

POLICY PAPERS

Domestic Water and Sanitation (May 1982): The combination of unsafe drinking water and inadequate sanitation facilities constitutes one of the major causes of death and disability among the poor in developing countries. Safe, convenient water supply and adequate sanitation is a fundamental component of broad-based economic growth strategies. Lowering mortality and morbidity from sanitation-related diseases is a goal in itself; it can also lead to increased productivity and decreased absenteeism among members of the labor force and can reduce the time and energy burden on the household, leading to more time for crop cultivation, child care, and income-generating activities, as well as more regular school attendance. The availability of a minimum of 20-40 liters of relatively save water per person per day is essential. Criteria that will guide A.I.D.'s investment in this area:

1. Evidence of need and effective demand clearly indicated and community or government ability to contribute and cover recurrent costs;
2. Institutional responsibility and capacity to construct, expand and continue operation and maintenance exist or can be made capable.
3. Infrastructure, such as roads, transportation and communications sufficiently developed or improved so system can be maintained.

A.I.D. will not support water supply and sanitation programs whose operation and maintenance costs cannot be financed over the long term by some combination of consumers, local community and regional/central government. Particular attention will be given to identifying and promoting opportunities for private sector involvement in the construction, operation, and maintenance of water and sanitation systems and manufacture of related equipment. A.I.D. encourages attention to other factors which may have implications for domestic water, water supply and sanitation (including strength of existing institutions that govern the allocation of water resources, opportunities to incorporate water supply and sanitation activities into primary health care, agriculture [irrigation] and other programs, and the implications of rapid urbanization for existing water supply.

Other items covered: Project criteria intended for DA, ESF and HG funded programs; rationale for A.I.D. support of water and sanitation programs; Current situation in developing countries and the role of international donors; the U.S. commitment to supporting water and sanitation programs in developing countries; A.I.D. and other international donors; A.I.D. funding in this area with DA and ESF from FY 1978-82; A.I.D.'s role in water supply and sanitation in developing countries (including the provision of "software" components such as TA, training, hygiene education, national and regional water and sanitation policies); linkages between domestic water supply, sanitation and health; guidance for the development of the drinking water and sanitation programs in developing countries (major issues include water convenience, reliability,

quantity, and quality; site selection, surveys, social and cultural factors; water conservation and reuse including community participation and user education, costs of financing; operation and maintenance, management and logistics; role of the private sector; evaluation and applied research); water in the context of general economic development, natural resources, primary health care, agriculture, and urban development.

Other PPs cited: Health; PD-67, Urbanization and the Urban Poor (1976).

Food and Agricultural Development (May 1982): (Definitions: Food Self Reliance - the ability of a country to assure continuing food security to its population from a combination of domestic production and importation of food at commercial terms paid from foreign exchange earnings; short-run food security - the ability to maintain normal consumption levels in the face of an emergency food shortage; long-run food security - the ability of a country to assure a nutritionally adequate food supply to its population on a continuing basis.)

The overall objective of U.S. bilateral economic assistance is to stimulate in developing countries broadly-based, self-sustaining economic growth that promotes international peace and stability and that assists people to conquer poverty, hunger, illness and ignorance (Secs. 101 & 531 of FAA).

The objectives of U.S. food and agricultural assistance are to enable countries to become self-reliant in food, assure food security to their populations and contribute to broadly-based economic growth.

These broad objectives entail two major sub-objectives

--Increased food availability through

--Increased agricultural production, with an emphasis on increasing and sustaining the productivity, incomes and market participation of small farmers, with special attention to food production;

--greater economic efficiency in the marketing and distribution of agricultural and food production, exports and imports; and

--Improved food consumption in rural and urban areas through

--expanded productive employment and incomes of men and women who at present lack the purchasing power to obtain adequate food;

--increased awareness and incorporation of sound nutritional principles in the design and implementation of production, marketing, health and education policies and programs, including improved access to, and

utilization of food for those at nutritional risk;

--effective direct distribution of food from domestic or external sources to those facing severe malnutrition and temporary food shortages (i.e., a short-run lack of food security).

A.I.D. will seek to concentrate assistance for food and ag development in countries sharing these objectives and committed to an appropriate policy framework as in "Elements of Policy." A.I.D. supports a "balanced approach" involving production for export and import of food and ag products where comparative advantage exists.

