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CENTRAL TUNISIA AREA DEVELOPMENT SUB-PROJECT PAPER

Conformed to NEAC of Dec. 14, 1978
and Subsequent USAID/Tunis Inputs:
March 2, 1979

APPROVED BY ADOTHR

MARCH 28, 1979

314

BEST AVAILABLE DOCUMENT

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET SUB-PROJECT 1		TRANSACTION CODE <input type="checkbox"/> A ADD <input type="checkbox"/> C CHANGE <input type="checkbox"/> D DELETE <div style="border: 1px solid black; display: inline-block; padding: 2px;">A</div>	PP 2. DOCUMENT CODE <div style="border: 1px solid black; display: inline-block; padding: 2px;">3</div>
3. COUNTRY ENTITY TUNISIA/USAID		4. DOCUMENT REVISION NUMBER <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div>	
5. PROJECT NUMBER (7 digits) <div style="border: 1px solid black; display: inline-block; padding: 2px;">664-0312.1</div>	6. BUREAU/OFFICE A. SYMBOL NE B. CODE <div style="border: 1px solid black; display: inline-block; padding: 2px;">03</div>	7. PROJECT TITLE (Maximum 40 characters) <div style="border: 1px solid black; display: inline-block; padding: 2px;">Central Tunisia Area Development</div>	
8. ESTIMATED FY OF PROJECT COMPLETION FY <div style="border: 1px solid black; display: inline-block; padding: 2px;">8</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">4</div>		9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY <div style="border: 1px solid black; display: inline-block; padding: 2px;">79</div> B. QUARTER <div style="border: 1px solid black; display: inline-block; padding: 2px;">2</div> C. FINAL FY <div style="border: 1px solid black; display: inline-block; padding: 2px;">81</div> (Enter 1, 2, 3 or 4)	

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$) -

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. LC	D. TOTAL	E. FX	F. LC	G. TOTAL
AID APPROPRIATED TOTAL	982	500	1482	1700	2800	4500
GRANT	982	500	1482	1700	2800	4500
LOAN						
OTHER U.S. 1. Title I Counterpart		250	250		250	250
2. U.S.						
HOST COUNTRY		150	150		1500	1500
OTHER DONOR(S)						
TOTALS	982	900	1882	1700	4550	6250

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>79</u>		H. 2ND FY <u>80</u>		K. 3RD FY <u>81</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) FN	200	210		1482		1385		1633	
(2)									
(3)									
(4)									
TOTALS				6482		1385		1633	

A. APPROPRIATION	N. 4TH FY		O. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED
	P. GRANT	Q. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1) FN					4500		<div style="border: 1px solid black; display: inline-block; padding: 5px;"> MM YY 10 80 </div>
(2)							
(3)							
(4)					4500		
TOTALS							

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET

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 1 = NO
 2 = YES

14. ORIGINATING OFFICE CLEARANCE		15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS. DATE OF DISTRIBUTION <div style="border: 1px solid black; display: inline-block; padding: 5px;"> MM DD YY 11 17 78 </div>
SIGNATURE		
TITLE <i>Herman O. Marshall</i> Director, USAID/Tunis (Acting)		
DATE SIGNED		<div style="border: 1px solid black; display: inline-block; padding: 2px;"> MM DD YY 11 17 78 </div>

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5

II. SUB-PROJECT DESCRIPTION

A. General

The Area Development sub-project is designed to support three activities:

1. In-country training for regional planning and evaluation.
2. Technical consultation in planning, designing, and managing specific U.S., Government of Tunisia (GOT) or other donor-financed investments in the region.
3. Grant U.S.-financing of an "experimental fund" designed to assume the direct costs of fully experimental test projects in all aspects of area and rural development.

These activities will be executed through the venue of the Central Tunisia Development Authority (CTDA). Their purpose will be directed at:

-- Increasing the efficiency, effectiveness, and access to basic infrastructure and public services within the region.

Current GOT technologies, delivery systems, standards, management, and conceptual approaches to problem-solving appear to be often ill-suited to the needs of a disadvantaged region with a highly dispersed population. This observation applies to infrastructure, technical services, and social services as well. It is essential to develop lower cost technologies and new forms of services delivery if the gap between the Central Tunisian region and other parts of the country is to be reduced and the quality of life brought closer to the national average.

-- Improving utilization and management of the natural resource base of the region.

Existing land and water resources are inefficiently used, even with the capabilities of existing crop varieties. Improved extension leading to improved farm practices could, therefore, have a favorable impact upon production. An even greater impact could be derived from careful planning of land and water use. Such planning could then be implemented by CTDA through programs of erosion control, irrigation, attention to processing and marketing, new varieties and better cropping patterns, more profitable employment of family labor, and improved defenses against crop failure and associated decapitalization.

-- Stimulating private investment and off-farm employment in the Central Tunisia region.

Migration for work in the cities, in Libya or in Europe, is a common component of family survival strategies in the region. Current labor patterns leave the region with heavy underemployment combined with real labor shortages for certain agricultural operations. Small local agro-industries or even light manufacturing may represent alternatives to migration and a stimulus to adoption of improved agricultural practices in the region.

-- Installing within the CTDA the institutional and technical capacities to effectively promote planning, management, and evaluation as a part of all GOT-sponsored developmental activities within the region.

