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COOPERATION BETWEEN FAO AND THE WORLD BANK

REPORT OF THE JOINT TASK FORCE
TO THE
JOINT STEERING COMMITTEE

JOINT FAO/WB/CP TASK FORCE

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DISCUSSION DRAFT

August 8, 1975

COOPERATION BETWEEN FAO AND THE WORLD BANK
REPORT OF THE JOINT TASK FORCE TO THE JOINT STEERING COMMITTEE

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COOPERATION BETWEEN FAO AND THE WORLD BANK

Report of the Joint Task Force to the Joint Steering Committee

INTRODUCTION

1. Approximately ten years after creation of the FAO/WB Cooperative Program (CP), FAO and the World Bank agreed to conduct a joint study of their relationships, with particular attention to the CP. The study was not the result of any crisis in relationships; nor, in fact, has any such crisis been discovered. Rather, both the Bank and FAO had undergone reorganization and both had decided to attach increased emphasis and urgency to their shared priority objective of accelerating agricultural development in the developing countries. This study has been an effort to evaluate the patterns of FAO/Bank cooperation in order to determine what measures, if any, might enhance FAO's and the Bank's combined capacity to pursue the objectives they share.

2. A Joint Task Force conducted the study in the first half of 1975. This report is a summary of the task force's findings and recommendations.* They are based on interviews with more than 300 people in Rome and Washington,** extensive quantitative analyses of activities, costs and -- to the extent possible -- performance indicators, reviews of approximately 20 project files, a questionnaire to CP staff and two days of comment on the task force's detailed progress report by a twelve-man "Joint Steering Committee."*** Since the Steering Committee's progress review, informal meetings with individual committee members have provided further invaluable guidance.

* Detailed supporting annexes have been prepared for directly affected managers.

** Including interviews of all available Bank agriculture mission leaders, division chiefs, and assistant directors, all available professional staff and key administrative staff in the CP, and 75 FAO executives not in the CP.

*** The members of the Steering Committee are:
Mr. J. Kearns (Chairman), Director WB Organization Planning Department;
Mr. J. Huyser (Vice-Chairman), Director, FAO Investment Center;
Mr. M. Yudelman, Director, WB Agriculture and Rural Development Department;
Mr. M. Hoffman, Director, WB International Relations Department;
Mr. D. Haynes, WB Regional Assistant Projects Director, EMENA;
Mr. R. Picciotto, WB Regional Assistant Projects Director, S. Asia;
Mr. H. Casati, Chief, CP Service I;
Mr. A. Jones, Chief, CP Service II;
Mr. J. Cohen de Govia, Director, FAO Management Services Division;
Mr. H. Quaix, Chief, FAO Development Research and Training Service;
Mr. J. Abbott, Chief, FAO Marketing and Credit Service;
Mr. M. Veraart, WB/CP Coordinator

3. The key questions we (as task force members) sought to answer were:

- (a) How can CP's efficiency and usefulness to the Bank and FAO be improved? How, consistent with its long-term institutional needs, can CP be made more responsive to the needs of the individual Bank managers who compete for its services? How can it be made more useful to FAO?
- (b) Given the inherent strengths and weaknesses of FAO, the Bank and CP, what is the best role for CP to play vis-a-vis the parent organizations and developing countries?
- (c) What are the principal features of successful preappraisal work in agriculture? What implications do they have for preappraisal procedures, practices and the role and performance of CP?
- (d) To the extent that the Bank and FAO have common concerns beyond CP, are the two organizations coordinating adequately?

4. We have particularly sought to focus on the first question, for many non-CP FAO managers tend to feel FAO does not get its money's worth from the CP, while many pressured Bank managers -- frustrated by their individual inability directly to control CP resources -- hesitate to rely on CP and can see advantages to having CP staff located in their own divisions in Washington.

SUMMARY

5. In our view -- based on broad areas of agreement among those interviewed -- the CP has brought to preparation assistance an investment expertise that the rest of FAO normally lacks, a detailed awareness of Bank requirements that most consultants lack, a depth of technical expertise often not found in individual Bank divisions and some significant advantages that derive from its separateness from the Bank. In helping countries prepare agricultural projects suitable for Bank financing, the CP has rendered a vital service -- usually of excellent technical and good overall quality -- at less cost to either the Bank or FAO than would have been possible through other means.

6. Radical changes are not required, but both the Bank and CP have significant room for improvement. The CP needs to manage itself more systematically, deliberately and visibly in order to enhance the willingness of Bank managers to delegate to it much of the task of filling their rapidly expanding pipelines. In addition to a firmer management style and some relatively minor structural adjustments, the CP needs to institute accurate time reporting, project timetables, and -- for maximum sustained effectiveness -- concerted measures to keep its staff au courant with Bank and FAO thinking.

7. On its side, the Bank needs to be more systematic and deliberate in planning and monitoring preappraisal work. To improve preparation quality as well as the efficiency of Bank/CP coordination, the Bank needs to focus earlier in its work cycle on the likely problems of identification and preparation. It also needs to streamline the present procedures for Bank/CP operational collaboration and to increase the routine flow to CP of relevant documents and information.

8. Lastly, both CP and the Bank need to adopt attitudes and methods of control that are consistent with a strengthened CP capability to link the extensive skill resources of FAO -- which has approximately 3,000 agricultural specialists (compared to a Bank total of less than 300) -- with the broad investment know-how and financial resources of the Bank.

9. With minimum cost to Bank-related work and some benefits in a broadened CP ability to tap the FAO resource, the CP is now uniquely positioned to provide valuable -- perhaps indispensable -- assistance to the rest of FAO as it seeks to achieve the greater degree of investment impact it appears to desire. Any significant enhancement of FAO's potentially great impact in this respect would yield important long-term benefits to the developing countries in their vital efforts to prepare agricultural projects suitable for international financing.