Elements of Policy: A.I.D. will emphasize 4 major, inter-related elements to accomplish food and agricultural development objectives:

1. improve country policies to remove constraints to food and ag. production, marketing and consumption;

--Sound country policies are fundamental to agricultural growth and effectiveness of external economic assistance. An appropriate policy framework

--relies largely on free markets, production incentives, equitable access to resources, saving and investment; and

--gives sufficient priority to complementary public sector investments in rural infrastructure and institutions (road networks, gravity irrigation systems, institutions for ag research, training and extension, and basic education and health services, and control of epidemic diseases)and that encourage rather than compete with healthy private sector growth.

--macro-economic policies affecting exchange rates, interest and wage rates and tariffs and taxes have an even more powerful impact on incentives to produce, employ, consume, save and invest.

--distorted policies have hampered ag growth and have hurt the poor by excluding them from access to productive resources and employment.

--As part of its development assistance programming, A.I.D. will critically examine country policies affecting food and agricultural development and will seek to concentrate assistance in those countries where an appropriate policy framework already exists or where there is commitment to improvement.

--A.I.D. will analyze the constraints to improved policies in countries where it provides assistance and will engage in dialogue with countries on changes in policies intended to improve incentives and opportunities.

--Technical assistance and training to improve a country's policy analysis and planning capacity will also be provided.

--A.I.D. will continue its efforts on how to integrate effectively the implications of nutritional problems and practices into the design, implementation and evaluation of projects and programs.

--A concern for nutritional implications will be included in dialogue on agricultural policies and in the design of assistance for planning and policy analysis; agricultural research and extension; education and training; marketing and processing; and food aid and food security. (Incorporation of nutritional considerations raises, complex, multi-sectoral issues that will be addressed further in the Nutrition Policy Paper.)

2. Develop human resources and institutional capabilities, especially to generate, adopt and apply improved science and technology for food and ag development, and conduct research on developing country food and agriculture problems. Adequate human resources development is essential if food and agricultural institutions are to be effective.

--A major priority of A.I.D. policy is to assist countries to develop and/or strengthen private and public institutions dealing with the host of technical, administrative, economic and social problems constraining increased and more efficient food and ag production, marketing and consumption to

--enhance the countries ability to marshal its own human and financial resources for food and ag development;

--enable individuals to obtain access to the skills, resources and services needed to increase their productivity, incomes and well-being; and

--increase the absorptive capacity and effectiveness of external assistance.

--often requires long-term commitment and effort (e.g., 10 years or more).

--A.I.D. will continue to provide direct support for food and agricultural research training and technical assistance by U.S. and regional institutions, and by the system of international agricultural research centers.

--A.I.D. will give special emphasis, with a sufficiently long-term commitment, to helping countries develop the institutional capacity for food and ag planning and policy analysis; basic and adaptive research, education and training; and disseminating improved technology and related information in a cost-effective manner.

--Social scientists (economists, anthropologists, development planners and policy analysts) and physical and biological scientists and technicians from developing countries and the U.S. will work together to conduct applied research and develop individual and institutional capabilities.

--U.S. universities will play a major role in implementing A.I.D. assistance for food and ag institutional development as will other U.S. government agencies, agribusiness enterprises, cooperatives and PVOs.

--A.I.D. will also encourage

--expanded role for private enterprise in ag research, technology, preservation and marketing

--research and other institutions that expand access by low-income, small producers to improved technology, productive resources and services; and

--voluntary institutions that mobilize local efforts for ag and social development.

--Ownership and title is critical to stimulating increased capital, therefore

--A.I.D. will give favorable consideration to requests for assistance in the form of feasible projects and programs that establish wider access to agricultural assets (including land) and provide more secure tenure arrangements and strengthen local participatory organizations of ag producers that help assure access by farmers to resources and services.

--A.I.D. will support in-country training in related areas and, as necessary, expansion of in-country training facilities and external training, in the U.S. or third countries.

--A.I.D. will provide support to promote the enhancement of the role of women through: research and analysis, planning and policy dialogue, design and implementation of institutional and human resource development and other programs, and A.I.D. staff recruitment, training and placement.