Only an Authority vested with the responsibility for analyzing the peculiar problems of the region and doing something about them can check the trends toward growing inter-regional disparity. It must be free to experiment and accept the entrepreneurial task of reorganizing public resources to implement proposed solutions. Development of a strong CTDA planning and evaluation capacity, therefore, comprises a major part of the institutional capacity which must be established if effective regional development is to occur.

B. Technical Interventions

Each of the activity components will come into place after the CTDA is established. They include, in detail:

1. Training -- Evaluation and Planning

An Evaluation and Planning Unit (EPU) will be created within the CTDA. It will be staffed by Tunisians, charged to plan development for the region, and evaluate the impact of public efforts on development.

A.I.D.'s most important input, therefore, will be the provision of on-the-job training at the EPU for staff members. This will take place for three years.

All training will be in the French language. It will be given in Kasserine, with the exception of short "study tours". Training will be formal (i.e. regular testing will be given and a "certificate" awarded upon successful completion of the course). It will take place in a praxis mode. That is, all training exercises will utilize the actual planning tasks assigned to the EPU.

* The course will lead to the University of Wisconsin certificate in Regional Planning.

As will be noted from the Outputs Table, at least 10 CTDA staff will receive 24 weeks of the certificate course in regional planning; and an additional 25 CTD; staff members will obtain 8 weeks of training.

Training on regional planning techniques and in the methods of project design will be provided by the University of Wisconsin as a cooperator under a Cooperative Agreement as contracted with the Development Support Bureau, Office of Rural Development and Development Administration, AID/Washington.

Similarly, at least three (3) of the CTDA staff will receive training in evaluation and data management techniques. Additionally, 10 CTDA staff and possible selected governorate officials responsible for rural development will receive formal training in those techniques for shorter periods of time.

Training of CTDA staff in the gathering of data management of information systems and in the techniques of analysis and evaluation will be provided by Wisconsin University with assistance from Cornell University Macro-Social Accounting/Evaluation Staff as appropriate.

2. Technical Consulting

The project will assign one long-term (3 years) American advisor to the CTDA in Kasserine. He will be a specialist on regional planning. (See Annex B for position description). A second long-term advisor may be added at such time as it is mutually agreed to by CTDA and USAID. He would be an agricultural planner. The bulk of the technical assistance will be short-term and coordinated by the University of Wisconsin Senior Resident Advisor (Regional Planner).

The contractor will provide technical assistance to the EPU concerning the development of specific investment projects for the region. Emphasis will be upon approaches which rationalize the currently ad hoc character of government efforts in the region; but with due attention to the principles reflected in the current Programme de Developement Rural (PDR) of the GOI. In particular, the effort will encourage the planning, implementation, and evaluation of projects that utilize technologies, modes of organization, and types of services suitable to the natural, social, economic and administrative environment of the region and financially feasible within its resource endowments.

The contractor will help to coordinate the above activities and other USAID interventions to the region. This includes responsibility for bringing the EPU, within three years, to a skills-trained position where it can design projects and plans and draft a regional plan for the Ministry of Plan. The contractor will assist the EPU to develop a number of interim "investment strategies" for the region in order to lay the groundwork for such a plan. Timing on this particular effort is particularly important because the initial planning for the next GOT Five-Year Plan will start in 1981.

Projects planned and designed by the EPU during the three-year period may include those activities funded from that portion of the GOT Rural Development Fund allocated to the CTDA, activities funded by USAID and other donors, and projects to be funded from regular investment budget funds under the next Five-Year Plan.

3. The "Experimental Fund"

This Fund will be managed by the CTDA with detailed administration assigned to the EPU of CTDA. The Fund (obligated in three tranches) will be used to assume the direct costs of fully experimental pilot projects within the eight delegations described in the project Paper. Such projects will be aimed at testing (a) new technologies (e.g. lower cost potable water delivery systems); (b) more efficient means of organizing social services (e.g. use of para-professionals); and (c) ways of exploiting complementarities among existing programs (e.g. coordination of programs for expansion of irrigation facilities, extension of new cropping patterns, and loans for small agro-industries).

The purpose of these various experiments will be to explore with other GOT agencies replicable models of interventions suited to the region. This "experimental fund" will be dollar-funded with matching Tunisian Dinar (TD) counterpart funds.

4. Commodities and Supplies

This will include appropriate calculating equipment with a data storage and manipulation capacity suitable to the needs of the EPU, and a limited amount of office equipment essential to support the research, training, and planning efforts, and two new vehicles (U.S. manufacture diesel V.W.s) for logistical support of the EPU.

5. Support Services

(See Project Paper sections on CTDA).