* * * *

10. In the following, after briefly outlining the present context of increased urgency in agriculture, we provide some basic data -- much of which has been developed during the study as an essential background for understanding the problem. Then, we discuss in turn:

- Approaches to preparation work
- Bank/CP operating procedures
- CP/FAO relationships
- CP/Bank relationships
- Direct FAO/Bank relationships
- The UNDP dimension
- CP management
- Overall impact

11. We do not have a definitive recommendation on whether to change the Basic FAO/WB CP Agreement. The agreement has served its purposes adequately and we see no net benefit in -- or management necessity for -- changing it now. It is conceivable, however, that the agencies' legal staffs might find it necessary to amend the agreement because of our recommendations concerning the "contract."

THE PRESENT CONTEXT OF GROWING URGENCY

12. Over the past decade, the Bank has greatly intensified its activities to promote agricultural and rural development. This emphasis is continuing, as is the broadening in scope of Bank agricultural lending. From 1975 through 1979, the Bank intends to lend roughly \$7,000 million for over 400 agricultural and rural development projects which will result in a total investment of roughly \$15,000 million.

13. Judging by interviews with most of its senior executives, FAO -- while continuing its concern for building an "intellectual infrastructure" in agriculture through research, technical assistance and informational activities -- has greatly increased its desire to bring about results with direct development impact including, as a high priority, productive investment.

14. The increased world-wide urgency of agricultural assistance and the desire to enhance donor capacities to act in concert in providing it have been underlined recently by the creation in 1971 of the Consultative Group for International Agricultural Research (CGIAR) and, in the past year, by the World Food Conference and subsequent creation of the Consultative Group for Food Production and Investment (CGFPI), the World Food Council and the International Fund for Agricultural Development.* There seems now to be almost universal recognition that the welfare of most of the world's people in the coming decade will be vitally affected by the success of efforts presently being intensified to accelerate the growth of agricultural and rural productivity.

15. Close Bank/FAO collaboration in working towards these objectives is indispensable and CP's role in that collaboration is central. The Bank needs an efficient, productive CP to help fill its expanding projects pipeline; FAO needs convenient access to CP's concentrated investment expertise. Our study has been a review of current Bank/FAO collaboration and of the possible need and means for improving it.

BASIC FACTS

16. Before presenting our conclusions and recommendations, we outline some basic facts necessary to an understanding of the FAO/WB relationship and the FAO/WB Cooperative Programme.

Structure

17. The FAO/WB Cooperative Programme (CP) is the major part of FAO's Investment Center (IC) and shares with it a common director who reports to FAO's Assistant Director General for Development. (The IC's 10 non-CP positions are in what is called its "Central Office" which is headed by a "Coordinator" and does preparation assistance work similar to CP's for IDB, AsDB, AfDB, some bilateral agencies and a "Bankers' Programme.") The CP has, in addition to a 50% share of the Director, a Deputy Director, two Services -- each with a Chief and an unfilled Deputy Chief position -- and a Program Coordination and Administration Office.** The latter provides service to the whole IC. Also, a Senior Agricultural Adviser, Senior Adviser (50% financed by CP) and an Editor report to the Director.

Size

18. At the end of 1974, the CP comprised 75 of the FAO Investment Center's 85 authorized professional positions. From July 1, 1971, through December 1974, CP's on-board staff grew by 19% (to 69), while Bank agricultural staff grew by

* Because of their newness and continuing rapid evolution, our study has not encompassed these three new entities.

** One Service serves Latin America (LAC) and Europe, the Middle East and North Africa (EMENA); the other East Africa (EAF), West Africa (WAF), S. Asia and E. Asia and the Pacific (EA&P).

roughly 70% (to 205). In the past 5 years, 46% of CP's recruitments have been from the ranks of FAO. In the next few years, the non-CP part of the Investment Center will be -- in proportionate terms -- its fastest growing element, as the regional institutions, OPEC lenders and members of the Bankers' Programme already plan to increase sharply their use of the IC. The CP, however, is also likely to grow, as the World Bank continues to expand its activities in agriculture.

Activity

19. In FY'74, 84% of CP's mission days (an indicator of expended effort) were devoted to preappraisal work, compared to 18% of the Bank's agriculture time. From FYs 72-74, EMENA, S. Asia and LAC each used more than 20% of CP's time, E. Asia 16%, EAF 10% and WAF 5%. South Asia's usage is growing most rapidly. Of the 164 agriculture projects approved by the Bank's Board from July 1972 through February 1975, CP had assisted in the preparation of 65 or 37% -- 61% of EMENA's, 52% of S. Asia's and 46% of LAC's. Their proportionate involvement was greatest in fisheries (86%), irrigation (51%) and livestock (50%). These percentages understate CP's impact on new projects, as the base includes repeater projects and those prepared through "piggy-backing."

Costs

20. Because of overhead costs assumed by FAO, the Bank's share of CP costs is less than the Bank/FAO 75%/25% cost-sharing agreement would suggest. At FY'74 price levels, a man-year of CP staff time cost the Bank \$39,100 -- 36% less than a man-year of Bank projects staff time (\$61,000) and 20% less than a consultant man-year (\$49,000). If CP's 1974 mission travel had been done from Washington by Bank staff rather than from Rome by FAO staff, the additional cost would have been \$403,000 or roughly \$5,000/CP man-year.

