluation conducted in 1985 concluded that CODESRIA should continue to receive support. Although certain problems were noted during the course of the evaluation, measures have since been taken to solve them, and today CODESRIA seems remarkably dynamic. The Réseau hopes to be able to take advantage of CODESRIA's experience in organizing network research, and CODESRIA offers a variety of services, some of which are mentioned in the proposal. CODESRIA also is involved in another IDRC network, the "Small Grants Program for Population, Development and Urban Policy Research", and IDRC has been satisfied with this involvement to date.

16. In return, it is hoped that the Réseau will be of assistance to CODESRIA, not only in providing valuable experience, but also in broadening the scope of research activities associated with CODESRIA and increasing the prestige of that institution.

17. For a long time IDRC has been cooperating with CRDE, and especially with André Martens and Bernard Decaluwé, who will be representing that institution and who have been working since 1981 with the Institut d'économie quantitative (IEQ) in Tunis through three phases of a research project. This project has made it possible gradually to increase the technical capabilities of the Tunisian researchers, a success that the Réseau hopes to reproduce on a greater scale in French Sub-Saharan Africa. Past experience leads us to believe that the choice of CRDE is a wise one, and that the risks of failure will be greatly reduced by relying on its cooperation.

18. CODESRIA and CRDE will be playing a particularly important role in the project, with all the associated responsibilities implied by such a role. However, the project initiator has IDRC, and it is IDRC which bears the ultimate responsibility for the project. It has been careful to design a project which is a capacity building project, and to ensure that the

below it, the Executive Committee, which is in charge of day-to-day operations. The goal of these bodies is to reduce the risks of the project, by providing a complex of scientific and institutional resources best able to satisfy the needs of the Réseau, and by preventing responsibility for the Réseau from falling on any single institution (whose administrative or scientific capabilities might be limited, or whose priorities might differ in some ways from those of the Réseau).

Research Teams

19. The preliminary work on this proposal made it possible to identify and establish research teams in each of the nine countries targeted for Phase I. These teams generally include experienced as well as junior researchers, and for the most part relationships have been established with appropriate government representatives. The teams thus constitute a solid foundation on which to begin the work of the Réseau.

Possible Impact

20. In the short and long term, the goal of the project is mainly to increase skills in economic analysis; in the long term, however, the project could have a greater impact on the economic management of the countries in question. With a view to increasing the chances of such an impact, one of the principles established for the Réseau is that each research team should include representatives from the government as well as academic researchers. For example, in Ivory Coast the team receives considerable support from the advisor to the Minister of Industry; in Senegal, one of the team leaders is Director of the research unit at the Ministry of Finance; and in Mali, the team includes a former Minister of Finance and a former advisor to the Prime Minister.

21. There are plans to cooperate also with the African Development Bank, UNIDO and the World Bank in order to establish indirect links with decision-makers and build upon existing technical expertise in those institutions.

PROPOSAL FOR THE ESTABLISHMENT OF A RESEARCH
NETWORK ON INDUSTRIAL POLICIES
AND SECTORAL INCENTIVES
IN WEST AND CENTRAL AFRICA
(hereafter called the "Réseau")

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I. STATUS OF ECONOMIC POLICY RESEARCH IN FRANCOPHONE AFRICA

1. Since the mid-1970s, and especially since 1980, the countries of Sub-Saharan Africa have been confronted by a situation of unprecedented economic crisis. The external pressures to which these countries have been exposed, the structural flaws in their economies, and the disorderly and inappropriate economic policies they followed explain the rapid deterioration that has occurred. External phenomena have been a major causal factor, but since these phenomena remain essentially outside the control of African decision makers, it is to the improvement of economic policies and the restructuring of national economies that one must turn for answers to the crisis.

2. Appropriate and adapted economic policy reforms depend, in turn, on detailed knowledge of economic and social realities in each country, and thus on economic and social research conducted, preferably, by African specialists and scholars. In practice, up to now, most economic policies implemented by governments have been based on the experience of other regions of the world, often with the support of lending agencies. In several cases, economic and development policies have been suggested by international experts or "dictated" by donors who may have only a superficial knowledge of the structure and particularities of individual African economies.