3. Expand the role of developing country private sectors in agricultural and rural development, and in the complementary role of the U.S. private sector in assisting this expansion. A.I.D. will

--identify private and public sector institutions through which technical and financial assistance can be effectively provided to private enterprise;

--engage in dialogue with governments on changes in policies and other regulations to encourage private sector development;

--where appropriate, help countries improve the efficiency of public and parastatal enterprise engaged in food and ag activities.

--A.I.D. encourages utilization of the invaluable skills and resources of the American private sector. A major effort will be made to involve U.S. business firms in strengthening developing country private enterprise.

--A.I.D. will develop mechanisms and processes to facilitate the involvement of the U.S. private business community.

--U.S. universities will be used principally in support of A.I.D. policy to develop and strengthen institutions and train people serving agricultural and rural development.

--A.I.D. will encourage and seek to strengthen PVOs that are committed to sustained food and ag development consistent with A.I.D. policy, and that have indicated through performance or potential the ability to provide effective developmental assistance.

Providing Food Aid and Food Security: The achievement of national food security requires a country to be self-reliant in food and agriculture, to be capable of assuring its population a continuing, nutritionally adequate food supply through increased domestic production, more efficient distribution, expanded purchasing power and international trade, and a healthier and better informed population. The responsibility for food security, especially in the longer term, is fundamentally that of each country. In the short term, international food assistance -- led by the U.S. as the world's largest food aid donor -- plays a vital role in assuring food security.

PL 480 food aid can be a valuable development resource for augmenting local production, enhancing short-and long-term food security and reducing malnutrition, providing it is made available under conditions that support rather than discourage domestic food and agricultural production.

2--A.I.D. seeks to improve the impact of both PL 480 commodities and local currency proceeds on food and ag development, including increasing their integration with other U.S. bilateral financial and technical assistance at both the policy and project levels.

--PL 480 resources should support A.I.D.'s strategic emphases to improve country policies, develop human and institutional capacity and enhance the role of the private sector in food and agricultural development.

--A.I.D. will pursue policy dialogue on PL 480 and reach agreement on supplying and/or conditioning food aid in a way that avoids disincentives to increased food and ag

production through food subsidies or lowered government priority to domestic production in the context of total U.S. assistance to the country.

--A.I.D. will continue to give greater emphasis in the use of PL 480 Title II resources to programs that have been shown to have greater nutritional impact, such as maternal-child health combined with nutrition education programs, rather than school-feeding programs, and encourage PVOs to design and implement Title II programs so that governments and local communities eventually assume responsibility for them and/or replace them with programs that increase production and incomes.

Programming implications: Technical assistance in the form of training opportunities and technical advisors will comprise a major mode of A.I.D. support for food and ag development.

--In using technical assistance A.I.D. will

--encourage and strengthen the capacities of the various sources of U.S. and developing country technical assistance

--give greater emphasis and importance to the Agency's science and technology capabilities

--enhance the role of American university expertise in the implementation of food and ag policy

--A.I.D. will also provide, under appropriate conditions, capital assistance, food aid, agricultural or other enterprise credit and/or commodity assistance.

--For low income countries with severe local resource constraints, A.I.D. will consider financing a share of recurrent costs of food and ag research, education, extension or related institutions during the project development phase (up to ten years under current A.I.D. procedures).

--employ all available assistance instruments in an integrated manner, including provision of PL 480 food aid in a way that contributes to the other three strategy elements as well as meeting food security and nutritional need.

A main thrust of the policy is on the development of a domestic human and institutional capacity that permits a country to develop and apply food and agricultural science and technology. The policy requires a more vigorous effort by A.I.D. to support the identification, transfer and adaptation of existing appropriate technologies, as well as carrying out food and agricultural research and application of improved technologies through U.S., international regional and national institutions. The policy also envisions

strengthening institutional capability in other critical areas such as the management of irrigation and credit systems.

In pursuing this policy A.I.D. will encourage countries to promote participation in food and ag development by the large majority of rural producers and workers -- men and women -- thru

--broadened access to productions incentives and resources, including land and water and opportunity to take advantage of education, training and other productive services;

--increased productivity, employment and incomes; and

--expanded involvement in making policy and program decisions.

The policy also includes an emphasis on effectively increasing the productivity, incomes, and market participation of small producers. Improvement of the employment opportunities of the landless and near-landless is a crucial requirement for improved food consumption in many countries.