Interaction in Rome

21. The CP reimburses -- with its consultant funds -- roughly 7 man-years per year of professional staff time received from the rest of FAO. In addition, most CP staff members draw routinely on FAO's skill and data resources. They estimate that they spend 8% of their time in Rome interacting with FAO and have an average of 1.5 "substantive contacts" per week, 95% of which they judge to be "very useful" or "useful." 59% of CP staff view the interaction as "important"; 17% view it as "vital." The largest category of contacts is for technical advice (28%); most (54%) are with FAO's technical departments (Agriculture, Forestry, Fisheries), and only 21% of the interaction time is considered "primarily for FAO benefit." (51% is intended to be primarily for CP benefit and 28% for mutual benefit.)

Interaction in the Field

22. Contacts with FAO staff in the field (who number approximately 2,000) also are extensive. During 27 CP missions concluded immediately before May 1975, there were 48 "substantive contacts" in the field, of which 30 were described as "extensive." Bank agriculture staff also often informally seek the advice or assistance of selected FAO field staff.

Direct Bank/FAO Interaction

23. Interaction between the Bank and FAO but not involving CP occurs on numerous levels and in widely varied contexts. The two organizations are co-sponsors of: the Consultative Group on International Agricultural Research (CGIAR), the Consultative Group on Food Production and Investment (CGFPI), the UN Protein Advisory Group (PAG), and the Onchocerciasis Control Program. They have also had discussions about a proposed joint Program of International Cooperation in Agricultural Sector Analysis (PICASA). The two organizations have a close and continuing collaboration with respect to commodities work and are associated in an ongoing joint study of prospects for producing more meat in East Africa for the Near East market and a Bank-financed FAO study of small farm statistics. There is a continuing agreement in principle for the Bank and FAO to avoid carrying out agricultural sector studies in the same country in the same year. In addition, FAO/Bank interactions may from time to time and on an ad hoc personal-contact basis, involve research activities, EDI and FAO training work, IFC through the FAO's Bankers' Programme, CPS or DPS attendance at technical meetings and study groups, and the use of FAO staff to brief or participate in Bank missions.

UNDP Dimension

24. A last major category of relevant relationship concerns FAO's UNDP-funded projects. One hundred of more than five hundred such projects approved from 1972-1974 were classed by UNDP Resident Representatives as having "investment potential," and 63 were classed as having "preliminary investment potential" (although many in each category would have been too small for World Bank investment); 21 were classed as "investment support." For the roughly 30 FAO-executed investment-oriented UNDP projects in which the Bank declared a "special interest" (most of which are investment potential but some of which are investment support), the CP is designated as the Bank's "watching agent" -- to review reports, participate in progress reviews, and keep the Bank informed. The non-CP part of the Investment Center has one UNDP-funded position charged with infusing into the remainder of investment potential projects an awareness of -- and appropriate degree of responsiveness to -- investment requirements.

COMPARATIVE ADVANTAGES

25. There is a wide Bank consensus that CP staff members are comparable to Bank projects staff in professional competence. Their work is regarded as particularly strong technically -- CP, being larger, can be more specialized than any agricultural unit of the Bank -- but less strong with regard to financial, institutional and managerial aspects (which tend to become ripe for solution in the later stages of project processing).

26. Bank staff (who significantly underestimate the extent to which CP consults FAO) do not, however, feel that CP succeeds as a vehicle for bringing to project preparation work the full range of highly specialized skills possessed by FAO. Most FAO managers, on the other hand, recognize CP staff (to whom they refer as "the Bank") as an elite, as a unique source of investment know-how and practicality, but regret that Bank and CP barriers have made it almost impossible to bring CP's unique strengths to bear on activities of the rest of FAO.

27. Both FAO and CP staff view the Bank as powerful, fully action-oriented, broadly effective, high-pressured, impatient and often arrogant. While respecting the Bank's capacity to "get things done" -- i.e. loans made -- they criticize Bank staff members for having somewhat of a steam-roller mentality and for appearing to be more interested in commitment than disbursement; FAO managers criticize the Bank for tending to equate investment with development, to underestimate the significance of activities (such as resource evaluation, information exchange and technical assistance) which may have little direct impact on investment but great long-term importance for development.

28. Bank and CP staff, while respecting the depth and frequent excellence of expertise possessed by staff members of FAO-proper, find the organization as a whole uneven, rather bureaucratic, insufficiently results-oriented, somewhat indecisive and extremely sensitive politically.

29. There is little question or disagreement that the CP's forte is project preparation assistance. Bank staff agree that CP's superior knowledge of Bank requirements gives it a major advantage over consultants in most cases; its investment-orientation gives it an advantage over most FAO staff. Compared to the Bank, CP has an advantage in preparation assistance work because of its:

- Separateness from the Bank, which makes it more possible for the Bank on appraisal to question or countermand the preparation work without appearing embarrassingly redundant or self-contradictory,
- Freedom from the competing pressures of appraisal and supervision work and capacity, up to a point, to withstand Bank pressures to accelerate the process where this might be counterproductive,
- Depth of technical expertise, compared to any one Bank Region, and comparatively ready access to the technical resources and expertise of FAO,
- Capacity to assist countries in reaching decisions about how to deal with the Bank, and
- Lower cost (to the Bank) per man-year -- by more than 35%.

30. In our view, these advantages outweigh the disadvantages to the Bank of CP's structural and geographic inaccessibility and consequent reduced deployment flexibility compared to Bank headquarters staff, its occasional weakness in the institutional aspects and imperfect "feel" for Bank policy and country sector strategy, and the greater difficulty for the Bank -- when CP is used -- in directly influencing projects at the stage when their options are most fluid. Also, to the extent it is thought desirable to merge preparation assistance and appraisal work without changing the staff involved, CP is placed at a disadvantage.

31. With respect to identification work (which is discussed more fully in the next section), we believe CP has no particular advantage or disadvantage in the recognition of project ideas, is at a disadvantage compared to the Bank

in selecting projects for further work with a view to ultimate Bank financing and -- because of its extensive preparation assistance experience -- has a comparative advantage in what we have called "project definition."

