



**BIFAD**

Board for International Food and Agricultural Development

# **Budget Recommendations: 1984**

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**Recommendations of the Board for International Food and  
Agricultural Development (BIFAD) on the  
AID/IDCA Food and Nutrition Program for FY 1984**

December 1982  
Agency for International Development  
Washington, D.C. 20523



BOARD FOR INTERNATIONAL FOOD AND AGRICULTURAL DEVELOPMENT  
INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

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BIFAD RECOMMENDATIONS  
Apportionment of Funds  
Agency for International Development  
Fiscal Year 1984 Annual Budget

The Title XII Amendment to the Foreign Assistance Act of 1961 charges the Board for International Food and Agricultural Development (BIFAD) with the duty of making recommendations to the Administrator of the Agency for International Development (AID) on the apportionment of funds made available by the Congress for the conduct of the U.S. bilateral development assistance program.<sup>1</sup> This document constitutes the BIFAD's discharge of that duty for Fiscal Year 1984.

The recommendations are presented in three parts:

1. review, evaluation, and commentary on BIFAD's recommendations on the apportionment of funds in prior fiscal years;
2. the basis for Fiscal Year 1984 recommendations; and
3. analysis, conclusions, and recommendations.

Recommendations in Previous Years

The BIFAD has made recommendations on the apportionment of funds to the Administrator of AID since its activation in late 1976. Recommendations for FY 1979 were made informally through BIFAD participation with AID senior executive

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<sup>1</sup> Foreign Assistance Act of 1961, as amended; Title XII, Section 298, (c),(6).

staff in their final reviews of the Agency's proposed budget. In subsequent years, formal recommendations were presented to the AID Administrator.<sup>2</sup>

#### Basis for Previous Recommendations

Previous recommendations were based on the participation of BIFAD, BIFAD staff and BIFAD Joint Committee members in the Annual Budget Submission (ABS) review process and independent staff analyses of the Agency's proposed utilization of funds. Through involvement in this process, the BIFAD became convinced that the Agency could increase its contribution to accelerated economic development, sustained growth and social progress in the developing nations by judicious budget reallocation. BIFAD felt that the Agency's apportionment of funds at the time of the enactment of the Title XII Amendment and its projected fund allocation in subsequent years was not sufficiently in accord with programmatic guidance provided the Agency by the Congress in that Act.

This conclusion was based on (a) the role which agriculture must play in the general economic development of traditional, less developed nations, (b) the need for greater scientific and technical knowledge if the rural sectors in such societies are to modernize sufficiently to contribute to accelerated progress, (c) recognition of the variability of rates of return among

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<sup>2</sup>BIFAD: Budget Recommendations, Recommendations of the Board for International Food and Agricultural Development (BIFAD) on the AID Food and Nutrition Program for FY 1980. Agency for International Development, Washington, D.C., October 1978.

BIFAD: Budget Recommendations: 1981, Recommendations of the Board for International Food and Agricultural Development on the AID/ISTC Food and Nutrition Program for FY 1981. Agency for International Development, Washington, D.C., October 1979.

BIFAD: Budget Recommendations: 1982, Summary; Board for International Food and Agricultural Development, August, 1980.

BIFAD: Letter from Dr. Clifton R. Wharton, Jr., Chairman, BIFAD to Mr. M. Peter McPherson, Administrator, AID, August 20, 1981.

alternative investments in the agricultural sector, and (d) the comparative advantage of the United States (relative to other national, international, and multinational donors) in providing certain of the many alternative external inputs into agricultural development in the LDCs.

#### Summary of Previous Recommendations

The BIFAD's annual recommendations to the AID Administrator on the utilization of Agency funds have spoken consistently to a few major issues. These have included recommendations to:

1. increase the relative share of AID's development assistance budget allocated to food, nutrition, and agricultural development;
2. decrease the percentage share of the food, nutrition, and agricultural development budget allocated to capital transfer and short-run development projects;
3. increase investment in activities designed to accelerate human capital formation which can contribute to the rural sectors of the developing nations;
4. increase investment in activities designed to create, develop or strengthen institutional and organizational capacities in areas fundamental to the development and maintenance of a highly productive agricultural sector with emphasis on agricultural research, education, extension, public policy and similar basic public institutions;
5. increase support of in-country, collaborative, and U.S.-based research necessary to expand and diffuse useful technology, knowledge, and information for developing countries;
6. increase academic degree education and specialized technical training opportunities for developing country agriculturalists with emphasis on scientists, educators, policy makers and practitioners;

7. develop, adopt, and fund measures to strengthen the capacity of Title XII universities to participate and contribute more effectively in AID's agricultural development assistance initiatives; and
8. increase the proportion of direct hire AID staff with professional training and experience in the agricultural and closely related sciences.

#### Agency Responses

The Agency's responses to the BIFAD's budgetary and associated programmatic recommendations have tended to be positive albeit somewhat slow.

Delays in implementing recommendations were not unexpected. They have been associated with (a) four completely different sets of AID leadership during BIFAD's six-year tenure; (b) extended time lags built into AID's policy, programming, budgetary and program approval processes; and (c) major policy shifts required to alter early programmatic responses to the "New Directions" legislation of 1973.

On balance, it is perhaps surprising that the Agency has been able to respond to the Title XII Amendment and BIFAD budget recommendations without greater delays than those which have occurred.

The Agency has:

1. increased investment in agriculture, rural development, and nutrition activities funded through the Section 103 appropriation account from (about) \$500 million in FY 1975 to \$700 million in FY 1983. However, given inflationary erosion over the period, real investment in this sector has declined;
2. maintained but not increased the relative share of Functional Development Assistance resources allocated to agriculture, rural development and nutrition; approximately 56% in 1975, 1976, and 54% in

1977-1983. The Agency appears to have had little success in increasing funding of agricultural development activities since the passage of Title XII;

3. through shifts in program, increased investment in activities falling within the broad definitional scope of Title XII programs from some \$100 million in 1976 to over \$650 million (projected) in 1983;
4. placed greater emphasis, recently, on the development of indigenous agricultural education, research, extension, and similar basic institutional capacities;
5. in cooperation with the BIFAD and Title XII institutions, conceived, structured, planned, funded, and implemented several Collaborative Research Support Programs (CRSPs) as authorized in the Title XII Amendment;
6. in cooperation with the BIFAD, conceived, structured, planned, funded and implemented the Title XII University Strengthening Grant Program as authorized in the Title XII Amendment; and
7. jointly with the BIFAD, devised and is in the process of implementing several innovative mechanisms for improving the technical efficiency of Title XII university participation in the U.S. bilateral agricultural development assistance program. Included are the Collaborative Assistance Mode of contracting, the Memorandum of Understanding, the Joint Career Corps, Technical Support to Missions, and the Joint Enterprise Method of Contracting.