Nutrition (May 1982):
to be summarized

Recurrent Costs (May 1982):
to be summarized

Population Assistance (September 1982):
to be summarized

Private and Voluntary Organizations (September 1982): In 1978, Congress highlighted the national interest in supplementing the financial resources of PVOs and cooperatives in order to "expand their overseas development efforts without compromising their private and independent nature. In 1981, Congress for the first time specified a range of funding "based on historical trend of steadily increasing scale of PVO use of A.I.D. funds," by directing A.I.D. to make available at least twelve and up to sixteen percent of A.I.D.'s development and disaster assistance funding to PVOs. However, public and private objectives and programmatic interests frequently do not coincide. It is A.I.D. policy to minimize differences with PVOs, but they still remain. A.I.D. deals with PVOs both as intermediaries in conducting A.I.D.'s programs and as independent entities in their own right. A.I.D. considers support to PVOs in both capacities to be consistent with the dual interests of Congress to facilitate the activities of PVOs which are consonant with A.I.D.'s mandate of meeting the basic human needs of the poor majority in developing countries and to protect and preserve the independence

and voluntary nature of such organization.

Policy Framework: Broad objectives are to

--increase economic development impact of PVO programs through increased program integration and focusing resources on field programs;

--discourage dependence on U.S. Government financing of PVO international development programs;

--reduce administrative cost to both A.I.D. and PVOs of A.I.D. funded PVO programs and create a central focal point for PVO relationships with A.I.D. within FVA; and

--insure that A.I.D. funds are used in ways that reflect A.I.D.'s legislative mandate in a way that "calls into full play" unique capabilities, managerial flexibility and knowledge of PVOs.

Principles and/or requirements for A.I.D. offices and Missions:

--Increased emphasis needs to be placed on country program integration and all A.I.D.-funded programs, including those of PVOs, should address a country's development priorities and requirements (facilitated by PVO participation in A.I.D.'s country programming process).

--This does not compromise a PVO's independence to program its activities in that country nor does it mean that an A.I.D. supported PVO must always work in the same sectors and geographic regions that A.I.D. does in its government-to-government program.

--It does mean that PVO programs funded by A.I.D. should be viewed as integral parts of a consistent and coordinated utilization of resources to address development priorities in each country where they operate.

--PPC and FVA will actively seek to ensure that PVO concerns and activities are addressed in CDSS and ABS reviews.

--Voluntary agencies should be given ample scope for independence in the actual design of project activities. PVOs should be free to negotiate working arrangements with host country counterparts, private or public.

--A.I.D. must reserve the right to reject, approve, or seek modifications in the final package which the PVOs ask us to approve. A.I.D. is under no obligation to fund activities which it believes are inconsistent with its objectives.

--Funding for PVO programs should be viewed as complementary to other A.I.D. assistance even though these programs compete with all other A.I.D. programs for budget priority.

--The legislated 20 percent non-USG funding (with a preference for private funding) requirement will be applied in determining whether a U.S. PVO qualifies for grants available under the PVO grant program.

--A.I.D. links the concepts of cost-sharing and program independence in its grant relationships with PVOs and PVOs which cost-share are given greater independence to program funds.

--Organizations which do not meet the privateness test will continue to be eligible for "intermediary" forms of support to implement A.I.D. programs, but will no longer be eligible for matching grants, OPGs and institution building support.

--Emphasis should be placed on utilization of existing U.S. PVO capacity to undertake field programs.

--The diversity of the PVO community should be taken into account by A.I.D.

--The PVO administrative relationship with A.I.D. will be simplified.

Operational guidelines:

Categories of PVOs and other private non-profit organizations:

--Cooperatives and credit unions are non charitable or fund-raising groups and rely almost exclusively on A.I.D. institutional support grants. PD-73, which is under review, governs the A.I.D.'s relationship with CDOs.

--AFL-CIO Labor Institutes are trade associations, not charitable or fund-raising groups, relying almost exclusively on A.I.D. institutional support grants to operate international programs. PD-52 governs the relationship.

--Family Planning Organizations entered international assistance largely as a result of A.I.D. initiatives and rely heavily on A.I.D. institutional support grants. Relationships governed by PP on Population Assistance (Sep. 1982).