3. In most African countries that have launched major reform programs to stabilize their economies and initiate social and economic recovery, program design and dialogue have only rarely involved national social scientists, due, in large part to the lack of well-trained African experts, (sociologists, anthropologists, demographers, economists, etc.). The situation is particularly severe in Francophone Africa, where universities and schools have traditionally allocated a minimal role to research, and where university budgets for social science research are minuscule. Recent years have seen public authorities implement severe cuts on education for social science specialists including the outright suspension of some programs. An illustrative case is that of social science fellowships in Côte d'Ivoire. Between 1972 and 1982, Côte d'Ivoire gave out in excess of 400 foreign study grants per year, over 100 of which went to social sciences graduates. Since 1982, not only has the foreign training budget been considerably reduced, but the social sciences have been practically eliminated from it, except for a few fellowships provided by foreign donors.

4. In Francophone Africa in general, the most productive research facilities are either foreign consulting firms which provide technical advice to decision-makers or research agencies established by the former colonial power. The latter generally operate under direct foreign authority, attach little importance to the social sciences, and have a design and operations staff for research programs composed mainly of expatriates. Under the best of circumstances, the few social science research projects that exist are more institutional and descriptive than analytic and are of limited use in developing better adapted economic

5. These efforts cannot possibly satisfy the needs of African governments at a time when their economies are being subjected to all sorts of changes, both from without and within. The complexity of these changes, as well as their scope, requires the presence of analysts capable of rigorously and adequately discerning their impact and designing appropriate methods of adjustment, for both the public and private sectors. It was precisely the scope of these economic mutations that led African governments to launch the economic reform programs for which the World Bank, the International Monetary Fund, and other bilateral and multilateral agencies have provided funding along with technical assistance, which, however necessary, is generally expatriate in origin and temporary in availability.

6. The aim of this project is to increase indigenous capabilities for analyzing economic policy measures in a context of permanent or periodic structural adjustment. The project will concentrate primarily on industrialization policies, taking into account the vital links between agriculture and industry. The subject is of utmost relevance at a time when African governments and the international community are questioning the competitiveness of African industry; the appropriate role of the State, the relative efficiency of large-scale industry in relation to medium- and small-scale industry; the role that African industries should play to promote agricultural development; the inadequacy of government regulatory and administrative measures; the structure of industrial production costs; the selection and transfer of technology, and so on. To answer these questions, African researchers will have to develop the analytical tools required to understand the problems of African industry, in the search for practical and relevant solutions.

7. Research on industrialization in Africa in the context of structural adjustment will encourage dialogue between researchers and decision-makers and encourage greater exchange of views in the current dialogue between decision-makers and the technical missions of international institutions. This should result in an improved conceptual framework for economic reforms in the search for the harmonious and balanced development of African societies.

II. RESEARCH PRIORITIES FOR THE RESEAU

8. An examination of industrialization issues in Africa raises several questions, some of which are better suited than others to the type of analytical and quantitative analysis proposed for the Réseau.

9. Contrary to what has happened elsewhere, industries created in the context of Africa's import substitution strategy have not been able to extend their markets into the international arena. The question here is whether existing incentive policies are consistent with the establishment of a competitive industrial structure. Does the State, through its fiscal and monetary policy, its trade and exchange rate policy, its measures to regulate the labour market, and its administrative procedures, encourage or discourage industrial competitiveness? What changes should be made to revitalize existing industry? What pricing policies should be followed in order to stimulate state production or interventions, such as electrical

10. What ties should be encouraged between industry and primary sectors (especially agriculture) to optimise linkage effects, both backwards and forwards, by putting local raw materials to better use, providing the primary sector with intermediate goods, and satisfying the agricultural consumer market? This issue represents one of the greatest challenges for industrial development in Africa, where the economic structure remains internally disjointed, and where the greater integration of agriculture with industry continues to offer substantial development potential.