Of great potential significance to improved resource use are (a) AID Administrator McPherson's address to the 1981 annual meeting of the National

Association of State Universities and Land Grant Colleges,<sup>3</sup> (b) FY 1984 Budget Guidance to the Agency<sup>4</sup> and (c) his proposed Title XII Policy Directive to USAID Missions.<sup>5</sup>

The Agency does not appear to have been completely successful in responding to a number of budgetary and related recommendations of the BIFAD. Important among these are recommendations to:

1. sharply increase investment in education and training programs for LDC agriculturalists;
2. reduce funding for capital transfers and short-term development projects;
3. increase the proportion of its direct hire professional staff trained and experienced in the agricultural and closely related sciences, and to utilize such professionals at all levels of responsibility within the Agency; and
4. provide opportunities and adequate long-term budgetary support to bring the scientific capacity of the U.S. agricultural research establishment to bear on critical technical, economic, policy and social constraints to accelerated agricultural development in the developing nations.

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<sup>3</sup>McPherson, M. Peter. Remarks Before the National Association of State Universities and Land Grant Colleges; November 10, 1981.

<sup>4</sup>McPherson, M. Peter. Telegram from McPherson, FY 1984 Program and Budget Guidance, to all AID Missions; April 27, 1982.

<sup>5</sup>McPherson, M. Peter. Policy Directive on Title XII; S&T/RUR Draft Submitted for discussion at BIFAD Meeting; June 24, 1982 (in process).

## FY 1984 Budget Recommendations

The Agency has provided the BIFAD opportunity to study the FY 1984 proposed programs and associated budget requests from its USAID Missions as well as those for programs managed in Washington. This is greatly appreciated. The BIFAD staff, chairpersons of its joint committees and others have studied these materials as they have been generated. Agency personnel have been most generous in providing documents, data, analyses, information, and insights. Staff availability, time, and data limitations made complete analysis of all aspects of the FY 1984 proposed budget impossible. The review of these materials, however, has been adequate to permit the BIFAD to raise a few basic issues and questions and to make certain recommendations vis-a-vis the utilization of funds which the Congress makes available for the Agency's use in Fiscal Year 1984.

### Development Assistance Budget Request

The BIFAD is concerned that the Agency's FY 1984 budget request may be held at the same dollar level as in FY 1983 and that the amounts allocated to the Functional Development Assistance accounts, and particularly the Agriculture, Rural Development and Nutrition (ARDN-Section 103) account, may be essentially the same as those for FY 1982 and FY 1983.

Given reasonable projections of inflation rates over the next few years, this means that the United States' bilateral development assistance to the poor nations will not grow but rather shrink by a significant amount. For substantive reasons, the BIFAD believes that this would be prejudicial to the long and short-term national interest.

The world of which the United States is a part appears to be in the most unsettled state of any period since World War II. While the surfaced issues

tend to be ideological and geopolitical in nature, the truly dangerous threat to national and world security simmers immediately below the surface in the vast cauldron of poor, malnourished, and disenfranchised people in the developing nations. In the judgment of the BIFAD, this is the single most important phenomenon with which present and future Administrations and Congresses must deal if their well-placed concerns about national security are to be effectively addressed.

The U.S. economy, like that of much of the rest of the world, is depressed. It faces many obstacles to long-term recovery and continued growth. Important among the complex factors involved is the lack of expanding effective demand for the products of U.S. farms and factories. The greatest potential source of this rests in the huge and rapidly expanding populations of the developing nations. This potential will be realized only if these billions rise above abject poverty and enter the monetized economy. The U.S. economy will benefit greatly if this happens; it will suffer equally if it does not. Herein lies the significant economic self-interest justification for expanded U.S. development assistance to the developing nations.

Despite significant improvements in aggregate world food production, there remains an impressive number of nations where this has not occurred and where per capita food production is in fact declining. Many of these are characterized by high risk agricultural environments. There are in today's world billions of people to whom statistics on realized and potential increases in food output are meaningless. They do not and, ceteris paribus, will not have the wherewithall to access food through the market place. Their levels of nutrition and, in many cases, their very survival rests squarely on archaic technology, the vagaries of the weather, and other natural phenomena -- and this is a slender thread.

Yet, the value system of the American people dictates that our nation come to the aid of people everywhere in times of need. This deeply held tenet of our society may be satisfied in either of two ways. One is to provide food and other assistance directly from current production, or from the world's larder. The other is to assist farmers and others in high-risk, food-precarious nations to increase agricultural resource productivity to the point where it is technically and economically feasible to reduce substantially year-to-year food production variation and to maintain food reserves to carry them through periods of food shortages which, without shadow of doubt, will occur. There is no question but what the latter option serves best our national interests.

Given (a) the national security, economic self-interest and humanitarian objectives which undergird the U.S. foreign assistance effort, (b) the significant positive relationship between the attainment of these multiple objectives and accelerated economic development in the LDCs, (c) the role which agricultural modernization must play in overall economic development, (d) the unique capacity which the United States has to contribute to accelerated agricultural and general economic development abroad, and (e) the resources which the Administration is expected to request for other means of achieving national security and related objectives, the BIFAD concludes that nominal-terms, "straight lining", and/or real-terms diminution of budget support of foreign developmental assistance would be counter to the short and long-term national interest.