C. INPUTS AND EXPECTED OUTPUTS:

TABLE 1
SUMMARY OF PROJECT INPUTS

INPUT	! UNDER AREA ! PLANNING CONTRACT	! UNDER EVALUATION ! SYSTEMS CONTRACT	TOTAL
<u>Training Staff On-site</u>			
Regional Planning			
Macro-social Evaluation & data mgmt.	24 PM		24 PM
		8 PM	8 PM
TOTAL US STAFF INPUT FOR ON SITE TRAINING			32 PM
<u>Technical Consultants</u>			
Regional Planning			
Short-term	32 PM		32 PM
Long-term:			
a. Regional Planner	36 PM		
b. Agric. Planner			36 PM
Evaluation & Data Mgmt.		6 PM	6 PM
TOTAL LONG & SHORT-TERM CONSULTANTS			68 PM
<u>SUPPORT SERVICES (Local Hire)</u> <u>FOR LOGISTICS AND ADMINISTRATION</u>			
Senior Admn. Officer (Kasserine)	48 PM		
Junior Admn. Officer (Tunis)	36 PM		
Proj. Admin. Secretary (Kasserine)	48 PM		
TOTAL LOCAL CONTRACT ADMINISTRATIVE/LOGISTICAL STAFF			132 PM
<u>AREA DEVELOPMENT EXPERIMENTAL FUND</u>			
Grant to CTDA, co-managed by Area Development Contractor			\$2.8 million
TOTAL GRANT FUNDS FOR RD EXPERIMENTAL PROJECTS			\$2.8 million
<u>EQUIPMENT & SERVICES</u>			
Scientific & Office Supplies (contractor procured)	\$100,000		\$100,000
Minicomputer (contractor procured)		\$50,000	50,000
Large frame computer time	\$ 50,000	5,000	55,000
Preparation of trng. materials	\$ 60,000	15,000	75,000
Vehicles for U.S. Project Staff (2 U.S. made VW diesel sedans) AID procured			20,000
TOTAL DOLLAR COST OF EQUIPMENT & SERVICES			\$300,000

NOTE: this admin. staff will support the entire CTRD, not just the Area Development, but will be funded through Area Planning Contract & managed by that contractor.

7X

TABLE 2

SUMMARY OF PROJECT OUTPUTS

TRAINING: At least 10 CTDA staff, including all of the five professionals, will have received the full 3-year certificate course in regional planning. An additional 25 staff of the CTDA will have received at least 8 weeks of regional planning training related to their technical specialities. All training in French.

110 PMs of formal on-site training in regional planning, evaluation, and data management and formal on-site training in evaluation and data management

At least 3 of the CTDA staff will have completed 6 months of on-site formal training in evaluation and data management techniques. At least 10 additional CTDA staff will have had some formal training in evaluation and basic project data management related to their technical areas. All training in French.

DATA MANAGEMENT SYSTEMS:

A minicomputer will be set up in the CTDA with fully operative files for planning and evaluation with all members of the EPU trained to operate the system.

One Regional Data Management System fully operational

REGIONAL PLAN & SUPPORTING DOCUMENTS:

The EPU, with technical support from the 2 long-term technicians, will produce a series of iterations of regional investment schedules with increasing specificity and with inter-sectoral linkages. This will lead to a final draft regional plan for input in the next GOT Five-Year Plan.

One draft regional plan

EXPERIMENTAL PROJECTS:

Over four years, the EPU at CTDA will conduct a series of experimental sub-projects which in most cases, will produce or define specific technologies for the Central Tunisia region, specific models of program organization, or regionally specific design and costing parameters. At least 15 such projects in such areas as potable water, transport, off-farm employment, preventive health services, etc., will be completed by the end of project.

15 completed experiments

EVALUATION STANDARDS FOR GOT AGENCIES
IN THE REGION:

Over the life of project, we can forecast a measurable improvement in the precision of indicators used for performance evaluation and in the types of evaluation analysis applied as well as a proved reduction in the error terms in multi-variate analysis. A functioning CTDA evaluation system.