11. Lastly, how can the high capital cost of industry be reduced? Fiscal incentives for African industries have often encouraged the use of a sophisticated but unsuitable technology and an overcapitalization of industrial units. Constraints imposed by technology transfer agreements, maintenance requirements and other operating costs impose a substantial burden on capital productivity. It has been argued that technical restrictions such as these are a major reason for encouraging the development of small and medium-scale enterprises, which tend to be technologically more autonomous, rather than large-scale ones. What public incentives would be most effective for encouraging the small business sector and thus at once tightening the weave of the industrial fabric and creating an industrial structure capable of responding to segmented markets, whether these be rural markets within the same country or regional markets within an international community?

12. These questions can be translated into research objectives for the Réseau, and are taken up in this form in the next section.

III. Réseau OBJECTIVES

A. General

Increasing Research Capabilities

13. The first general objective of the Réseau is to increase economic analysis capabilities in Francophone Africa.

Research Objectives

14. The second general objective is to conduct research on economic policies related to a central topic. The Réseau's central theme is that of "Industrial Policy and Sectoral Incentives" within a framework of structural adjustment. The main themes to be explored are as follows:

- a. the role of the State in industrial development;
- b. revitalization of existing industry;
- c. integration of industry and the primary sectors, especially agriculture;

B. Specific

15. The specific objectives for increasing research capacity are as follows:

- to increase the productivity of existing human resources in economics research in member countries, by means of technical and material support, greater access to documentation, regular meetings of researchers, and incentives for researchers;
- to match up younger and senior researchers in research teams;;
- to organize workshops and short-term internships designed around the specific needs of researchers;

to develop contacts with researchers in economics from African countries not initially part of the Réseau, as well as from Latin America and elsewhere;

- to increase the research and planning capabilities of the research institutions associated with each of the national Réseau teams.

16. The specific research objectives are as follows:

- to set up research teams in each member country;
- to encourage contact between the various economics research institutions in member countries (i.e.: university, government, and independent research centres);
- to identify common research topics and methods that are relevant to the development of West and Central Africa, and identify methodological and thematic alternatives that make it possible to take into account the particularities and priorities of each member country;
- to plan and conduct research that is within the capabilities of each national team, while defining realistic research deadlines that will make it possible to obtain a regular flow of results;
- to encourage mutual, constructive criticism among researchers, and ensure internal and external quality control of the work performed;
- to publish research results in the form of technical notes, articles, monographs, etc.;
- to disseminate results by means of seminars, conferences and symposia.

A. Increasing Research Capabilities

17. Various mechanisms will be put in place to achieve the project's objectives. These include:

- a scientific Coordinator;
- support from an internationally recognized external scientific institution;
- Scientific and Executive Committees;
- research and training workshops and seminars;
- specific training activities.

Scientific Coordinator

18. The project provides for the hiring of a full-time Coordinator who will provide scientific leadership for the research teams. In this capacity, the Coordinator will act as a resource person for the national teams and scientific animator for the Réseau as a whole. The scientific duties of the Coordinator are set out in detail in Section VI of this document.

External Scientific Institution (Centre de Recherche et de développement en économique - CRDE)

19. As the Coordinator alone will not be able to meet all the needs of the Réseau, it is expected that some external scientific assistance will be required for training and methodological support. To that end, it has been decided to obtain the participation of a well-known research centre, which will provide support for the duration of the project. This option offers several advantages, among them:

- continuity of support for the scientific cooperation program;
- access to logistical support from the institution in question (specialized resource centre, library, seminar rooms, office staff, etc);
- easier recruitment and coordination of outside technical expertise;
- the opportunity to introduce young national researchers into the international research community;
- the assistance of senior researchers in conducting applied research.

20. The external institution will put a scientific advisor at the disposal of the project, and will help to recruit foreign experts, arrange for the

ensure that the Réseau receives support in the form of documentation, supplies, computer software, publication facilities, seminars, etc."

Scientific and Executive Committees

21. The Réseau's institutional structure is described in detail in section VI. The role of the Scientific and Executive Committees is raised here to emphasize the fact that the members of these committees constitute an additional and important source of expertise for the Réseau.