#### RECOMMENDATIONS

The BIFAD is fully aware of the difficult fiscal issues which the Administration, the Congress, and the American people face. However, it believes that the Agency should give serious consideration to the suggestions that:

1. the Administration make its FY 1984 budget request to the Congress for support of the AID development assistance program significantly greater than its FY 1982 and FY 1983 budgets;
2. the bulk of such increases as may be forthcoming be allocated to the Agency's agriculture, rural development, and nutrition program; and
3. such increases be made available either from additional appropriations or from reallocation of funds from other Administration appropriation requests.

The BIFAD is prepared to support and promote these and related recommendations with the President, the Chairpersons of the Congressional committees most directly concerned, and others as appropriate. The BIFAD invites the Agency to join it in this initiative.

#### Human Capital Formation through AID Participant Training

The BIFAD's review of AID's proposed FY 1984 and prior year programs included investments which AID is making in the formation of human capital in the agricultural sectors of the LDCs through participant education and training.

Worldwide, AID supported 728, 641, 688, and 714, LDC agriculturalists in U.S. academic degree programs in 1977, 1978, 1979, and 1980, respectively. The Agency supported 398, 457, 524, and 765 agriculturalists from the LDCs in specialized technical training programs during the respective periods. Academic degree participants declined by 12% from 1977 to 1978, but increased slightly in 1979 and 1980, and probably increased slightly in 1981 and 1982. Since these numbers consist of participants in residence during the period and virtually all graduate level programs take more than one year, the number of

individuals completing degree programs was considerably lower. Technical training participant numbers grew substantially from 1977 through 1980, and probably increased in 1981 and 1982 (Table 1).

Table 1: Number of Developing Country Participants in Residence\*;  
AID-funded Academic Education and Technical Training Programs  
in Agriculture, Rural Development and Nutrition: 1977-1980

Region	1977		1978		1979		1980	
	Acad. Degree	Tech.	Acad. Degree	Tech.	Acad. Degree	Tech.	Acad. Degree	Tech.
Latin America & Caribbean	134	58	105	70	82	142	80	134
Africa	361	128	381	174	399	152	442	221
Near East	36	98	40	135	70	149	73	246
Asia	197	114	115	78	137	81	119	164
ALL REGIONS	728	398	641	457	688	524	714	765
Change from Previous Year --	--	--	-12.0%	+14.8%	+7.3%	+14.7%	+3.8%	+46.0%

Source: AID/Office of International Training

\*Includes AID Contract and non-contract participants

Note: Preliminary data for 1981 and 1982 indicate that there was, at most, a slight increase in participant trainees in these periods.

The BIFAD has great difficulty in understanding why participant education and training numbers are so low. USAID Mission personnel are aware of the human capital dilemma; equally, AID/W is cognizant of the fact. While AID funds are limited, they could be reallocated from other proposed uses. One possible reason is that, in some countries, there are a limited number of individuals prepared to engage in academic degree programs in the U.S. If this

is the bottleneck, innovative ways to break it must be found. Policy signals from AID leadership in this respect may not be clear. This is easy to correct. With the rigid ceilings on direct hire staff and the demise of education and training offices in Missions, it may not be possible for Missions to cope with the development and management of "blanket" participant training programs. There are viable alternatives to the relaxation of such constraints if they exist. It may be that criteria for Agency evaluation of Mission and Mission staff performance are such that use of staff time and funds for this purpose receives "low grades" and, therefore, low priority. Again, there are a number of ways in which this constraint might be relaxed.

In this respect, the BIFAD calls the attention of the Agency to the following:

1. The rates of return to investment in the formation of human capital through appropriate education and training tend to outpace by far the returns to virtually all other investments.
2. Developing nations are characterized by a dearth of agricultural scientists, educators, technicians, and practitioners.
3. Few AID-client countries have the indigenous capacity to train the numbers and kinds of agricultural scientists, educators, analysts, policymakers, and practitioners required to catalyze modernization and support sustained growth of their rural economies.
4. Most external interventions in agricultural development in the LDCs, whether these be capital transfer, action-oriented development projects, research, or institution building activities are based on the implicit assumption that there are, or will be, a sufficient number of appropriately prepared host country agriculturalists to utilize effectively and efficiently resource transfers, or to assure

the continued growth and development of public and private institutions when expatriate agriculturalists are withdrawn. If this assumption turns out to be false, it will have extremely dire consequences on all external development assistance efforts of AID and other donors as well. The danger of investing in "houses of cards" associated with this fact is real.

5. The American higher education system, in general, and the Title XII institutions, in particular, constitute a large and unique resource for providing relevant educational opportunities of excellence for qualified students from the LDCs. In addition, they afford an environment in which intangible but highly important professional philosophies, doctrines, and understanding essential to the development of nations may be formed.
6. Short-term technical training is no substitute for professional education. To substitute the former for the latter on the basis of it being less costly, more useful, or more appropriate, is to beg the issue. Both have their utility in different stages of development. However, it is clear that the latter is most productive in primary and secondary stages of agricultural modernization. It is also clear that the effective demand for agricultural scientists, educators, and practitioners is some exponential function of bona fide development.
7. For technical and a variety of other reasons, it is important to have a significant fraction of the agricultural leadership in the LDCs educated in the American system of higher education. Other nations, particularly the USSR, seem to understand this more clearly than

does the U.S.<sup>6</sup>

The BIFAD and its subordinate units receive a considerable amount of information relative to this issue from universities involved in Title XII programs abroad, AID Mission personnel, host country nationals, international organizations, foundations, and the like. While the anecdotes are case-specific, the message is always the same -- a serious shortage of qualified host country professionals to assist with and assure effectiveness, continuity and long-term viability of agricultural development assistance interventions.

These informal pieces of information are strongly supported by systematic inquiries into professional manpower requirements of the LDCs. In a recent study<sup>7</sup> ISNAR and IFPRI researchers constructed normative estimates of the total training requirement by 1990 for agricultural scientists to staff national agricultural research systems in 51 developing and middle-income countries. They conclude that Asian countries will need to train about 91,000; North Africa and the Middle East, about 1300; Sub-Saharan Africa about 9000 and Latin America, about 12,000. The total estimated scientific training requirements of over 113,000 is for agricultural research. Education, extension, private sector, government and other requirements are not included. Even with full recognition that these are normative estimates and that there is an important difference between what "ought to be" and what "will be" the numbers are impressive and informative. When cast beside the Agency's current levels of participant education and training, they are shocking!