32. Project appraisal and supervision are essentially non-delegable functions which CP cannot perform for the Bank. As individual members of Bank-led missions, however, CP staff can contribute fully to this work. They can similarly contribute to Bank-led country economic/sector missions and where the objectives are primarily analysis (rather than, for example, Bank/country dialogue) have successfully been made fully responsible for sub-sector surveys. Also, through informal consultation senior CP members can bring useful perspectives to bear on the Bank's review and development of country sector assistance strategies.

33. Within FAO, the Investment Center is ideally situated to serve as a nucleus for the infusion, where desired, of greater investment orientation into UNDP-funded "investment potential" projects, selected World Food Programme projects and trust fund and "regular programme" activities. Also, its Director is well situated to (and does) chair FAO's Interdepartmental Working Group on the CGFPI.

34. Although CP is well situated to see both the FAO and Bank side of policy questions, there are many areas -- e.g. research, commodities, food balance analyses -- where it has no comparative advantage and need not be a conduit for Bank/FAO coordination.

35. Based on these comparative advantages, the Cooperative Programme has had, and should continue to have, three objectives -- to help:

- (a) Countries create projects suitable for World Bank financing.
- (b) The Bank and FAO interact and coordinate in ways that enable each to benefit from the other's strengths in pursuing the shared priority objective of accelerating agricultural development in developing countries.
- (c) FAO realize the full investment potential of its activities.

36. Its principal activity should continue to be project preparation assistance.

APPROACHES TO PREPARATION WORK

37. Before a project can be prepared, it must be identified. Identification, in the Bank's context, entails three frequently merged but conceptually discrete activities:

- (a) "Recognition" -- of a project idea as potentially sound and consistent with country priorities.

- (b) "Selection" -- of a project for further work because it seems to be the best available combination of intrinsic merit, country support and consistency with Bank assistance strategies; and
- (c) "Project Definition" -- development of a selected project idea to the point at which it is prudent and efficient to commit the level of resources needed for detailed preparation.

38. Although project preparation assistance is usually available, project preparation is fundamentally a country responsibility. While the purpose of project preparation in the Bank's context is to develop a project concept to the point at which it is suitable for Bank appraisal and -- with minimum change -- Bank financing, the purpose of preparation assistance is broader. No matter how excellent the project, preparation assistance cannot be fully successful unless it also results in a good level of country understanding of and commitment to the project and a somewhat improved country capacity to prepare its own projects in the future.

39. Assistance in preparing projects for Bank financing should be regarded as a service primarily to countries and only secondarily to the Bank. Preparation assistance that is well done results in projects that are easier (and more efficient) for the Bank to appraise and -- given the resulting country understanding and commitment -- easier for countries to implement. A more creative though less final activity than project appraisal, preparation assistance has high leverage over both the quality and efficiency of subsequent project work.

40. The task force found it convenient to distinguish three approaches to preparation assistance:

- (a) "Paratrooping". The conventional and most frequently used "paratroop" approach typically consists of a three to four-week field visit, some interviews with key officials before leaving the country and then a report-writing phase at headquarters.
- (b) "Bus-stopping". The widely preferred but far less frequent "bus-stopping" approach to project preparation assistance entails an initial mission to map out work to be done by a local project preparation team, followed by several visits to assist and review progress and perhaps a final mission to help with "packaging."
- (c) "Squatting". The use of an expatriate who resides in the country to help with preparation or pre-preparation work -- a "squatter" approach -- typically is employed in UNDP and bilateral technical assistance.

41. Each approach can sometimes be appropriate, depending on the country conditions and the project involved. As a general matter, however, "squatting" tends to be slow, expensive and hard to manage on a large scale although it may have maximum training impact and good potential for building needed government commitment and ensuring a pipeline of projects. "Paratrooping" -- while

unavoidable where tight appraisal deadlines are imposed or where countries have particularly severe skill shortages -- usually has a cost in country understanding and commitment and produces little improvement in country preparation capabilities. "Bus-stopping" is clearly superior to paratrooping from the point of view of country understanding and commitment as well as training and is much more efficient than paratrooping in the consumption of CP applied time.

42. Bus-stopping, however, usually requires significantly more lapsed time than paratrooping. It therefore requires better advance planning. Moreover, because the key bus-stopping task is helping in the field rather than report writing at headquarters, bus-stopping greatly diminishes the possibilities for management to exercise quality control through report review. It places a premium on mission leader abilities, careful collaborative review at the project definition stage and before-the-fact quality enhancement through professional development.

BANK/CP OPERATING PROCEDURES

43. Beyond taking measures (which we discuss subsequently) to facilitate bus-stopping, Bank/CP procedural improvements are possible in CP's project definition work and in the processing of CP preparation reports.

Project Definition

44. CP involvement in reconnaissance (i.e. project "recognition") is often desirable, although not always feasible. CP involvement in project definition work, however, should normally be mandatory for projects concerning which CP is going to be asked to render preparation assistance. (In special cases where project definition has been completed without CP involvement, CP should not undertake the preparation assistance unless it is in a position to accept fully the definition work that has been done.)

45. Rather than the present sometimes multi-volumed "Identification Report," CP should prepare for submission to the Bank a "Project Definition Report" of less than 20 pages (plus a list of available working papers). Its purpose would be to provide a vehicle for Bank, CP and country agreement on the major alternatives to be developed during preparation assistance and on the overall financial magnitudes contemplated. Its comparative brevity would improve the quality as well as the efficiency of review. When that review raises fundamental issues between the Bank and CP, they should be resolved before preparation assistance begins and, if necessary, through face-to-face consultation (in the country, Rome or Washington) between responsible Bank staff and the CP mission leader.