22. The Scientific Committee will be composed of five to seven prominent members of the scientific community, assisted by a number of observers selected on the basis of their experience and skill who will advise the Réseau and its researchers. Meetings of the Scientific Committee will usually take place in conjunction with Réseau workshops and seminars, which will enable the members of the Committee to play an ad hoc advisory role at these events.

23. The Executive Committee includes the Coordinator and a representative from the external support institution, whose scientific support roles have already been discussed. However we should also mention the role that the other two members of the Committee could play in this regard. These are the representatives from IDRC and CODESRIA. Although these members will naturally have other obligations to meet, their contribution to the Réseau will probably be appreciable, and will constitute an extension of their current responsibilities, which primarily involve scientific support for research in the region.

Methodology Workshops and Research Seminars

24. Efforts will also be made to reinforce the common ground of scientific language shared by the community of researchers participating in the Réseau. This will be achieved through annual methodology workshops, which will help researchers to complete training in their chosen field or recycle old skills which they have had inadequate opportunity to put into practice. As far as possible, the programs of these workshops will be designed to meet the needs occasioned by the research teams' immediate research activities. In addition to theoretical concepts and principles, the workshops will cover methods of economic quantification, discuss the operationality of alternative methodologies, introduce researchers to available software packages, and so on.

25. Research seminars will be run concurrently with the methodology workshops, in order to provide researchers with an opportunity to present their research proposals or disseminate the results of their work. These seminars will help improve the quality of research in the Réseau, by exposing projects to peer-group review and the comments of outside evaluators.

Specific Training Activities

26. In addition to the general training activities of the Réseau, each research team will be asked to identify the specific training needs of its members, as part of its own project. There are plans for short-term training and recycling activities abroad, specialized workshops in local research institutions, and a limited number of conventional one year fellowships. Funds will also be made available for local upgrading in English.

B. Research Methodology

27. The methodological tools to be used by researchers will normally vary from one project and one country to another, according to need. However, there is a need for some methodological standardization, if only to satisfy the Réseau's objective of reinforcing a particular type of economic analysis, but also to take best advantage of the training, workshops and exchanges made possible by the Réseau. Each research team will thus make non-exclusive use of common methodological approaches based on the application of recognized and accepted methods and proposed by the Réseau as a whole. These research tools will obviously be applied to specific research questions, and each project designed by the national teams will thus have to show how the recommended methodologies will be adapted for use on the issues at hand.

28. The methodology proposed for the Réseau is detailed in the unabridged version of this proposal. The orientation will be primarily analytical, with emphasis on quantitative methods and economic modelling. An important distinction can be made between this approach and the more common approach currently pursued in the region, which could be called descriptive, historic, institutional, or qualitative. The dichotomy established here is not done with the intention of claiming superiority of one over the other. In practice, applied economics must use a combination of methods, and it is hoped that Réseau researchers will establish the desired synthesis of the two approaches on their own. However, the Réseau wishes to reinforce that type of economic analysis which is most underdeveloped in Francophone Africa.

V. EXPECTED RESULTS AND THEIR DISSEMINATION

A. Results

29. The Réseau is expected to produce several kinds of results. These include, first and foremost, the build-up of African analytical and critical skills in the field of economics, followed by the facilitation of research into subjects of current concern to African decision-makers and international donor institutions. Among these subjects are: the role of the State in the industrialization process; the link between agriculture and industry; productivity, competitiveness and comparative advantage; the current rate structure of public utilities; and the potential of the

30. Where researchers participating in the Réseau retain their university teaching duties, it is hoped that curricula will benefit accordingly and become more attuned to local realities.

31. The Réseau will increase, and in some cases initiate, dialogue between the African scientific community and decision-makers, who at times seem destined to maintain a mutual distrust of each other. Although this psychological barrier will not disappear overnight, the Réseau will certainly help improve the image of national researchers, whom decision-makers too frequently dismiss as intellectual speculators or dreamers. Some Réseau researchers may come to play a more active role as advisors in the decision-making process itself.