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<sup>6</sup>Cf. Owen, Richard; Russia Presses for More Third-World Students. The Chronicle of Higher Education, Vol. XXIV, No. 20, pp. 17, July 14, 1982.

<sup>7</sup>Oram, P.A. and Bindlish, V. Resource Allocations to National Agricultural Research; Trends in the 1970s. ISNAR and IFPRI, The Hague, Netherlands, and Washington, D.C.; November, 1981.

In light of the above, the BIFAD concludes that the Agency's allocation of funds to the education and training of agriculturalists from the LDCs falls far short of that which would maximize the long-term impact of the U.S. bilateral agricultural development assistance program.

### RECOMMENDATIONS

The BIFAD recommends that:

1. the Agency make the creation of an adequate and appropriately trained core staff for each LDC's basic agricultural institutions one of its primary missions between now and the year 2000;
2. the proposed FY 1984 and subsequent year budgets be revised to provide funds for increases in participant training necessary to achieve this goal;
3. the bulk of such funds be utilized to support academic degree training in the United States and in third countries as appropriate;
4. the funds to accomplish this end be reallocated from lower productivity uses in the event that new funds cannot be obtained;
5. the Agency instruct its Missions to place priority emphasis on the human capital formation components of all contractual operations and to develop "blanket" participant education and training programs consistent with long-term, host country agricultural manpower requirements;
6. the Agency give serious consideration to revising its present method of funding participant education and training to assure Mission response to this need. Central funding of participants as compared to Mission funding may be desirable; and
7. the Agency and BIFAD, in consultation with the university

community, develop innovative, cost-effective opportunities for the involvement of selected Title XII universities in the participant training process including assessment of LDC requirements for agriculturalists; identification and preparation of LDC personnel for education abroad; placement; monitoring progress; and post-training career development.

#### Centrally Funded Research and Technical Assistance

Agricultural development begins with technical change. It broadens, deepens, and impacts on other economic sectors in response to such change. The process is sustained by the continuous infusion of output-increasing, cost-decreasing technology.

Agricultural development in the LDCs is constrained by a paucity of improved technology and associated information and knowledge. Without exception, the poor nations lack sufficient, indigenous capacity to conduct the research to create the stream of technology requisite to accelerated agricultural and general economic development. Such indigenous capacity must be created.

To accomplish this end, massive investments in human capital formation and institutional development will be required. Under the best of hypotheses, this will take decades. In the interim, some fraction of the extensive agricultural research capacity existing outside the developing nations will need to be mobilized and utilized for the provision of knowledge, information and technology applicable to the relaxation of critical constraints to increased agricultural output, improved resource productivity and income levels in the LDCs.

Given the site-specific characteristic of much agricultural technology, some of this external research capacity must be engaged on a site-by-site

basis. Through its USAID Mission structure, the Agency appears to be increasing its use of such external resources for this purpose.

However, certain constraints to accelerated agricultural development are common to various groups of LDCs. Such constraints may be addressed through engaging external agricultural research institutions in a non-site-specific framework. The Agency's experience with the International Agricultural Research Centers, centrally funded contract research, 211-d research grants, and the Collaborative Research Support Program, attests to the effectiveness of this approach.

Given the way in which the Agency organizes its operations and allocates its resources, there is one principal way in which scientific capacity external to the LDCs may be mobilized to address technical and other constraints to agricultural development which cut across some spectrum of the poorer nations. This is through the Agency's centrally funded research program housed largely in the Bureau for Science and Technology.

A well-designed and appropriately funded portfolio of centrally funded research and technical assistance activities is of paramount importance to the attainment of AID's objectives. In consequence, the BIFAD examined rather carefully recent, current, and proposed activities in this quarter.

The Agency's allocation of funds to the Bureau for Science and Technology (and predecessor bureaus) under the Agriculture, Rural Development and Nutrition (ARDN) account has tended to be small both in absolute terms and relative to its total investment in agricultural development. From 1977 through 1982, it has averaged about 9.3 percent of the total ARDN budget. Over this same period, funds allocated to this account have increased at about 10% per year (Table 2).

Table 2: Actual and Estimated Budget Levels for Centrally Funded Agriculture, Rural Development and Nutrition Activities; AID; FY 1977-84\*.

ACTIVITY	FISCAL YEAR						
	1977	1978	1979	1980	1981	1982	1983
	(\$000,000's)						
International Agricultural Research Centers (IARCs)	\$18.10 37.3%	\$21.40 45.0%	\$24.80 49.4%	\$29.00 52.4%	\$36.10 59.7%	\$41.90 57.2%	\$48.30 62.6%
International Fertilizer Development Center (IFDC)	\$ 1.15 2.4	\$ 4.00 8.4%	\$ 4.00 8.0%	\$ 4.00 7.2%	\$ 4.00 6.6%	\$ 4.00 5.5%	\$ 4.00 5.2%
Asian Vegetable Research Center	--	--	\$ .66 1.3%	\$ .80 1.1%	\$ .70 1.1%	--	--
Sub Total	\$19.25 39.7%	\$25.40 53.4%	\$29.46 58.7%	\$33.60 60.7%	\$40.80 67.4%	\$45.90 62.7%	\$52.30 67.8%
Collaborative Research Support Programs (CRSPs)	--	\$ 7.70 16.2%	\$ 4.40 8.8%	\$ 8.20 14.8%	\$10.50 17.4%	\$10.60 14.5%	\$10.60 13.8%
Contract Research, Technical Assistance & Other Services	\$29.25 60.3%	\$14.50 30.4%	\$16.34 32.5%	\$13.50 24.5%	\$ 9.20 15.2%	\$16.70 22.8%	\$14.20 18.4%
TOTAL	\$48.50 100%	\$47.60 100%	\$50.20 100%	\$55.30 100%	\$60.50 100%	\$73.20 100%	\$77.10 100%

\* FY 1984 proposed funding levels not available for disclosure.

The BIFAD has two fundamental concerns with this allocation and with projected allocations to this account in future years. One deals with the size of this investment relative to other ARDN investments. The other deals with the composition of the portfolio of activities funded from this budget source.