One CTDA evaluation system

III. SUB-PROJECT SPECIFIC ANALYSES

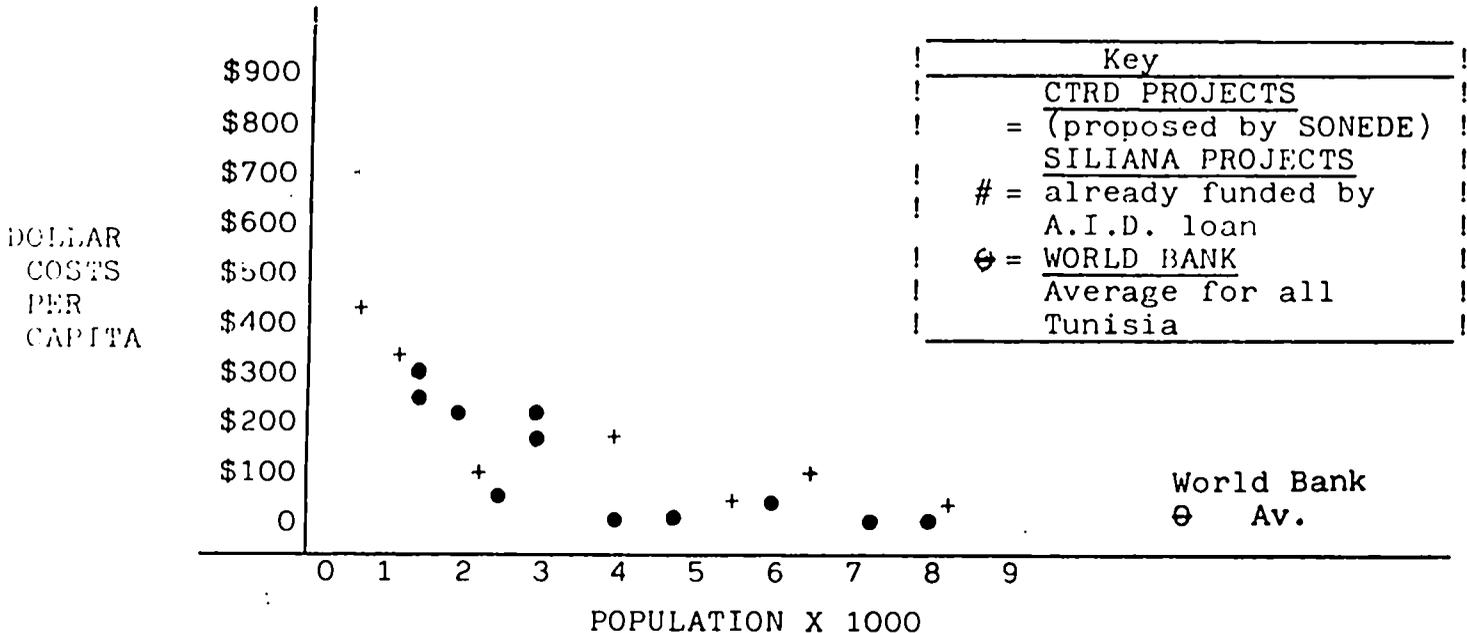
A. Economic Feasibility

The returns to planning investment in Central Tunisia will be less in the form of cash return on project cost than in terms of increased efficiencies and lowered unit or per capita costs of future investment in the region. If properly developed, this can provide numerous opportunities for adoption of alternative strategies.

An example of the kinds of control which this sub-project can provide on future costs is indicated in Table 3 below which relates SONEDE potable water systems costs to the demographic variable in Central Tunisia, and the cost comparison table which permits evaluation of existing alternative technologies. These data suggest that the GOT and A.I.D. have probably already overinvested in some potable water systems in the area. They suggest, too, that the careful application of rational regional planning to the development of a regional water investment policy could yield considerable cost savings.

TABLE 3

VILLAGE POPULATION vs, COSTS PER CAPITA OF SONEDE SYSTEMS



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TABLE 4

ALTERNATIVES TO THE SONEDE MODEL FOR SMALL POPULATION CENTERS
(actual and derived costs)

SONEDE values: 350 pop. served at \$400/capita for 30 liters/capita/day

Initial Cost (TD)	Pop. Served	Liter/ capita/day	Cost/ Capita (\$)	Cost/ m3 (TD)	20 Year Cost/m3 (TD)
Spring TD1,143.294	350	16	\$8.25	0.575	0.050
Dug & Augered Well (new) 2,077.487	350	16	14.75	1.016	0.086
Dug Well (2 new pumps) 1,573.487	350	16	11.50	0.794	0.090
Drilled Well w/hand pump (new) 1,800.000	350	16	13.00	0.900	0.077
Dug Well w/ motor pump 6,832.000	500	20	34.00	1.872	0.332
Rainwater Catchment 5,275.000	20	16	-	-	-
Drilled Well w/motor (new) 7,907.200	500	20	51.75	2.286	0.335
New Dug Well w/motor 6,348.000	500	20	40.75	2.233	0.347

This sub-project is aimed at creating an institutional capacity (for about \$4 million) for planning, implementation, and evaluation. It is hoped that this will assure the more efficient use of public resources in the region. Within twelve months, the sub-project should be able to devise optimal solutions to the potable water supply problem illustrated above. Within two years, it is expected to have improved investment criteria for road siting and design standards. Within three years, the EPU should be in a position to assist in seeking least-cost solutions to virtually any of the public investment situations which the CTDA is likely to confront.

Under these circumstances, the medium-and long-term cost-effectiveness of this undertaking should be excellent. Its overall design favors lowered costs and high returns in infrastructure projects and improved equity in economic projects because:

1. All the technology transfer takes place on site at Kasserine. The time and money costs of moving staff from the job-site to distant or overseas training is completely eliminated.

2. There is focus on producing analytical and operational capacity among staff and physical infrastructure which already exists.

3. In accordance with the Blackton investment formula for economic projects selected at the outset of design, the Area Development activity emphasizes the redistribution of increments of growth to the lower income elements of the region's population. It will build equity biases into the CTDA planning formats. 1/

4. The first 18 months of sub-project operation will concentrate on rationalizing complementarities among existing investment alternatives (vis. potable water) rather than on high-risk departures from known technologies and models. As the planning capacities of the EPU increase, the ability to control risk also increases and the scope of experimentation can be widened.

An implied IRR cannot be attached to an investment in area development planning. Total GOT and A.I.D. financing are now projected at an initial level of about \$40 million a year. The GOT investment is projected to rise as the years go by. We can at least anticipate that the \$4 million cost of the EPU will be amortized within the life of this sub-project through induced cost savings and efficiencies of total program investment.

B. Social Soundness Analysis

(See relevant section in Project Paper)

1/ See Annex C for equity-biased investment formula.

C. Technical Feasibility

Since this is basically an institution-building activity, the technical feasibility aspect cannot be separated from development administration-type issues.

1. CTDA capacity to absorb an intensive regional planning input

Planning, in the European sense, is important to the Government of Tunisia. Government policy requires maintenance of resource inventories (water resource inventories are a prime example in Tunisia) and supports the formal process of fitting investment projects into a carefully defined macro-plan. Hence, the Area Development sub-project enters an environment where some forms of planning are established and legitimate.