Preparation Issues Paper

46. Within 10 days of a CP mission's return from the field to prepare a preparation report, it should write a preparation issues paper in lieu of the present back-to-office report. The paper in less than 10 pages should summarize the proposed project and identify (with recommendations) issues, major alternatives and other aspects concerning which Bank guidance could be useful prior to

completion of the report. The paper could be Telexed and Bank comments would be required within 10 days.* CP would consider them carefully -- in the knowledge that they were likely to be reflected at appraisal -- and might consult further with the Bank (or the country) in cases of disagreement, but would have the final decision whether to reflect the comments in their preparation report to the country.

47. After intermediate bus-stopping missions, Bank reactions to the back-to-office progress reports would be an additional vehicle for early dialogue.

Preparation Report Transmittal

48. The CP preparation reports should be transmitted directly to countries (under a disclaimer about Bank endorsement) with copies to the Bank under a covering letter highlighting points which might benefit from particular attention at appraisal. The present procedure whereby the Bank clears such reports is:

- Inconsistent with the concept of preparation assistance as a service primarily to countries and only secondarily to the Bank,
- Premature and perhaps even compromising, given the imminence of appraisal,
- Unrealistic as a "screening" precaution, to the extent of country involvement in the preparation work, and
- Inefficient, as the clearance does not now -- and is unlikely ever to -- receive the level of Bank attention necessary to make it effective.

CP/FAO RELATIONSHIPS

49. When the CP was created, the overall commonality of FAO and World Bank objectives was far less than it is today. FAO was less concerned with creating the conditions for investment; the Bank was less urgently concerned with agriculture. A conscious CP policy of separateness from FAO was, in fact, stressed as a prerequisite of effectiveness in establishing standards, work patterns and procedures appropriate to CP's investment-oriented objectives. While the Bank/FAO "bridge" was under construction, the Rome end was deliberately closed to traffic.

50. Now, however, that CP has proven its strength in project preparation work, it is in the interest of the Bank's and FAO's member countries to enhance CP's capacity to (a) bring to bear on Bank-related work the full range of FAO's agricultural skills and (b) provide support to the rest of FAO as it seeks to achieve the greater degree of investment know-how and impact it appears to desire. Assuming appropriate systems of management control (discussed subsequently), these objectives can -- in fact, must -- be served with no sacrifice of CP output or quality.

* The Bank is in the process of leasing a Telex line to Europe, which will sharply reduce the Telex cost.

Time Exchanges

51. At present, there is a significant although modest "formal" flow of FAO staff assistance to the CP, which is financed from CP consultant funds; the reverse formal flow of staff time from CP to FAO is negligible. The informal (i.e. uncompensated) flow of staff assistance also tends to be unidirectional. As a result, CP's value to -- and impact on -- FAO is much less than it could be.
52. Because CP reimbursement funds are of less value to many FAO managers than the time of good staff (and were even confiscated last year in an FAO budget squeeze) and because of the pre-emptive pressures of Bank priorities, the present practices -- which make the Rome cooperation appear to be a "one-way street" -- tend to sour the CP/FAO relationship. If continued, they would be likely to result in less FAO support to CP in the future.
53. It is important to increase CP's and FAO's utility to each other without decreasing CP's utility to the Bank. A system of selective exchanges of CP and FAO staff time (up to perhaps 15% of CP's direct-hire time) should be available for those FAO managers who would prefer it to be the "sale" of their staff's time for CP consultant dollars.* CP managers should be encouraged to trade or sell amounts ("slivers") of CP staff time ranging from a week to several months for (not necessarily equal) slivers of FAO (including non-CP Investment Center) time -- subject, as necessary, to periodic balancing transactions with consultant funds. The trade or sale of CP staff time sought by FAO managers would (within the limits agreed by the Bank and CP) be at the sole discretion of CP managers, provided that the quality of CP work for the Bank was maintained and the work done by CP staff for FAO was broadly related to investment.
54. Such exchanges will increase CP's usefulness to and impact on FAO (thereby increasing the latter's investment impact) as well as CP's ability to tap FAO staff resources for Bank-related work. For sale and exchange purposes, CP's staff should be increased at the expense of its consultant budget -- perhaps by 5 people in the first year. To the extent that "sales" occur, the consultant budget would be directly replenished; to the extent that trades occur, the staff time would be. No net loss of resources usable by CP would result. In fact, such exchanges will -- with some advance planning -- increase CP's usable resources and enhance its efficiency by facilitating the conversion of CP "down-time" into usable time. This conversion capability will become increasingly valuable as bus-stopping -- which requires more travel and less headquarters report writing than paratrooping -- becomes more prevalent.

* FAO managers have said CP time would be highly desirable in such activities as work programming, design of a prototype dairy investment, advice regarding a country development plan for agriculture or an agriculture subsector, training in project analysis, assistance with the planning or marketing work of a "Scheme" (e.g. dairy development or meat), etc.

55. While the exchanges we have described do not raise unit costs (and, in fact, decrease them to the extent they permit conversion of down-time), modest allowance should be made in CP's budget for the costs of discretionary uncompensated FAO-related activities such as reviews of country perspective studies, participation in interdivisional working groups, contributions to FAO seminars and technical conferences, etc. These activities should not be regarded as being exclusively "for FAO's benefit"; nor should preparation assistance be seen as work done exclusively "for Bank benefit." Given FAO's and the Bank's shared objective of accelerating developing countries' agricultural development through investment where appropriate, all of CP's activities -- including those that improve CP's capacity to function as a wide two-directional bridge between FAO and the Bank -- benefit the work of both organizations.