The BIFAD believes that the Agency has allocated less funds to this account than the productivity of such investments relative to certain other ARDN activities warrants. Further, nominal increases in the support of centrally funded ARDN activities have been, in all probability, less than the increases in costs of providing such services. In real terms, support for these activities has declined. The result is that only a minor fraction of the relevant technical and scientific talent of the U.S. agricultural research complex has been or will be mobilized to work on constraints to agricultural development common to developing countries.

The second fundamental concern rests in the pattern of fund allocation among activities within this account. Funds allocated to the Bureau for Science and Technology for ARDN activities are used for three purposes, (a) formula funding of the core budgets of the International Agriculture Research Centers (IARCs), (b) Collaborative Research Support Programs (CRSPs), and (c) other contract research and technical services.

Since 1977, IARC core funding has grown from less than \$20 million to \$46 million in FY 1982, over \$50 million in FY 1983, and is projected to increase substantially in FY 1984. In relative terms, this single activity has increased from about 40% in 1977 to nearly 70% (projected) of funds requested for these purposes in FY 1984.

As the residual claimant of these resources, all other research, technical assistance and related services have declined precipitately in both absolute

and relative terms. Since 1977, the share of these funds allocated to the residual claimant have declined from 60% to 18% in FY 1983, and a projected 12% to 16% in FY 1984 (Table 2).

The BIFAD strongly supports the funding of the IARC core budget and the CRSPs. These are high payoff initiatives which must be continued. One of the BIFAD's major concerns is with the "drying up" of support for the mobilization of the resources of the U.S. agricultural scientific and technical institutions to work in a variety of other ways on priority problems and constraints to agricultural development in Third World countries. Continuation of existing budgetary trends will shortly reduce these activities to zero. This would be a serious error.

The BIFAD admits to increasing concern relative to the Agency's policy and budgetary posture vis-à-vis the International Agricultural Research Centers. This concern is based on what appears to be a continuing proliferation of IARCs, significant departure of some from their original research missions, and questions relative to the latter day productivity of some of these institutions.

All of this impinges directly and importantly on the manner in which the Agency allocates and utilizes its limited resources to the best advantage. While the BIFAD is completely open minded on these issues, it is uncomfortable in that it has not yet been able to discharge fully its statutory duty to advise the Agency with respect to these matters. It believes that, jointly with AID, a thorough review of this aspect of the Agency's ARDN budget and program must be on its high priority agenda.

The BIFAD is also concerned about the curtailment of the expansion of the CRSP initiative and the Agency's decision to fund ongoing CRSPs on a less-than one-year incremental basis rather than on a two-year forward funding basis as

originally agreed. Evidence of the productivity, technical efficiency, and cost-effectiveness of the CRSP research model continues to grow.

### RECOMMENDATIONS

In view of the above, the BIFAD recommends that:

1. the Agency allocate sufficient FY 1984 funds under the ARDN account to the Bureau for Science and Technology to:
  - a. meet standing commitments of U.S. support of IARC core budgets;
  - b. fully fund existing CRSPs and to plan and implement additional CRSPs in high priority problem areas;
  - c. provide funds for substantial expansion in other high-priority, centrally funded research and technical service areas; and
  - d. provide continuing support to the BIFAD recommended Cooperative Research Program between U.S. research institutions and International Agricultural Research Centers;
2. the Agency insulate the CRSPs and other centrally funded activities from direct competition (and associated budgetary erosion) with the formula-funded commitment of core budget support of the IARCs by:
  - a. treating the latter as a separate budget line item and increasing the formula-determined support level of this item "off the top" in accord with existing or modified levels of commitment; or by
  - b. increasing annual budget allocations to the Bureau for Science and Technology by an "off the top" amount equal to formula-based growth in the U.S. commitment to the IARCs;

3. the Agency provide the Office of Agriculture, Science and Technology Bureau, with approximately \$3,000,000 from FY 1982 funds to permit immediate one-year forward funding of all ongoing CRSPs and sufficient funds to extend such forward funding to two years early in FY '83;
4. the Agency make every effort to find sufficient funds in FY 1982 and in FY 1983 to implement the Cooperative Research Program between U.S. research institutions and the International Agricultural Research Centers; and
5. the Agency join with the BIFAD in a systematic examination of missions, functions, numbers, and scale of the IARCs as a basis for determining future AID policy and budgetary support levels of these institutions.

#### University Strengthening Grants

Since the 1949 "Point Four" message of President Harry Truman, the United States has relied heavily on U.S. universities to implement a significant portion of its bilateral development assistance program. This has been especially true of agricultural development assistance.

The universities have always encountered certain difficulties in mobilizing their professional staff and other resources for this work without prejudicing the conduct of their domestic scientific and educational missions. They have also experienced difficulties in achieving completely effective technical, economic, social, cultural, and linguistic staff preparation essential to effective performance abroad.

The Title XII Amendment took these long-standing issues into account and authorized the strengthening of Title XII universities for long-term participation in AID's agricultural, rural development, and nutrition programs.

The Agency and the BIFAD have been working toward this end in a variety of ways. Important among these have been the conceptualization and implementation of the Strengthening Grant Program.

The BIFAD has monitored closely the development of this innovative program. The Agency's review of this activity at the June, 1982, BIFAD meeting was most helpful in this respect. The BIFAD is impressed with:

1. the rapidity with which this program was implemented. Fifty-five Matching and Minority Institution Grants are in place (Table 3);
2. the magnitude of their own resources which Strengthening Grant recipient institutions have invested in the cooperative venture -- about \$28 million in direct and indirect costs in FY 1980, 1981, and 1982 (Table 6);
3. the degree to which the Agency and the universities have been able to "shake down" this completely new initiative and to "tilt" it increasingly toward effective support of Title XII activities;
4. the effectiveness of a relatively small investment (about .6% and .76% of AID's total ARDN and Title XII expenditures, respectively, over the 1980-82 period) in stimulating Title XII Universities to find means of improving their capacities to participate effectively (Table 5); and
5. the present effort to utilize the Strengthening Grant concept as a vehicle for structuring program support grants as the fiscal cornerstone of the Memoranda of Understanding (MOU).