The budgetary and managerial environment of the GOT is also reasonably receptive to the use of planning tools. Particularly those which make complex development objectives tractable to the budget process: cost-per-beneficiary measures, capital vs. O&M cost comparisons of investment alternatives, IRR calculations on economic projects, etc. Providing the CTDA with capacity to handle tools of this sort will help to legitimize its place in the GOT system and influence investment decisions.

The GOT is increasingly interested in regional planning. It has noted at least two deficiencies in the present Tunisian planning process:

a. A lack of planning flexibility to shift from national to regional perspectives.

b. A tendency to focus on the logical ordering of known techniques and models rather than to identify and solve alternative cost/design/technology equations.

Ultimate determination of the capacity of CTDA to work on regional planning will be settled, in part, by the kinds of leadership and staff assigned. But the opportunity for effective development of such a capacity seems very favorable.

2. Availability of technically competent personnel

There are a number of junior and middle-level civil servants who have had formal training and experience in economics and statistics and in the use of the quantitative tools required for regional planning. Many would welcome the opportunity for training (cum certificate) by the University of Wisconsin.

3. Availability of contract skills to deliver the technical assistance

A.I.D. has investigated the availability of skills required for this project. Each of the two prospective contractors -- University of Wisconsin and University of Cornell -- possess special technical skills and interests which fit them uniquely for performance of various aspects of this project. The University of Wisconsin has just won a competition for A.I.D. contracting on regional planning. It competed against the best planning institutions associated with American academia. Similarly, the University of Cornell has developed an information and analysis system that is unique. Both of these institutions assert that they are in a position to deliver the necessary Francophone technical services as specified in the PP and Annexes.

4. The minicomputer based information system

A careful technical feasibility study favors the establishment of field minicomputer capability for several reasons:

a. The wage levels for statistical clerks set the cost of manual data management as prohibitive levels.

b. Tunis level data coding and processing, while feasible, is not desirable because the program is at one removed and rendered somewhat mysterious to EPU staff. Furthermore, data manipulation by the users in the field is more efficient and improves the confidence of the data users.

c. U.S. minicomputers are already in use in Tunisia. The Agricultural Studies Center (CNEA) uses the HP 45 which is recommended in the feasibility study.

d. The capacity of a minicomputer (less than 100K) is more than adequate for the kinds of data storage, manipulation, and analysis required for the EPU.

e. The system cost (about \$50,000 with ancillary equipment) and program software is reasonable in terms of the sub-project magnitude.

f. CTDA staff trained on the minicomputer can move into other GOT planning jobs which use similar equipment. This can serve as an additional inducement for technically ambitious young staff to join the CTDA.

133

5. Institutionalization of the CTDA planning functions

This will require that, early on, the EPU gain acceptance and influence within the organization by demonstrating its problem-solving capacity. With the University of Wisconsin technical assistance available from inception, the CTDA's EPU will have a capability for program evaluation and analysis (of the type exemplified by Section III.D. of the Project Paper) which will permit it to shape program strategies for different sectors (agriculture, potable water, transport, etc.) rather than simply react to project proposals made by technical divisions. This will encourage the CTDA Director to rely increasingly on the EPU for analytical inputs to major policy and program decisions and the technical divisions to rely on the EPU for assistance in project design.

D. Administrative Feasibility

This Area Development activity has been designed for GOT/contractor implementation with minimum operational support from USAID. The prime contractual relationship will be between DSB/RAD (see Project Paper) and two U.S. universities with whom it holds cooperative agreements and contracts.

1. Responsibilities

The University of Wisconsin, operating as a cooperator under the AID/W Cooperative Agreement with a contractual relationship to DSB/RD and a separate Memorandum of Understanding with the CTDA, will have responsibility for overall implementation of technical assistance under this sub-project. It will be specifically responsible for the planning, analysis project design information systems, and evaluation components of the sub-project. Cornell University, operating under a separate Cooperative Agreement with A.I.D., will provide macro-social accounting technical advisory and training resource for data systems and evaluation where judged appropriate by the CTDA and the University of Wisconsin. The University of Wisconsin senior resident advisor (regional planner) will be responsible for overall coordination of advisory and training inputs from both Cooperative Agreements.

Responsibility for management of the "Experimental Fund" will be vested in the CTDA. The University of Wisconsin's staff may provide advisory assistance. Broad criteria for the utilization of this Fund (and of the Rural Development Program (PDR) funds made available by the GOT) will be developed by the chief of the CTDA Evaluation and Planning Unit in consultation with the University of Wisconsin senior resident advisor approved by the GOT and USAID, and incorporated into a sub-project Implementation Letter. All pilot projects proposed for financing would

have to meet these criteria and, in the case of the A.I.D.-funded "Experimental Fund", a certification to that effect by the senior resident advisor would be required prior to disbursement from the Fund. No prior approval from USAID, however, would be required, on a project-by-project basis.

Experimental interventions which meet PDR criteria would be financed jointly by A.I.D. and GOT (PDR) funds. Those which do not meet PDR criteria (for instance, those which do not qualify as "investment projects") would have to be financed entirely from the A.I.D.-funded "Experimental Fund" (and, possibly, funds contributed by other agencies).

The performance of the "Experimental Fund" would be reviewed jointly by USAID, AID/W evaluation staff, the GOT and the two contractors as part of the intensive mid-term evaluation scheduled for October 1980. It would be a condition precedent to disbursement from the FY 1980 tranche of the "Experimental Fund" that a determination be made in writing by A.I.D. either (a) that pilot project funded from the FY 1979 tranche of the "Experimental Fund" by and large have met the criteria previously agreed upon, or (b), if those criteria have not been met, that steps have been taken to insure they will be met in the future.