--Nonprofit Consulting Firms have neither volunteers nor significant financial support from U.S. private sources and operate essentially like consulting firms in their relationship to donors/clients. A.I.D. funding of their services, if continued, should normally be provided under a cooperative agreement or an openly competed contract rather than a grant.

--Traditional Voluntary Organizations (Volags) have historically been involved in international programs, rely significantly on private funding and draw on volunteers to implement their programs. They are most likely to qualify for the PVO grant program and most closely represent the kind of organization A.I.D. is urged to support in development work (FAA, Sec 123).

Categories of support in PVO grant program :

--Operational Support Grants and variant co-financing grants, funded by regional bureaus and missions (for registered PVOs) PVOs will share the costs of all OPGs and co-financing projects with some level the 25 percent PVO contribution being cash from private sources -- missions can negotiate the level;

--Comprehensive Program Grants (Matching Grants) awarded to a limited number of PVOs with demonstrated development track records (for registered PVOs). MG activities are reviewed to ensure consistency with country development priorities and requirements in high priority sectors, or on an exceptional basis, where they are of interest to A.I.D. Regional bureaus may register disagreement with an FHA approval through an (undescribed) appeal process to the Administrator. Missions must agree to parallel funding of Matching Grants and OPGs to the same PVO in a country;

--Institution Building (institutional development and management) include support grants in the form of FVA-managed contracts or cooperative agreements in areas that need to be strengthened. There are also institution building services and workshops including A.I.D. training which is available only to registered PVOs.

Also available for registered PVOs are three specialized subventions (PL480 Title II, ocean freight and excess property).

Other types of grants are Institutional Support Grants which are not now reserved for registered PVOs and may be awarded to "any organization that is eligible to receive institutional support from A.I.D., including a registered PVO," and Consortia Grants for groups of PVOs.

PVO Accountability: Governed by standards applied to Federal funds (OMB Circular A-110 and A-122, and A.I.D. Handbook 1, Supplement B, Chapter 24B).

Agency Accountability: FVA retains oversight responsibility for those PVO activities which it funds. Missions assume oversight responsibility for PVOs which it or the regional bureaus fund, will identify an officer with "trip wire" responsibility for mission and FVA funded PVOs, and will supply information to FVA, the Agency's PVO focal point.

Funding Decisions: PVO programs compete with all other A.I.D. central and regional

programs. Budget constraints and the need for development impact in the field require that increased percentages of A.I.D. funding for PVO activities be allocated to specific PVO field programs (managed either regionally or centrally) as opposed to institution building support. OPGs/Co-financing programs will normally support discrete projects and relate clearly to Mission CDSS priorities. Matching grants must also be consistent with country development priorities identified by the various A.I.D. missions.

Information Coordination and dissemination: FVA will develop a two way information dissemination program within A.I.D. and with PVOs, including technical assistance to A.I.D. missions at their request, assistance to PVOs on A.I.D. procedures, priorities and strategies. FVA assumes the role of general broker between PVOs and the regions.

Formulation and Implementation of policy: PPC will continue to function as the lead office in policy formulation and coordination while FVA/PVC will continue to serve as the lead office in relation to Agency-wide operations involving A.I.D. and the PVOs.

There is an intra-A.I.D. Liaison Committee to discuss PVO policy, program and procedural matters.

The Advisory Committee on Voluntary Foreign Aid serves as a focal point for relations between the USG and US PVOs.

Other PPs and PDs cited: PD 52, PD-73 and PP on Population Assistance (September 1982).

Women in Development (October 1982):
to be summarized

Pricing, Subsidies, and Related Policies in Food and Agriculture (November 1982):
to be summarized

Approaches to the Policy Dialogue (December 1982): The purpose of the paper is to outline and discuss a comprehensive framework for systematic A.I.D. interaction with other donor institutions and with developing countries' governments, addressed to support their economic policies when they are deemed effective, and to promote their improvement when they are deemed defective. (It is this "interaction" which forms the core of the "policy dialogue.") Discussion in paper grounded on two basic principles: 1) The donors' ability to affect host country policy is a continuum, and 2) the principle of conditionality -- that the formulation and implementation of any conditions to be attached to aid, in any form, depends on the objectives of the aid. The notion of policy dialogue is centered on the sphere of discretionary conditionality, and not on statutory prescriptions or prohibitions.