Other Measures

56. Other measures to enhance the vitality of the "Rome connection" should include:

- (a) Conversion of the IC "Documents Unit" into an active, extroverted information disseminator within FAO and the Investment Center;
- (b) Designation by FAO of a contact man in each technical division and use by CP of Senior Specialists (discussed subsequently) for liaison purposes -- with selective cross-attendance at staff meetings, technical meetings and debriefings;
- (c) Establishment of additional "Joint Groups" on the model of the IC/Fisheries group -- generally, to help bring a realistic investment orientation to divisional programs and a full awareness of technical developments to IC staff and, specifically, to identify potential investment opportunities earlier.

CP/BANK RELATIONSHIPS

57. Operational coordination across organizational lines or geographic distance is never easy and seldom perfect. Given the CP's need to serve more than 20 Bank division chiefs reporting to 7 vice presidents, the methodological fluidity of agricultural work and the inherent skepticism that those who appraise projects are expected to bring to preparation work, it is not surprising that some coordination problems still exist between CP and the Bank. Even though the Bank's reorganization complicated the coordination task, frictions in the Bank/CP relationship have been on the decline. Present Bank/CP coordination problems, in fact, resemble some of the problems that have been found between the Bank's headquarters and its regional missions in Africa and between the Bank's centralized operating staff in CPS and the divisions whose competing needs they serve.

Bank Priorities

58. As a general matter and subject to CP's agreed role, CP management must be broadly responsive to the priorities expressed by Bank managers. These, however, often conflict (e.g. where mission rescheduling is sought),

may not be compatible with CP's long-term maximum effectiveness (e.g. requests by some Bank managers for extensive participation in appraisal work), and may not be discerned sufficiently in advance to permit efficient CP planning. The foregoing factors reduce CP's responsiveness to individual Bank managers and -- when combined with CP's lack of Bank-style project timetables and inability accurately to indicate how much manpower will be or has been delivered to a given Region in a given year -- make Bank managers reluctant to rely on CP to fill their pipeline.

59. Understandably, highly pressured division-level Bank managers would prefer to "own" their share of the CP resource -- or at least have it under their full and immediate control -- in order to eliminate the uncertainties resulting from competition with other Bank managers and remove the "screen" of CP management. This desire to "integrate backwards" accounts for their tendencies to see CP simply as a supplementary source of Bank staff, as a source of inputs rather than as a subcontractor or partner accountable for results (i.e. projects ready for appraisal). Yet it overlooks CP's comparative advantages in preparation work (see Paragraph 29) as well as the:

- Inherent inefficiency of attempting "short-string" management at a distance of 4,000 miles,
- Contribution of CP management,
- Broader benefits to member countries of an effective Rome connection, and
- Likelihood that to the extent CP becomes a mere "stable" of extra Bank manpower -- rather than an institution in its own right -- its leaders will find it increasingly difficult to perform their leadership role in attracting, holding, motivating and professionally developing the top quality staff that make CP valuable.

60. If unchecked, the Bank line managers' tendency to substitute "tight" Bank management of CP inputs for reliance upon CP managers to produce needed results would not only be contrary to the established and proper partnership concept, but also would -- in the longer term -- have the Pyrrhic effect of reducing CP's efficiency and quality as well as its effectiveness as an FAO/Bank bridge.

61. Assuming the value -- and continued existence -- of CP as more than a "stable," we have proposed changes in Bank/CP operating procedures to improve the relationship. Complementary changes in the Bank's and CP's management systems are also necessary.

Manpower vs. People

61. First, to make possible the greater CP/FAO interaction we have described, the Bank "contract" with CP will need to be in terms of a given number of man-years rather than a given number of designated people full time.* To assure

* The Bank, however, should continue to approve CP recruitment actions.

that the work derives full benefit from CP's close knowledge of Bank needs, a ceiling will need to be agreed between the Bank and CP on the amount of CP time that can be exchanged for FAO time -- perhaps in the neighborhood of 15% to 20% of CP's net "operational" direct-hire time (i.e. net direct-hire time allocated to Bank operating units). The Bank/CP "contract" is discussed further in Paragraph 73.

Project Generation Planning

62. Second, because of their impact on the subsequent volume and quality of Bank operations, the preappraisal activities of the Bank -- as well as those of CP -- should be managed more systematically. Routinely, a Bank staff member (and alternate) should be designated as responsible for each potential project, for overseeing and making the necessary contributions to project definition and preparation work. In addition, the Bank should practice more systematic and earlier project generation planning (extending at least 3 years ahead) in order to bridge more effectively the gap between the Bank's Country Program Papers (CPPs) and appraisal work and, more specifically, to:

- Improve the quality of preparation assistance work through increased bus-stopping, which requires longer preparation lead times,
- Have sufficient advance notice of preparation needs to improve the Bank's and CP's scheduling, diminish preparation workload peaks and dips, and reduce the frequency of inefficient (and exasperating) emergency interventions, and
- Facilitate delegation to CP of the task of producing planned results rather than inputs.

63. While no Bank planning system can entirely eliminate the need for sudden shifts and adjustments, a system which catalyzes advance thinking about who will be responsible for project definition and preparation assistance, what method will be used and how much manpower will be required is likely to diminish some of the uncertainties which the absence of such a system makes inevitable. The CPP-based project generation planning system we have proposed could ultimately be grafted onto the Bank's recently instituted but less management-oriented Project Brief system.*

Information Flow to CP

64. Third, the flow of information from the Bank to CP should be improved. Because CP needs to remain au courant with Bank thinking, it should routinely receive agriculture issues papers, decision memoranda and supervision reports as well as relevant CPS and DPS working papers. As an aid to planning and scheduling, it should have P&B's IVA and IVB lending operations tables, agriculture project and sector work timetables, copies of the proposed project generation reports, and Bank print-outs of CP time reporting data. For reference, it should receive the Loan Committee summaries (confidentially), and several copies of Central Projects Memoranda.