32. Lastly, the Réseau will foster increased interaction between Africans and the international scientific community. This type of dialogue will enable each of these groups to refine their analyses of the economic, financial and technical problems currently plaguing the development of industry in Africa.

B. Dissemination

33. Research results will be disseminated through three principal channels: seminars, briefing notes and scientific publications.

34. The annual seminars of the Réseau will provide a first forum in which researchers may present their results. This will facilitate the early dissemination of results to other members of the scientific community and to a small number of participant decision-makers. National seminars are also planned, to reach decision-makers and managers in each country; and regional seminars are a possibility, especially once research in various countries has dealt with similar topics.

35. Research oriented toward decision-making will be summarized and disseminated in the form of briefing notes as widely as possible to ministries responsible for planning, industry, economics and finance, and other concerned economic actors and associations. These notes should deal with the most pertinent results, and the message should be simple and clear enough to have an impact on policy-makers and those whose activities are affected by economic measures.

36. The Réseau's scientific results will be circulated initially in the form of working documents. Some of this work could also be published as scientific articles, in African journals such as Africa Development, East African Economic Review, the new ADB economic review, etc. It is anticipated that a volume or volumes containing the best research results will eventually be published.

VI. INSTITUTIONAL ASPECTS

A. Institutional Mechanisms

38. The creation of a network of researchers involves the establishment of harmonious group relations. A basic tenet of the Réseau is the creation of a relatively flexible structure, while ensuring the quality of results and the efficient use of human and financial resources.

39. The decision-making structure designed for the Réseau gives a role to each of the three major participating institutions, namely IDRC, CODESRIA (Conseil pour le développement de la recherche économique et sociale en Afrique), which will be acting as the Réseau's operational base, and the University of Montréal's CRDE (Centre de recherche et de développement en économique), which will act as the external support base. Each of these agencies has a technical and scientific expertise, a practical experience in the organization of research projects and networks, and an administrative structure that the Réseau is called upon to combine and use as effectively and efficiently as possible. The Réseau's structure has been designed to give each agency a voice, thus ensuring each party's full participation and involvement in the Réseau's success, while allowing each to monitor those Réseau objectives it considers most important.

40. The Réseau anticipates an important role also for other sources of professional expertise through the operation of the Scientific Committee, and it allows for a significant and continuing advisory role on the part of researchers involved in the Réseau.

41. The Réseau's decision-making structure will have two levels: a Scientific Committee at the top, and an Executive Committee responsible for day-to-day administration.

Scientific Committee

42. The Scientific Committee is the project's technical and moral guarantor and the Réseau's highest authority. It will establish the Réseau's main thrusts, approve the research program and the use of available human and material resources, ensure that project results are disseminated as widely as possible among the agencies involved, supervise Executive Committee activities, recommend scientific advisors for the Réseau and generally act as a source of expertise for the Réseau. The Scientific Committee will evaluate Réseau activities and will be empowered to delegate or reassume responsibilities granted to the Executive Committee, the Coordinator, CODESRIA or CRDE.

43. The Committee will consist of five to seven members, a majority of whom will preferably be African (North Africans included). The Committee will be represented by prominent scholars acting independently of their institutions of origin. These experts will be recruited on the basis both of their research expertise and their professional ties with decision-makers in the area of industrial policy.

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participating in the network, and any resource person employed by international donor agencies would participate on it solely in an advisory capacity.

45. A number of non-voting observers will therefore provide support to the Scientific Committee. This group will include a number of regular observers consisting of the four Executive Committee members and an elected representative of the research teams. There will also be a more informal group of observers, made up of members invited by the Executive Committee by reason of their skills and knowledge in the areas of research on African industrial policy, and which might include individuals affiliated with UNIDO, ADB or the World Bank.

46. The Scientific Committee will meet once a year and elect a chairman from among its own members. Committee members will be appointed for a renewable three-year term.

47. It will be the Scientific Committee's responsibility to approve any project with a budget exceeding SCAD 10,000. To avoid delays in the case of projects requiring approval at times other than the Committee's annual meeting, consideration is being given to circulating the project by mail to approving a "Project Notification Memorandum" (following the approach used in IDRC) for projects whose details are not complete when the Scientific Committee meets.