#### RECOMMENDATIONS

The BIFAD believes that this initiative is quite productive and essential to the success of the AID/university partnership efforts under Title XII. Therefore, it recommends that:

1. adequate funds be provided in FY 1984 to continue this program

taking into account probable additions and deletions of universities receiving Strengthening Grants, the impact of Memorandum of Understanding requirements on this budget item, and the levels of Title XII activities upon which grant entitlements are based. The BIFAD estimates that this may be of the order of \$7,000,000; and

2. the Agency take measures to improve its estimates of mid-to long-term university services which will be required under Title XII as a basis for efficient utilization of Strengthening Grant funds by the universities.

Table 3: Title XII Universities Awarded Strengthening Grants, FY 1979-1982.

Category	1979	1980 (number)	1981	1982
University Matching Grants	42	44	46	46
Minority Universities	4	6	9	9
TOTALS	46	50	55	55

Table 4: Title XII University Strengthening Grants; AID funds Obligated, Expended and Not Expended; FY 1979-1983.

Fiscal Year	Funds Obligated	Funds Expended	Funds Unliquidated
1979	\$ 4994	\$ 0	\$ 4994
1980	5000	1105	8979
1981	5000	5577	8402
1982* (estimated)	5000**	6000**	7402**
1983* (estimated)	5000	7000	5402

\*Source of estimated obligation levels is the Annual Budget Submission (ABS) for FY 1984

Data on funds obligated, expended, and unliquidated provided by Office of the Controller, S&T Bureau

\*\*Actual FY 1982 obligations, expenditures, and unliquidated balances as of May 31, 1982 were \$434,000; \$3,135,000; and \$5,701,000; respectively.

Table 5: Title XII University Strengthening Grant Program; Relationships among AID Fund Obligations & Expenditures; Agriculture, Rural Development and Nutrition (ARDN) Obligations; Title XII Program Obligations; 1980 - 1982.

Fiscal Year	AID Program Funds Obligated (\$ MILLION)		Strengthening Grant Funds (\$ MILLION)		Strengthening Grant Funds Obligations as % of:		Strengthening Grant Funds Expenditures as % of:	
	ARDN	Title	Obligated	Expended	ARDN	Title XII	ARDN	Title XII
1980	\$ 631	\$ 451	\$ 5	\$1.015	.79%	1.11%	.16%	.23%
1981	653	486	5	5.577	.77	1.03	.85	1.15
25A 1982 thru 5/31/82	468*	338*	3.34	3.135	.71	.93	.67	.92
	\$1752	\$1275	\$13.34	\$9.727	.76	1.05	.56	.76

\*prorated to .667 of FY 1982 obligations

Table 6: Title XII Strengthening Grant Program; University Matching Funds Provided through Direct and Indirect Costs; FY 1980-1982

Non-federal University Funds			
Fiscal Year	Direct Costs	Indirect Costs (estimated)	Total Matching
	(\$000's)		
1980	\$ 5,400	\$ 3,120	\$ 8,520
1981	5,991	3,463	9,454
1982	6,327	3,633	9,960
TOTAL	\$17,718	\$10,216	\$27,934

Title XII Country Programs

Properly, most of the Agency's Agriculture, Rural Development and Nutrition (ARDN) budget is invested through its regional bureau/country mission structure and programs. Completely understanding ongoing programs, identifying significant changes in program direction, forming valid conclusions and making useful recommendations on budget allocations in this complex area are difficult tasks at best. Despite this, the BIFAD did review as carefully as time permitted the FY 1984 Annual Budget Submissions (ABSs) of most USAID Missions and AID Regional Programs.

The exercise concentrated on an analysis of the substance of ongoing and proposed Title XII projects and programs, in light of what is known or believed about relative payoffs to alternative external interventions in the agricultural development process, in the provision of which the U.S. is believed to have a comparative advantage. An effort was made to identify significant shifts in the direction of country programs.

Two independent analyses were conducted. One concentrated on the characteristics of new Title XII projects initiated in FY 1980, 1981, and 1982 plus those programmed (funds available) to start in FY 1983 and FY 1984. These projects were classified, using BIFAD/AID accepted criteria, into two principal groups -- Institution Building Projects (IB) and General Agricultural Development Projects. Institution Building Projects were sub-classified according to the types of institutional services involved. Life-of-project funding was used as a measure of relative importance of the activity.

The second analysis, using the same source of data and similar project classification criteria, examined projects programmed to be initiated (funds available) in FY 1983 and FY 1984 as well as older projects active in FY 1982 with funds requested for continuation in FY 1983 and FY 1984. Both life-of-project and annual budget obligations were utilized. Projects having as a primary objective some specific research output were also isolated in this analysis.

While the preliminary findings of the two analyses differ in some respects, the general patterns of recent and proposed resource use which emerged were quite similar.

In terms of new Title XII project initiatives during the 1980-84 period, USAID Missions worldwide appear to be placing greater emphasis on Institution Building than on General Development Projects. This is true in terms of project numbers and in terms of funds obligated and/or requested. One set of estimates indicated that approximately 123 new Institution Building Projects have been or will be initiated during the period. In comparison, only 45 new General Development Projects were in place or projected in the same period (Table 7).

Among the various categories of institutional services, USAID Missions are

giving greatest attention to institutional development activities involving agricultural research and extension complexes. This type of activity accounted for about 45 percent of the 1980-84 life-of-project funding and about 40 percent of the new institution building initiatives. New initiatives on policy and planning, education, research and extension institutional development followed in that order. Emphasis on extension institution development alone, appears to be limited with only a few such projects initiated or to be initiated in the five-year period; one of these is in Africa, four in Latin America/Caribbean, and two in the Near East; Asia reports no new projects of this type.

Worldwide, 13 new projects designed to strengthen agricultural education institutions in the 1980-84 period were identified. Five of these were authorized in 1980-82 with the remaining eight in the as yet unapproved 1983 budget and the 1984 proposed programs. Four new projects were programmed under this account for all of Africa, with three of these in FY 1983 and FY 1984 (Table 8). Four new agricultural education institution development projects were identified in Asia, with two of the four projected for 1984 (Table 9). Latin America has three, and the Near East has two such new projects implemented or projected (Tables 10 and 11). There were a few older educational institution development projects budgeted for continuation in FY 1983 and FY 1984.