2. Logistical Support

The structure and financing of this unit is detailed in the Project Paper.

3. Environmental Analysis

(See Section in Project Paper)

IV. FINANCIAL PLAN

The financial plan for the duration of the sub-project is shown below in Table 5. While inputs will be phased in over a five-year period, the sub-project will be incrementally funded over a three-year period. 1/

The funds budgeted for the Area Development Cooperative Agreement include \$1,260,000 for advisory and training services and \$150,000 for administrative support of all U.S. contract services under the Area Development, Dryland Farming Systems and Small Holder Irrigation sub-projects.

1/ Incremental funding is in line with funding guidance to USAID. Mission would prefer life-of-project funding.

- 14 -

Disbursements under the two Cooperative Agreements will be made by AID/W on the basis of a schedule to be established by DSB/RAD. This schedule will provide for dollar advances both for advisory services and administrative support. Dollar funds advanced under the Area Development Cooperative Agreement for administrative support will be converted into Tunisian Dinars by the contractor at the American Embassy accommodation exchange facility.

While all equipment directly related to planning and information systems is funded under the two Cooperative Agreements, two administrative vehicles and a modest amount of general office equipment are funded as a separate line item and will be procured under P10/Cs.

Only local currency expenditures will be financed from the Area Development Experimental Fund. An initial advance will be made to the CTDA on the basis of an estimated requirement for the first six months, to be developed jointly by the senior resident advisor and CTDA staff. Subsequent disbursements will be made on an actual cost reimbursement basis.

TABLE 5
FINANCIAL PLAN
(thousands of dollars)

	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>	<u>TOTAL</u>
Area Development Coop Agreement (Planning)	802	310	298	1,410
Local Participation Coop Agreement (Evaluation)	130	75	35	240
Commodities	50	-	-	50
Experimental Fund	<u>500</u>	<u>1,000</u>	<u>1,300</u>	<u>2,800</u>
	1,482	1,385	1,633	4,500

V. IMPLEMENTATION SCHEDULE

(See Project Paper)

VI. EVALUATION PLAN

(See Project Paper)

19/20

VII. CONDITICNS, COVENANTS, NEGOTIATING STATUS

(See also the Conditions and Covenants Section of the Project Paper)

The following conditions precedent, which must be satisfied in form and substance satisfactory to A.I.D. are applicable to the components of the Central Tunisia Area Development sub-project identified below:

A. Technical Services:

Before the initial disbursement can be made for technical services under this sub-project, adequate staff must be assigned to the CTDA Evaluation and Planning Unit, including the head of the Unit, at least five professionally qualified planners and sufficient sub-professional technical and clerical personnel. These staff must be physically working full-time at the CTDA in Kasserine.

B. Experimental Fund:

Before the initial disbursement can be made under the "Experimental Fund" portion of this sub-project, the Government and USAID must approve, in writing, a set of criteria for use of the "Experimental Fund," to be developed by the CTDA Evaluation and Planning Unit in consultation with the senior resident area development planning advisor.

C. Formal On-site Training:

Before the initial disbursements can be made for formal on-site training, the Director of the CTDA shall furnish an assurance, in writing, to USAID that staff enrolled in this training will be permitted sufficient released time to permit them to fulfill all the training requirements.

BEST AVAILABLE DOCUMENT

21

Area Development Log Frame

ANNEX A

<u>PURPOSE</u>	<u>WAYS & MEASURES</u>	<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
Establish CTDA evaluation and planning capacity to manage the natural and other resources of the region with emphasis upon increased income, employment, efficiency, and access to rural infrastructure and services	1. Evaluation and planning unit staff fully operational and trained on site and in <u>praxis</u> mode. 2. CTDA evaluation and planning unit with capacity to gather, manipulate, and analyze planning data.	1.a. actual planning, analytical, and project development tasks of Unit used as training materials: and laboratory starting, in July, 1975 and continuing through project. 1.b. Training biased, from outset, towards economization of professional staff time, avoidance of development of inappropriate highly specialised skills, and meeting immediate programming needs. 2. By FY 01 planning data required by CTDA management prior to all major policy decisions, and evaluation and planning unit able to provide reliable analysis.	1. On-site training is feasible and can be organised so as to both emphasize training and production of results. 2. CTDA policy-makers and operational staff will recognize value of planning and evaluation in daily operations of CTDA. 3. CTDA can rapidly recruit basically qualified and easily trainable staff for the Evaluation and Planning Unit.

181
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<u>PURPOSE</u>	<u>MEASURES & INDICATORS</u>	<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
:3. Unit's competence established in project design, development and evaluation activities	:3. By FY 81: a. Unit participating in design of at least 3 AID-assisted projects. b. Unit completed evaluations of at least 3 AID-assisted interventions. c. Unit design and evaluation products being utilized by CTA policy-makers.	:3. Projects designed and evaluated.	:4. CTA evaluation and planning can tangibly assist that agency in coordinating GCT inputs to the region.
:4. Unit operating a zonal data collection and analysis system linked to the planning process, project development, and evaluation.	:4. By FY 80: a. Types of data assembled by categories of: -Population socio-economic characteristics -Environmental and agricultural systems characteristics -Characteristics of infrastructural improvement and services provided. b. Initial base line data collection completed by July 1975 and re-done annually at least for four years.	:4. Mini-computer operational, data management package installed, and organized: data flowing to planners and evaluators.	:5. GCT policy will continue to encourage regional planning and decentralization. :6. GCT policy planners will gradually recognize the importance of developing down-sized packages of technologies for disadvantaged interior regions. :7. CTA can engage effectively engage Tunisian research organizations and individuals in specific research topics. :8. CTA can operate evaluation so that it is perceived as an assistance and not a threat to sub-project operations.