Selection Committee

48. A selection Committee was established at the last pre-project meeting in Abidjan, in February 1989 and given the responsibility for selecting the first Scientific Committee and project Coordinator. This Committee is made up of representatives from CODESRIA, CRDE and IDRC, and two African researchers.

Executive Committee

49. Project implementation will be undertaken by an Executive Committee made up of four members: the Executive Secretary of CODESRIA, an IDRC economist, a CRDE representative, and the Réseau Coordinator. Each Committee member will be assigned different responsibilities, with a special role for the Coordinator, who will initiate or implement most tasks and chair the Committee. However, the Committee will assume collective responsibility for Réseau operations and will be responsible for its own division of labour. It is anticipated that decisions will rarely be made at formal meetings and frequently delegated to a sub-group within the Committee. Nevertheless, it is planned that there will be between two and four plenary meetings of the Committee each year.

50. The notion of collective responsibility is by no means unimportant. It is a way of enhancing the decision-making process, a guarantee of effective consultation between those involved, and a means of ensuring ongoing commitment and involvement in the success of the réseau. It also represents a means of reducing the risks of failure for the Réseau, and an

51. The primary functions of the Executive Committee will be to:

- assume the administrative and financial duties necessary for the healthy pursuit of Réseau activities, in compliance with authorized budgets;
- assist the Coordinator in his or her scientific work;
- represent the Réseau vis-à-vis government and other authorities;
- evaluate thematic research projects submitted by national teams and decide whether to reject them, return them to the researchers for further elaboration, recommend them for approval to the Scientific Committee, or approve them directly in the case of projects with budgets of under \$CAD 10 000);
- regularly assess the research teams' work and suggest modifications to their research programs;
- evaluate in particular the research teams' interim reports and authorize the disbursement of subsequent payment;
- approve and authorize training and retraining activities;
- organize research workshops and seminars;
- authorize external support activities; and
- ensure the dissemination of research results achieved in the Réseau.

Coordinator

52. The project Coordinator will be directly responsible to the Executive Committee. He will implement Executive Committee decisions, assume all administrative and financial responsibilities delegated to him by the Executive Committee, monitor Réseau activities on a day-to-day basis, and provide scientific guidance for the research teams.

53. Among the many scientific duties to be undertaken by the Coordinator may be mentioned the provision of assistance for the preparation of project proposals, methodological assistance, facilitation of access to literature, comments on preliminary results, and editorial assistance with a view to publication of research results.

54. The successful candidate will have:

- solid academic training;
- suitable experience in quantitative economics and analysis and applied economic research;

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- an in-depth knowledge of the African scientific environment; and
- a marked interest in policy analysis.

Decision-Making Process

55. As far as possible, Réseau group decisions will be reached by consensus, with the option of a majority vote in the event of a deadlock.

B. Supporting Institutions

CODESRIA

56. CODESRIA is a pan-African agency established in 1973 to coordinate and promote social science research in Africa. It is a non-governmental organization that was set up by over a hundred social science research institutes and university faculties, which are its constituent members.

57. CODESRIA offers the Réseau a good deal of experience in network research, since the predominant type of research activity supported by CODESRIA is organized around working groups conducting comparative national, sub-regional and continental studies. Between 1985 and 1988, it organized seven multinational working groups, including a network on "Industrialization, Mining Resources and Energy. CODESRIA has established approximately ten priority areas for organizing multinational task forces, one of which is "Industrialization and Development.

58. CODESRIA is based in Dakar, and is headed by an Executive Secretary and a Deputy Executive Secretary. The Secretariat offers the following facilities:

- a. a conference room with simultaneous translation equipment (40-person capacity),
- b. a translation service,
- c. excellent communications facilities, including telex, FAX and E-mail,
- d. a printing service,
- e. an information and resource centre (CODICE), and
- f. the physical infrastructure to house the Réseau.