USAID Missions appear to be placing little emphasis on "blanket" training projects for LDC agriculturalists. Worldwide, only six such projects, new in 1980-84, were identified and four of these are for FY 1983 and FY 1984 proposed programs. Two geographic regions have no identifiable activity in this quarter (Tables 7 - 11).

During the 1980-84 period, some 20 new projects designed to improve

indigenous capacity to deal with agricultural policy issues and planning needs were started or projected. In addition, 16 new IB projects directed toward a variety of other agricultural institutions were put in place or were on the drawing boards.

The review of the country program ABSs from the four geographic regions also revealed significant Mission response to the new private sector agricultural development thrust of the Agency. The BIFAD has not been able, at this point, to evaluate carefully the nature and substance of these initiatives, but plans to do so.

The BIFAD is encouraged by the preliminary findings of the ongoing analyses of the FY 1984 country program ABSs. Program emphasis on the ARDN sector appears to be continuing to shift toward longer term, high payoff investments. It seems likely that additional shifts from short-run development projects and capital transfer activities, to more basic activities with greater multiplier potential, would be desirable.

The country program ABS review has identified two related areas about which the BIFAD has specific concern. The first is the apparent lack of major attention to expanding or strengthening the indigenous capacities of the LDCs to train the number, kind, and quality of agriculturalists which these countries will require if they are to progress. The second is the previously cited lack of concerted effort to provide educational opportunities in the U.S. and elsewhere for the host nationals required to staff the public institutions and the private agricultural organizations which are being or will need to be brought on stream.

The BIFAD believes that the lack of attention to these two related matters seriously endangers the potential benefits of practically everything else that AID and other donors are doing in cooperation with the developing nations.

The BIFAD is also concerned about apparent trends in the relative share of Section 103 funds (ARDN) allocated or projected to be allocated to the Title XII program. Preliminary analysis of projected annual obligations for country projects, on a world-wide basis, suggests that the proportion of Section 103 funds to be allocated to Title XII programs may decline from 58% in FY 1982 to 53% in FY 1983 and 1984. Disaggregation of these data suggests that, for Africa, the share for Title XII may decline from 75% in FY 1982 to 54% in FY 1983, and then increase to 64% in FY 1984. In the Latin America/Caribbean region, the proportion for Title XII may increase from 48% in FY 1982 to 52% in FY 1983 and then drop to 41% in FY 1984. This raises the possibility that the Agency may be de-emphasizing hard core investments in agricultural development interventions. If so, it is a matter in need of reconsideration.

#### RECOMMENDATIONS

The BIFAD recommends that:

1. the Agency continue its efforts to adjust Section 103 (ARDN) country programs in the direction of greater emphasis on the development and strengthening of fundamental public agricultural institutions. The BIFAD believes that the Administrator and his senior executive staff should weight this criterion heavily in final decisions on the allocation of funds for FY 1984;
2. the Agency make a concerted effort to increase its investments in the strengthening of LDC agricultural education institutions; and
- 3 the Agency take positive steps to develop "blanket" education and training programs in all client countries where a present or future shortfall of appropriately prepared agricultural scientists, educators, administrators and practitioners exists.

The BIFAD is continuing to analyze information provided in the FY 1984

country program ABSs. It will provide the Agency with other findings and recommendations which it feels will be helpful in optimizing the impact of its limited resources on agricultural development in the developing nations.

Table 7: Title XII Institution Building and General Development Projects Initiated in FYs 1980, 1981, 1982, and Proposed for FY 1983 and FY 1984. Number and Life of Project Funding (All Regions).

Title XII Project Category*	Fiscal Year					
	1980	1981	1982	1983	1984	1980-84
<u>Institution Building</u>						
Research (\$000,000)	\$25.4	\$ 3.8	\$90.2	--	**	**
(number)	1	1	5	--	4	11
Extension	4.3	-	12.8	36.5	**	**
	2	-	2	3	1	8
Education	15.4	14.9	43.0	23.9	**	**
	2	2	1	3	5	13
Research/Extension	45.9	70.7	130.0	209.7	**	**
	5	8	4	15	13	45
Research/Education	--	--	--	--	--	--
	--	--	--	--	--	--
Research/Extension/ Education	46.7	--	--	39.0	**	**
	2	--	--	1	1	4
Policy or Planning	12.3	24.1	19.5	26.5	**	**
	3	4	3	8	2	20
"Blanket" Training	.8	--	4.0	6.8	**	**
	1	--	1	2	2	6
Other	19.6	9.9	33.5	27.5	**	**
	3	2	3	4	4	16
All Institution Building	\$167.3	\$123.3	\$333.1	\$419.9	**	**
	19	17	19	36	32	123
<u>General Development</u>						
Advisory Services and Capital	\$142.2	\$27.1	\$83.6	\$148.8	**	**
	13	3	6	12	11	45
<u>Total Title XII</u>	\$309.5	\$150.4	\$416.7	\$568.6	**	**
	32	20	25	48	43	168

Sources: FY 1984 ABSs of 58 USAID Missions and 7 Regional Programs  
 \*Definition used for classification was AID-accepted definition as per AID Draft Policy Directive  
 \*\*FY 1984 proposed funding levels not available for disclosure.

Table 8: Title XII Institution Building and General Development Projects Initiated in FYs 1980, 1981, 1982, and Proposed for FY 1983 and FY 1984. Number and Life of Project Funding (Africa Region).