* Although our review has been limited to agriculture, we see no reason why the proposed project generation planning system should not be applied to all sectors.

DIRECT FAO/BANK RELATIONSHIPS

65. To supplement today's essentially ad hoc and personally-based Bank/FAO coordination where CP is not involved, we suggest that non-CP Bank/FAO liaison responsibilities be formally assigned to an IC Deputy Director (discussed subsequently) and that the Washington-based FAO Regional Office assist him as necessary. The IC is uniquely situated to have the familiarity with both Bank and FAO activities that effective liaison requires.

66. Subject to the limits of available time, the liaison function would entail keeping staff throughout the Bank as well informed as possible of FAO activities of potential relevance and assuring that proposed FAO liaison points under the Assistant Directors General for Economic and Social Policy, Agriculture, Fisheries and Forestry as well as CP are kept fully informed of Bank work of potential relevance. The liaison activity should be a supplementary catalyst to voluntary interaction, not an exclusive or mandatory channel. For the Bank, a knowledge of outside thinking, work and developments is especially important in agriculture, given the breadth, complexities and priority of the sector and the amount of activity occurring in it. For FAO, the improved capacity to spot opportunities for mutual interaction with a major financing agency will provide benefits in potential impact as well as exposure to an intense investment orientation.

67. In addition, we suggest (and have prepared a draft of) an FAO directive designed to encourage and provide ground rules for occasional informal "hitch-hiking" by the Bank on FAO's extensive field establishment. The Bank would issue a complementary directive advising its agriculture staff about the arrangements.

THE UNDP DIMENSION

68. At relatively minor expense, we believe the investment and resulting developmental impact of FAO's UNDP-funded projects -- particularly those designated as having investment potential -- can be significantly increased.* This will require systematic infusions of investment expertise into such projects -- starting as early, in some instances, as the FAO/UNDP country programming stage. While the method of financing such infusions (e.g. from FAO's 14% overhead fee, direct UNDP-funding or a separate charge in project budgets) is beyond our terms of reference -- except that it would continue to be CP-funded for World Bank "special interest" projects -- we believe the infusion should be made largely through reimbursed "slivers" of Investment Center (including CP) staff time under the purview of two full-time IC "UNDP Coordinators." Performance of this investment infusion function through

* These projects have included such activities as: feasibility studies (e.g. Peru Huaura Valley, Cyprus Paphos Nepal Gandak), agricultural planning (e.g. Tunisia, Indonesia), adaptive research (e.g. Near East Cereals, Thailand Rubber), resource surveys (e.g. Brazil Forestry, Bangladesh Land Capability Studies, Indian Ocean Fisheries), institution building (e.g. Yemen Agricultural Extension, Afghanistan Credit) and crop diversification studies (e.g. Ceylon, Guatemala).

reimbursed slivers of time from many IC staff members rather than through the full time of a smaller number of people will bring to bear the investment focus that results from constant contact with financing institutions combined with the subsector expertise that IC's size permits.

69. With respect to the Bank's role vis-a-vis FAO/UNDP projects, we recommend that CP routinely screen such projects to suggest candidates for Bank declarations of special interest. When such declarations are made and when CP is designated as "watching agent" (i.e. for the "investment potential" but not the "investment support" projects), an agreed "watching" procedure (which we have outlined elsewhere) should be followed. CP should then report annually to the Bank on the status of such projects and the watching tasks performed.

CP MANAGEMENT

70. The Investment Center will need to enhance its already stretched management capabilities to cope successfully with complexities arising from:

- The sharp growth of Bank lending and the rapid evolution of Bank policies in agriculture,
- Increased bus-stopping,
- The more extroverted role towards FAO, including time exchange, UNDP infusion, and the CGFPI liaison responsibility,
- The likely rapid growth of the IC "Central Office" due to increased demands from OPEC financing sources, the Bankers' Programme and regional institutions, and
- The presently unknown impact of the International Fund for Agricultural Development (which could become a factor of sufficient magnitude to warrant re-examination of our structural recommendations).

71. The FAO/WB CP should continue to be centered in Rome to facilitate interaction with the rest of FAO, but its internal management should be tightened and strengthened, as discussed below. The scale and urgency of IC activities no longer permit exclusive reliance on what has been essentially a "family" style of management.

CP Management Systems

72. To permit the CP "contract" to be in terms of man-years rather than full-time staff members and to provide needed management information (e.g. re the level of non-operational time), CP must enforce an effective time reporting system. To manage its own activities properly and provide individual Bank managers with information sufficient to make them feel at ease looking to CP for results rather than inputs, CP needs to maintain (and furnish the Bank with) project generation timetables showing deadlines for key events in the process (e.g. completion of project definition reports, preparation issues papers, preparation reports). To permit the discipline required for internal management

and control and the avoidance of excessive external second-guessing, CP needs to aggregate these agreed timetables, combine them with its plan for non-preappraisal activities and produce an annual CP work program.

73. For good planning and preappraisal management, each Bank Region and CPS needs to know the net CP "operating" time it can expect to receive during the year -- i.e. time for preappraisal, appraisal, country economic/sector work, supervision and UNDP investment potential special interest work. This, combined with the need for an agreed range of CP managerial discretion, requires establishing the limits of "non-operational" CP activity. Such limits should be established through agreed indicative ceilings (initially on a trial basis) for:

- Professional development (other than appraisal and supervision mission participation, which would have a ceiling too, but is an "operational" activity),
- Direct FAO support (e.g. assistance primarily for FAO benefit which is uncompensated by time exchange or reimbursement), and
- Management and administration (i.e. staff supervision and administrative support provided by professionals).*

74. Much of the FAO support and professional development activities will be performable during what otherwise would be unavoidable "down-time" (e.g. time lost due to mission cancellations, scheduling hiatuses or limitations on the amount of travelling a staff member can be expected to undertake). When the ceilings for these two activities fall below the level of unavoidable and unconvertible down-time, the ceilings should be raised rather than have staff unoccupied. The aggregate ceiling on non-operational time should initially receive more emphasis than the sub-ceilings, which should be viewed more as planning targets.