CRDI

59. The CRDI is a university-based research, training and service entity. Its general objective is the pursuit of research in various areas of economic development. It is active in four research fields: econometrics, development economics, international economic development, and...

affiliated with the University of Montreal, but affiliated researchers come from other Canadian and overseas universities. Its international economic development specialty currently employs four regular researchers, three professionals and five outside contributors.

60. CRDE's experience in international cooperation began in 1970, with technical assistance projects in the area of planning in Niger and Mauritania. More recent initiatives have involved the Institut de Planification et de la Statistique in Algeria, and the Institut d'Economie Quantitative in Tunisia. Studies have also been carried out for the Club du Sahel. CRDE specializes in economic modelling and computation, and has experience in organizing short-term training and internships.

C. National Teams

95. Nine national research teams have been contacted by IDRC in West and Central Africa to form an initial nucleus of researchers. This group is neither exclusive nor permanent, since membership in the Réseau will depend above all on the quality of proposals received and on research results (taking into account training objectives and the initial disadvantages experienced by some countries with respect to the availability of trained researchers).

61. In alphabetical order by country, these initial teams are:

- a. BENIN: The Institut national d'économie, Université nationale du Bénin. Research Coordinator: Louis MIKPON-AI
- b. BURKINA FASO: the Centre de documentation, d'étude et de recherche économiques et sociales at the Université de Ouagadougou. Team leader: Hervé Tibo Kaboré, Director of CEDRES;
- c. CAMEROON: the Faculté de droit et des sciences économiques at the Université de Yaoundé. Team leader: Nssah Essama, Vice Dean of the Faculty;
- d. CONGO: the Laboratoire de recherche économique et sociale at the Université Marien N'Gouabi. Team leader: Aimé Dieudonné Mianzenza;
- e. Côte d'Ivoire: GERIDA (groupe d'études et de recherches en industrie et développement d'Abidjan) at the Faculté des sciences économiques, Université d'Abidjan. Contact: Kouassy Oussou;
- f. MALI: École nationale d'administration. Team leader: Nouhoum Sankaré, former advisor to the Prime Minister and currently advisor to the Minister of Transportation, Telecommunications and Tourism;
- g. SENEGAL: The Direction de la prévision et de la conjoncture, Ministère de l'Économie. Team leader: Mame Cou SESSÉ Diop, Director and

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the Faculté des sciences juridiques et économiques at the Université Cheik Anta Diop. Main contact: Abdoulaye Diagne;

- h. TOGO: École supérieure des techniques économiques et de gestion at the Université du Bénin. Team leader: Kokou Banninganti;
- i. ZAIRE: the Institut de recherches économiques et sociales at the Université du Zaïre. Team leader: Kioni Kiabantu, Dean of the Faculté des sciences économiques.

62. The teams have progressed to varying degrees in organizational and operational terms. Proposals have been received from Bénin, Burkina Faso, Congo, and Côte d'Ivoire, and small amounts of funding have already been approved for work in Côte d'Ivoire and Burkina Faso. Other teams, such as those in Senegal and Mali, have established some project ideas and are in the process of putting them into concrete form. Invitations to the first methodology workshop will be made in early August, 1989, on the basis of proposals received at that time.

VII. OPERATIONAL ASPECTS

A. Types of Projects

63. The Réseau will provide support for three types of projects:

- a. basic thematic projects that are consistent with the Réseau's thematic approach and are developed in accordance with IDRC's regular standards. These projects could extend over two or three years and would be designed to generate a finished product of publishable quality. However, so that they can be presented at annual workshops, these projects would be expected to attain specific intermediate production objectives, and their quality should be sufficient to justify continuation.
- b. small projects (under SCAD 10,000) that are consistent with the Réseau's thematic approach and could be approved by the Executive Committee on the Coordinator's recommendation. These projects would be administered very flexibly, and could be used for any purpose requiring the rapid disbursement of funds with little administrative cost. It is anticipated that this type of funding will be used frequently in the first phase of research, before progressing to the type of funding needed for regular thematic projects.
- c. other small research projects (under SCAD 10,000) related to the general field of industrialization but not exactly within the scope of the Réseau's thematic approach.