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-3-

<u>PURPOSE</u>	<u>GOALS & MEASURES</u>	<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
<p>5. Unit testing new low-cost technology interventions in order to promote greater rationality in public investments.</p>	<p>c. micro-data collected on basis of specific sub-project and experimental interventions. d. measures of regional progress and disparity-reduction relative to Tunisia as a whole developed using secondary sources. e. Data files established, by units of analysis, dates of measurement, and year. f. Combinations of data sources and data collection methods in use by Unit staff on direct performance and sub-contract basis. g. mini-computer and data management package operational by Unit.</p> <p>5.a. Attainment of growing conformity to new investment priorities (as result of improved planning, analysis, and evaluation) in use of Rural Development funds (Ministry of Planning) by end of FY 80.</p> <p>5.b. Series of 15 experimental projects aimed at producing specific technologies adjusted to the region designed and tested by the Unit by end of FY 81.</p>	<p>5. CTRD investment priorities stated, and experimental projects designed.</p>	<p>9. National sources of secondary data can be assisted by CTRD in ways calculated to produce useful disaggregated data.</p> <p>10. Number of training and production operations scheduled for CTRD evaluation and planning Unit can be adjusted in mid-term in sub-project in order to adjust to practical realities of staffing, needs, timing, etc.</p> <p>11. That there do, indeed, exist lower cost models that can improve public services in the region.</p>

20

PURPOSE	DUTS & MEASURES	MEANS OF VERIFICATION	ASSUMPTIONS
6. Unit generating a draft regional plan with designed intersectoral interventions, as well as other major region-specific policy formulations.	6.a. By FY 81 performing analyses of regional context of economic decision-making by farmers, entrepreneurs, laborers, etc. 6.b. analysis and data developed for resource management decision making (water, etc.) by CDA at end of FY 79. 6.c. By end of FY 79 data and analysis developed for CDA policies concerning private sector investment in region. 6.d. Development of public investment strategies as expressed in draft regional plan in time to be considered for GOI Five Year plan of calendar year 1981.	6. Draft sections of regional plan:	7. Number of studies completed; and content of CTRD information system.
7. Unit capacity developed to plan and manage natural and other resource utilization through CDA operations and coordination of other GOI agencies in region.	7. By end of 1980: a. Unit affecting and improving farm management systems; responses to crop losses and natural disasters; and land and water resources as measured by: -Increased agricultural yields -Increased labor utilization -Increased investment in agriculture -Improved profitability of farm operations and income stability -Reduced agricultural land lost to erosion -Improved efficiency of farm water use		

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-5-

25

<u>PURPOSE</u>	<u>GOALS & MEASURES</u>	<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
		7. By end of 1980: a. (cont'd) -maintenance of water table level b. Unit affecting and improving: services, local skills-training, employment generation, and enterprise diversification in region.	

86

<u>OUTPUTS</u>	<u>EOPS & MEASURES</u>	<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
1. Unit-employed trained staff operational	1. By end-of-project: a. 10 certificate-level regional planners trained on-the-job. b. 25 CTDA staff trained on-the-job for 8 weeks each in various aspects of regional planning, data management, and evaluation. c. CTDA staff fully trained and no CTDA staff partially-trained in macro-social evaluation and data-management techniques.	1. Certificates issued by the University of Wisconsin	1. Correct and timely "mix" of training and production oriented skilled staff can be provided by the Universities of Wisconsin and Cornell and properly utilized by CTDA. 2. Projected levels of regional planning and evaluation and data-management training are sufficient to meet CTDA needs.
2. Unit analysis skills improved cost-beneficiary and other forms of measures appropriate to cost-effective solutions to regional problems.	2. By end-of-project: a. Effective utilization of probability, multivariate analysis, and other quantitative analytical tools in study and adoption of at least 4 new technological applications in the region. b. Effective utilization of analytical tools related to improved use of budget process and costing in at least 4 project designs for the region.	2. Designs and evaluations produced using various analytical quantitative and budgetary process tools.	3. There is a causal connection between improved CTDA planning and evaluation and CTDA capacity to design and manage projects which effectively lower costs of technologies and increase productivity and income in the CTDR region.