(Definitions: leverage - refers to the capacity to have one viewpoint predominate over the other (application through which aid recipient agrees to enact a certain policy in response to positive or negative incentives by the donor and not because it concurs with the other party's views of the policy's desirable effects); dialogue - a mechanism incorporating the interchange of ideas and information whereby either viewpoint or both can change to bridge the initial difference between the two (through which the aid recipient comes to view the policy advice as genuinely in the interest of its own economic progress); potential leverage - at best only a possible facilitator of the policy dialogue, and is neither a sufficient nor a necessary condition for the success of a policy dialogue; self-help - encompasses a recipient government's policies to affect positively those development variables over which it has some control (at best, entails recipient country policies that yields -- as a result of, or at least concomitant to, the provision of aid -- greater mobilization of domestic resources for development and/or improvements in the efficiency of their allocation and utilization -- acts as a catalyst; conditionality - a device to promote use of the resources in conformity with the purpose of providing them.

--Scope of the Economic Policy Dialogue: The discussion of policy dialogue entails examination only of those conditions on the provision of economic assistance related to the twin objectives of fostering the economic stability and improving the prospects for sustained long-term development of the recipient country (primarily the latter).

--Approaches to the Use of Aid to Foster a Policy Dialogue:

1) "Ex post" - good economic performance by the aid recipient justifies financial support (mostly macroeconomic), and 2) "ex ante" - provision of aid linked to a future policy change (macro- or microeconomic).

--Key to successful policy dialogue is mutual respect and familiarity with (and sympathy for) the other party's objectives, possibilities, and constraints.

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.....to be completed.

Basic Education and Technical Training (December 1982): ("Education sector" defined as including both formal schooling and basic vocational and technical skills training for adolescents and adults. Higher education and manpower development was to be covered under an expected PP scheduled for 1983). Human resources development is a long term process and is integral to all aspects of national development. Basic education, relevant and related skills training are strongly correlated with agricultural productivity, remunerative employment, health sanitation and nutrition status, lower fertility and rural and urban development.

A.I.D.'s policy for basic education for children 6-14: To expand basic education, A.I.D. will give first priority to improvements in retention, promotion and other efficiency measures at each level rather than to increasing initial enrollment figures, and assistance must necessarily be directed first at improving the efficiency of existing education systems -- both formal and nonformal -- as a whole. (Available evidence suggests that full school enrollment [6 years of education for children] can be achieved with an investment of less than 3 percent of GNP or less.) A.I.D. will

- encourage exploration of public-private partnership arrangements through technical assistance and policy dialogue and seek opportunities to work with key public and private sector education institutions, and administrative systems required to improve education policy;
- encourage those systems which facilitate local governmental or private administration of schools, vocation and technical training programs and which mobilize at least part of the resources at the community level;
- support experimental efforts to assess the strengths and limitations of different modes of education sponsorship in particular LDC settings;
- concentrate educational assistance in countries which encourage private as well as public schools;
- encourage decentralized management, local participation and diversified sponsorship of schools wherever possible;
- give priority to improvements in the retention, promotion and efficiency measures at each state of schooling rather than to increasing initial enrollment figures;
- encourage the expansion of basic education systems;
- provide technical assistance to help LDCs examine the efficiency (including policies) of the education system as a whole where such assistance is important for the improvement of the basic education system; and
- encourage the policy discussions and reform initiatives of other donors prepared to assist the basic education system, even in those countries where A.I.D. itself has not assigned a high priority to funding education programs.

A.I.D. will not support

- programs which promise only marginal improvements or which contribute mainly to maintenance of a qualitatively inadequate, inefficient, or ineffective education

system;

--programs which do not increase opportunities for girls, poor and rural children;
or

--development of preschool education in those countries which have not established such basic schooling capacity.

A.I.D.'s policy for vocational education and technical training: Vocational education and technical training programs must take into account such factors as migration patterns (internal and external), labor market incentives and disincentives, distortions in the labor market (e.g., low participation of women) and complementarities between skills training programs and other education programs -- particularly basic education programs designed to improve literacy and numeracy levels -- and give attention to the roles of employers in providing in-service and on-the-job training. A.I.D. will

--emphasize in-service training, with a strong and direct role for employers in implementing and financially contributing or covering their own training programs;

--for SMEs (undefined), encourage both in-service training for the existing workforce and pre-service training for new workers and workers needing retraining for new occupational areas; and

--for the informal sector (undefined), encourage nonformal approaches, with as direct a role as possible for community organizations, local PVOs, and producers associations.