B. Réseau Budgetary Management

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effective. These arrangements are indicated in the budget. CODESRIA will be responsible for most operational expenditures, including the bulk of the research funds, while CRDE will be responsible for outside support activities. IDRC will manage funds for training and fellowships, and retain control over a contingency fund, along with miscellaneous items such as selection of the Coordinator and project evaluation. Decision-making responsibility for allocation of project funds will, of course, remain with the Executive and Scientific Committees.

VIII. PROJECT DURATION AND BUDGET

65. The project commenced its activities on approval in March 1989. Phase I of the project is anticipated to last 39 months, i.e. three years plus a three-month "set-up" period at the beginning of the project. Research projects begun during this phase will extend beyond it, for as much as three years. The project is a long-term endeavour, and subsequent phases of support are thus anticipated.

66. The project budget has been established at SCAD 2,967,800, \$1,356,000 of it supplied by IDRC.

RESEAU BUDGET, IN CAD

FULL BUDGET, REVISED

	YEAR 1	YEAR 2	YEAR 3	TOTAL	% of grand total
COORDINATOR'S OFFICE *					
1. Salaries and benefits					
---Coordinator	67500	70900	74400	212800	
---Secretary/assistant	15000	16200	17500	48700	
2. Travel	30000	25000	25000	80000	
3. Support services					
---Office equipment	20000	0	0	20000	
---Office furniture	5000	1000	0	6000	
---Communications	8400	8400	8400	25200	
---Documentation	6000	5000	3500	14500	
---Reproduction	4800	4800	4800	14400	
---Translation	5000	5000	10000	20000	
---Supplies and services	3800	3600	3600	11000	
---General administration	19000	19800	20600	59400	
SUB-TOTAL	184500	159700	167800	512000	0.190
ANNUAL WORKSHOP/SEMINARS *					
---Travel	33000	34300	35700	103000	
---Per diems	66100	45900	35800	147800	
---Hospitality and coffee	5500	4400	3800	13700	
---Conference room	2100	1400	1100	4600	
---Insurance	3000	2300	2300	7600	
---Honor., Scient. Committee	3700	3700	3700	11100	
SUB-TOTAL	113400	92000	82400	287800	0.107
REGIONAL SEMINARS/WORKSHOPS *	10000	10000	25000	45000	0.017
RESEARCH PROJECTS **					
---thematic projects	250000	350000	250000	850000	
---Related small projects	20000	30000	30000	80000	
SUB-TOTAL	270000	380000	280000	930000	0.345

TECHNICAL SUPPORT ***

---Honoraria	65000	50000	50000	165000	
---Travel	30000	25000	25000	80000	
---Technical services (doc., reprod., commun.)	14400	10600	10400	35400	
---Secretariat, 1/2 time	15000	15000	15000	45000	
---Indirect costs (13%)	16200	13100	13100	42400	
SUB-TOTAL	140600	113700	113500	367800	0.136

TRAINING ****

---Sessionals (4 per year)	36000	36000	36000	108000	
---Annual fellowships	120000	120000	120000	360000	
---English language trng.	10000	8000	7000	25000	
SUB-TOTAL	166000	164000	163000	493000	0.183

PUBLICATIONS **** 0 6000 6000 12000 0.004

RECRUT. OF COORDINATOR **** 15000 0 0 15000 0.006

EVALUATION **** 0 0 35000 35000 0.013

TOTAL 899500 925400 872700 2697600 1.000

CONTINGENCY (10%) **** 89900 92500 87300 269700

GRAND TOTAL 989400 1017900 960000 2967300

GRAND TOTAL IN US \$ 811300 834700 787200 2433200
(1 CAD = .82 USD)

- * FUNDS ADMINISTERED BY CODESRIA
- ** FUNDS ADMINISTERED PRIMARILY BY CODESRIA, SHARED IN PART WITH IDRC
- *** FUNDS ADMINISTERED BY CRDE
- **** FUNDS ADMINISTERED BY IDRC