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OUTPUTS	EYES & MEASURES	MEANS OF VERIFICATION	ASSUMPTIONS
3. Skilled analysis of relationship, inter-dependencies, and flow between elements that comprise projects, programs and budgets.	3. By end-of-project: <ul style="list-style-type: none"> a. Project selection analysis capacity tested among 25% of Unit staff. b. Project input requirement analysis capacity tested among 45% of Unit staff. c. Project scheduling and network analysis capacity tested among 45% of the Unit staff. d. Appraisal, monitoring, review, and in-depth evaluation capacity tested among 45% of the Unit staff. 	3. Products of systems analysis, network analysis, and appropriate RRS analysis available in Unit files.	4. There are educated, young, Tunisians who are interested in learning the principles and applications of regional planning, and evaluation in a regional field context. 5. Adapted quantitative analysis and various other analytical tools can be quickly placed in use by the CTDA evaluation and planning Unit.
4. Unit applying multiple regression and correlation analysis to zonal and micro-specific researched or collected time-series data for immediate use in planning and evaluation.	4. By end of FY 60: <ul style="list-style-type: none"> a. Identification of causal linkages between project interventions and external factors in at least two project evaluations. b. Continuing specification of meaningful and least costly (to gather) indicators. c. Continuing test and use of varied data collection methods. 	4. CTDA information system products and specific sets of analyses.	6. It is possible to quickly identify, modify, and test various kinds of low-cost technology applications and/or policies through the CTDA instrumentality. 7. It is possible for CTDA to affect the substantive project content of activities funded by the Rural Development Fund (Ministry of Planning). 8. It is possible for CTDA through budgetary allocations and other means to affect the costing of technologies and investment priorities of other OCT agencies operational in the CTDA region.

24

OUTPUTS	ACTIONS & MEASURES	METHODS OF VERIFICATION	ASSUMPTIONS
5. Systems developed for identifying, assessing feasibility, and testing low-cost infrastructural, production, and services technologies for CTDR area.	5. by end of FY 79: <ul style="list-style-type: none"> a. CFDA and Unit procedures established for identifying one new low-cost technology for test in CTDR area. b. Variations on an existing COT-used technology tested in at least one case in CTDR area. c. Work program for more intensive identification and test of low-cost technologies charted for FY 80 and FY 81. d. GF budget of Ministry of Planning affected by Unit's initial testing of new priority investment criteria. 	5. Technologies developed or modified, test results recorded, policies adopted, and Work Program for FY 80 and 81 charted.	9. Substantive input of studies, data, and analysis in matters concerning regional planning can be achieved by the Unit by the end of FY 80. 10. The Unit can organize and effectively operate various means of commissioning and inter-relating specific kinds of on-going, intermittent, and single studies. 11. Research and evaluation results will quickly be fed back into the alteration of CTDA policies, project designs, and operations. 12. Director of CTDA places continuing high priority on training and experimental functions of unit.
6. Development of regional inventory of resources with accompanying opportunity costs analysis and ranked investment priorities.	6. by end of FY 80: <ul style="list-style-type: none"> a. Resource inventory completed in 4 Delegations. b. Opportunity cost analysis completed in 3 Delegations c. Investment priorities ranked in 4 Delegations. 	6. Resource inventory, opportunity cost analysis, and ranked investment priorities completed.	

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20

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-9-

<u>OUTPUTS</u>	<u>GOALS & MEASURES</u>	<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
7. UOT agencies technological designs and funding policies affected by Unit studies and UTA funding.	7. At least one major change in a UOT agency design standards and costing (probably some) of inputs by end of FY 79.	7. UTA records.	
b. Unit skills, contracting, and mobility resulting in studies of natural resource and other resource planning and management needs of UTA area.	8. By end of FY 1980: <ul style="list-style-type: none"> a. Systems for defining and commissioning physical, social, and economic research established by UTA and beginning to operate. b. Specific studies related to agricultural cropping, marketing, and credit in 3 delegations of area completed. c. Specific studies related to rural-based skills-training, rural industrial development, and off-farm employment completed for UTA area. 	8. Studies completed.	

210

<u>INPUTS</u>	<u>UNITS & MEASURES</u>	<u>COST</u> (in U.S. \$)	<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
U.S.				
<u>Technical Assistance:</u>				
a. Full-time resident advisors: (2 x 36m)	72		1. Annual Reports of cooperating Universities to US/RW	1. University-supplied personnel can be gotten into position quickly at Kasserine.
b. Short-term consultants	38			
c. Short-term staff for on-site training program	41		2. USAID/Tunis reporting procedures.	2. Satisfactory mechanisms can be worked out for joint CTWA and advisory group planning and scheduling of work tasks on an annual basis.
d. Local admin/logistical support (Tunisian staff)	108		3. Periodic GWT/USAID review of performance.	3. Equipment and supplies can be procured and shipped on a timely basis.
e. Evaluation (4th Year)	4			
f. Analytical work by consultants in U.S.	10			
		Total TA 1,400,000		
<u>Equipment and Supplies</u>				4. Easily operated criteria and procedures for handling the "experimental fund" can be worked out between USAID and the GWT.
a. Data-processing equipment				
b. Scientific equipment, ref. materials, and supplies				5. USAID/Tunis is adequately staffed and internally organized during at least first 18-20 months of sub-project to permit proper supervision and monitoring of efforts.
c. Training materials				
		Total equip. 300,000		
<u>Capital:</u>				6. both the GWT and the US governments display determination to continue assisting this sub-project effort over some time.
"Experimental fund"		2,800,000		

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27

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3/32

-11-

<u>INPUTS</u>	<u>UNITS & MEASURES</u>	<u>Cost</u> (in U.S. \$)	<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
	Person-months			
<u>GUT:</u>	:	:	:	:
EMU Professional Staff (300 pm)	300 PM	:	:	:
Contract Studies (by Tunisian institution)	:	\$750,000	:	:
Office Space	:	:	:	:
:	:	:	:	:
:	:	:	:	:
:	:	:	:	:
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26