A.I.D. support for efforts to improve basic education and technical training technology must reflect specific learning objectives and the needs of specific target populations, and therefore must be highly country-specific in development and field application.

For most countries, A.I.D. will seek to assist countries to make more effective use of their own education and technical training resources through TA directed at policy choices, organization and management, logistic capacities, and training technology. A.I.D. will stress close cooperation with other donors and will look to international lending institutions to assist with any large-scale capital finance that may be required.

In selected cases it may be desirable to include a limited amount of capital assistance to resolve physical capacity bottlenecks to basic education and vocational training system reforms which must be carefully related to the goal of more efficient resource utilization, strengthened capacities for policy reforms, and qualitative improvements in the schooling system.

Other PPs cited: Agriculture and rural development policies, but not PPs.

Health Assistance (December 1982):
to be summarized

Institutional Development (March 1983): ("Institutions" are specific organizations such as a commercial bank or ministry of health AND in the broader sense commodity markets, systems of land tenure and legal institutions). It is A.I.D. policy to help countries establish and strengthen public and private institutions in support of mutually agreed, priority development objectives because effective institutions enhance a country's ability to marshal its own human and financial resources for development; expand people's opportunities by increasing incentives for investment will ; provide individuals with opportunities to acquire skills, resources and services needed to increase their productivity, income and well-being; and increase the likelihood that A.I.D. and host country resources will foster sustainable development. A.I.D. will adhere to the following principles: institutional development should be addressed as an issue in all projects, not just as a special activity; institutional development must address weaknesses in complementary institutions; must encourage institutions that are flexible and can adapt to changing local and national needs; must provide for the active participation of clientele in the needs assessment, design, implementation and evaluation of field programs; must be aimed at providing people increased ability to acquire essential resources and greater opportunity to apply the resources in rewarding ways. Where there is a choice, A.I.D. should encourage and support institutional development options in the private sector and avoid activities that explicitly or implicitly preempt private sector options. It is A.I.D. policy to help recipient countries establish and strengthen public and private institutions in support of mutually agreed, priority development objectives by drawing upon support from the Title XII universities, the US cooperative movement, US and LDC institutes of management, PVOs and other organizations with appropriate capacities.

Other areas covered are: Institutional development priorities in the 1980's including analysis and reform of the policy environment, consideration and introduction of organizational alternatives, development of institutional learning capacity, transfer of knowledge and technology (The establishment of local institutions that have the capacity to tap and contribute to the world knowledge supply must be a high A.I.D. priority), analyses and improvement of institutional linkages/coordination (A.I.D. should rely less on special but separate integrated project units and strive to improve coordination among existing organizations); improvement of management systems including organizational systems, technical and management skills, and employee behavior; capitalizing upon local capacities and participation (removal of constraints to participation must have priority in A.I.D.'s country strategies); role of institutions in the development of supporting infrastructure (A.I.D. will consider provision of capital assistance to meet these needs where resource availabilities permit and where such

assistance is integrated with sound planning to strengthen the organizational, managerial, and technical aspects of institutional capacity); institutional analyses (implicit is the assumption that missions will incorporate into their country development strategies, sector assessment, and project analyses a more complete analysis of host country institutional performance); time horizons and financing (A.I.D. must be in a position to make longer term commitments to public and private institutions); private and non-governmental institutions (with greater attention on the identification of alternative private and NGO) involvement.

Other PPs cited: Recurrent Costs, Private Enterprise Development.

Co-Financing (May 1983):
to be summarized

Local Organizations in Development (March 1984):
to be summarized

Energy (July 1984):
to be summarized

Urban Development Policy (October 1984):
to be summarized

Shelter (February 1985):
to be summarized

Private Enterprise Development (Revised)(March 1985):
to be summarized

International Disaster Assistance (May 1985):
to be summarized

Cooperative Development (April 1985):
to be summarized

Trade Development (July 1986):
to be summarized

Health Assistance (Revised) (December 1986):
to be summarized

Environment and Natural Resources (April 1988):
to be summarized

Financial Markets Development (August 1988):
to be summarized

Democracy and Governance (November 1991):
to be summarized

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