Title XII Project Category*	Fiscal Year					
	1980	1981	1982	1983	1984	1980-84
<u>Institution Building</u>						
Research (\$000,000)	--	\$ 3.8	\$70.4	--	**	**
(number)	--	1	4	--	3	8
Extension	--	--	--	10.0	**	**
	--	--	--	1	1	2
Education	--	--	43.0	3.8	**	**
	--	--	1	1	2	4
Research/Extension	35.6	24.5	53.0	65.0	**	**
	4	3	2	7	6	22
Research/Education	--	--	--	--	--	--
	--	--	--	--	--	--
Research/Extension/ Education	--	--	--	--	--	--
	--	--	--	--	--	--
Policy and/or Planning	6.2	24.1	19.5	4.5	--	**
	1	4	3	2	--	10
Training	.8	--	4.0	3.7	**	**
	1	--	1	1	1	4
Other	3.6	9.9	17.0	77.5	**	**
	1	2	1	4	2	10
Total	\$46.2	\$62.3	\$206.8	\$164.6	**	**
	7	10	12	16	15	60
<u>General Development</u>						
Advisory Services and Capital	\$44.0	\$ 3.0	\$13.3	\$ 74.5	**	**
	7	1	2	5	3	18
<u>Total Title XII</u>	\$90.2	\$65.3	\$220.1	\$239.1	**	**
	14	11	14	21	18	78

Sources: FY 1984 ABSs of 28 USAID Missions and 2 Regional Programs

\*Definition used for classification was AID-accepted definition as per AID Draft Policy Directive

\*\* FY 1984 proposed funding levels not available for disclosure.

Table 9: Title XII Institution Building and General Development Projects Initiated in FYs 1980, 1981, 1982, and Proposed for FY 1983 and FY 1984. Number and Life of Project Funding (Asia Region).

Title XII Project Category*	Fiscal Year					
	1980	1981	1982	1983	1984	1980-84
<u>Institution Building</u>						
Research (\$000,000)	\$25.4	---	\$20.0	---	**	**
(number)	1	---	1	---	1	3
Extension	---	---	---	---	**	**
	---	---	---	---	---	---
Education	5.6	\$ 9.8	---	---	**	**
	1	1	---	---	2	4
Research/Extension	---	20.5	77.0	132.6	**	**
	---	2	2	6	3	13
Research/Education	---	---	---	---	---	---
	---	---	---	---	---	---
Research/Extension/ Education	---	---	---	---	**	**
	---	---	---	---	1	1
Policy and/or Planning	3.2	---	---	8.0	**	**
	1	---	---	2	1	4
Training	---	---	---	---	---	---
	---	---	---	---	---	---
Other	---	---	4.5	---	**	**
	---	---	1	---	1	2
TOTAL	\$34.2	\$30.4	\$101.5	\$141.2	**	**
	3	3	4	8	9	27
<u>General Development</u>						
Advisory Services and Capital	\$92.3	---	\$ 55.0	\$ 38.8	**	**
	4	---	3	2	4	13
<u>Total Title XII</u>	\$126.6	\$30.4	\$156.5	\$180.0	**	**
	7	3	7	10	13	40

Sources: FY 1984 ABSs of 9 USAID Missions and 2 Regional Programs  
 \*Definition used for classification was AID-accepted definition as per AID Draft Policy Directive  
 \*\* FY 1984 proposed funding levels not available for disclosure.

Table 10: Title XII Institution Building and General Development Projects Initiated in FYs 1980, 1981, 1982, and Proposed for FY 1983 and FY 1984. Number and Life of Project Funding (Latin America and Caribbean Region).

Title XII Project Category*	Fiscal Year					
	1980	1981	1982	1983	1984	1980-84
<u>Institution Building</u>						
Research (\$000,000)	--	--	--	--	**	**
(number)	--	--	--	--	--	--
Extension	\$ 1.5	--	\$12.8	\$ 1.5	**	**
	1	--	2	1	--	4
Education	--	\$ 5.0	--	20.0	**	**
	--	1	--	2	--	3
Research/Extension	10.3	25.6	--	12.1	**	**
	1	3	--	2	4	10
Research/Education	--	--	--	--	**	**
	--	--	--	--	--	--
Research/Extension/ Education	11.0	--	--	39.0	**	**
	1	--	--	1	--	2
Policy and/or Planning	2.9	--	--	14.0	**	**
	1	--	--	4	1	6
Training	--	--	--	3.0	**	**
	--	--	--	1	1	2
Other	16.0	--	12.0	--	**	**
	2	--	1	--	--	3
TOTAL	\$41.7	\$30.6	\$24.8	\$89.7	**	**
	6	4	3	11	6	30
<u>General Development</u>						
	\$12.8	\$24.1	\$15.3	\$35.5	**	**
	2	2	1	5	4	14
<u>Total Title XII</u>	\$54.5	\$54.7	\$40.1	\$125.2	**	**
	8	6	4	16	10	44

Sources: FY 1984 ABSs of 11 USAID Missions and 3 Regional Programs

\*Definition used for classification was AID-accepted definition as per AID Draft Policy Directive

\*\* FY 1984 proposed funding levels not available for disclosure.

Table 11: Title XII Institution Building and General Development Projects Initiated in FYs 1980, 1981, 1982, and Proposed for FY 1983 and FY 1984. Number and Life of Project Funding (Near East).

Title XII Project Category*	Fiscal Year					
	1980	1981	1982	1983	1984	1980-84
<u>Institution Building</u>						
Research (\$000,000)	--	--	--	--	**	**
(number)	--	--	--	--	--	--
Extension	\$ 2.8	--	--	\$25.0	**	**
	1	--	--	1	--	2
Education	9.7	--	--	--	**	**
	1	--	--	--	1	2
Research/Extension	--	--	--	--	--	--
	--	--	--	--	--	--
Research/Education	--	--	--	--	--	--
	--	--	--	--	--	--
Research/Extension/ Education	32.6	--	--	--	--	**
	1	--	--	--	--	1
Policy and/or Planning	--	--	--	--	--	--
	--	--	--	--	--	--
"Blanket" Training	--	--	--	--	--	--
	--	--	--	--	--	--
Other	--	--	--	--	**	**
	--	--	--	--	1	1
TOTAL	\$45.2	--	--	\$25.0	**	**
	3	--	--	1	2	6
<u>General Development</u>						
Advisory Services and Capital	\$ 5.1	--	--	--	--	**
	1	--	--	--	--	1
<u>Total Title XII</u>	\$50.3	--	--	\$25.0	**	**
	4	--	--	1	2	7

Sources: FY 1984 ABSs of 2 USAID Missions

\*Definition used for classification was AID-accepted definition as per AID Draft Policy Directive

Note: Excludes Egypt

\*\* FY 1984 proposed funding levels not available for disclosure.