* On a base of 100 man-years, of which 80 was direct-hire and 20 for consultants, the CP direct-hire ceilings might, for example, be management and administration -- 13 man-years (of which 7 would be for administrative support); direct FAO support -- 5 man-years; professional development -- 5 man-years. (Two man-years of the latter categories would be composed of 25% shares of "Senior Specialists" (discussed subsequently)).

Total "operational" time available for Bank work would then be approximately 77 man-years or 57 direct-hire (including time-traded) man-years plus 20 consultant-funded man-years. (In deriving the sub-allocations to Bank Regions of net usable operating time, the direct-hire man-years should be converted to man-weeks at the rate of 40 per man-year to allow for holidays, leave and minor overheads such as staff meetings, personal matters, etc.).

75. The linking of the CPP-based project generation planning system we propose for the Bank (initially in agriculture) with our proposed Cooperative Programme timetables, work program and budget process, and the accomplishment of required improvements in CP's time reporting practices will, in combination, contribute importantly to the smooth and successful meshing of Bank and CP efforts. It will improve the level of mutual confidence in as well as the efficiency of the Bank/CP relationship.

76. In addition to these fundamental management system improvements, the administrative support activities of the CP need rationalization and streamlining along lines we have indicated elsewhere.

Professional Development

77. The IC needs to be more deliberate and systematic in seeking continuously to enhance the productivity and effectiveness of its professional staff. Measures to this end not only will keep the IC creative and attractive to the best staff but also -- through improved preparation work -- will yield high returns in the efficiency of appraisal work and may even improve project implementation.

78. The CP service chiefs have a continuing and indispensable managerial responsibility to enhance their staffs' overall capabilities and productivity, but there is also a need -- in this complex sector of rapidly evolving methodology -- for leadership and guidance at the subsector level. We propose that IC designate "Senior Specialists" in each subsector to play a lead role in professional development, policy guidance, and FAO liaison. They would continue to report to their service chiefs but in their capacity as Senior Specialists (no more than 25% of their time) would be under the functional oversight of the front office.

79. In their respective disciplines (e.g. irrigation, livestock, agronomy), the Senior Specialists would coordinate the development of preparation guidelines and standard formats, liaise with counterpart FAO technical divisions and CPS Advisers, participate in report reviews and debriefing sessions, arrange seminars and case study sessions, occasionally -- in an "elder statesman" capacity -- visit missions in the field to advise on particularly difficult subsector problems, and participate in FAO's inter-divisional working groups. Periodically, they would meet under front office chairmanship as the "Investment Center Policy Advisory Committee." The present Senior Agricultural Adviser would assist the Deputy Director in coordinating the non-operational work of the Senior Specialists and would act as the Senior Specialist for rural development.

80. To keep CP staff au courant with Bank thinking and sensitive to the problems of project implementation, CP also should set goals for staff participation in Bank-led appraisal and supervision missions. Specifically, CP staff with more than one and less than seven years' experience should -- to gain a first-hand feel for Bank policies and requirements -- participate in one Bank-led appraisal mission (of a project they did not prepare) every third year and -- to maintain realism -- participate in one Bank-led supervision mission (of a project they helped prepare) every second year. Assuming

no change in productivity and constant preparation workload, this would necessitate a growth in CP staff (of perhaps 5%) but would not have any additional cost to the Bank as the participation would be in lieu of Bank staff or consultants.

81. A further ingredient of professional development -- "feedback" -- needs strengthening. In their biannual visits to Washington, the CP service chiefs should set aside time to receive explicit feedback from Bank mission leaders and division chiefs about work done in the prior period. The feedback should then be transmitted to the CP staff. For similar purposes, CP needs a simple but formal system of annual performance reviews. In addition, each service should institute routine debriefings after the return of project definition or final preparation missions. They would be attended by all members of the service and all IC staff specializing in the subsector involved. Such debriefings, in addition to helping mission members spot latent issues, will help broaden the perspective of attending staff, deepen their understanding of evolving CP standards and reinforce the CP's collective sense of professional esprit. Debriefings of especially interesting projects could be IC-wide.

IC Top Management and Structure

82. IC's top management level must -- in addition to its operational duties -- provide active leadership and coherence to the staff development efforts we consider necessary, spearhead the creation and updating of IC policies, standards and guidelines and stand ready to advise the Bank on selected policy issues. Also, it needs to pursue actively the goal of strengthened IC/FAO relationships.

83. For the long term, we recommend a triumvirate at IC's top management level -- a Director, occupied heavily with externally-oriented functions including special priority assignments for the Director General (e.g. CGFPI liaison); a Deputy Director for CP Operations (DD/CPO) to oversee Bank-related work; and a Deputy Director for Policy, Professional Development and Liaison (DD/PPL). IC's Director has proposed also appointing an additional Deputy for the IC's non-Bank-related activities because of the importance, variety and volume of external relationships these are expected to entail in the coming year.

84. The Deputy Director, PPL -- a "staff" executive -- would spend a significant portion of his time at the Bank "absorbing" policy trends and spotting opportunities for useful direct (i.e. non-CP-related) Bank/FAO coordination. When in Rome, the Deputy would perform a similar and complementary liaison function in FAO, serve as or oversee the IC representative on many FAO inter-divisional working groups, and oversee IC's "FAO support" activities. He would be responsible for planning, coordinating and directing the non-operational work of the Senior Specialists and would also supervise the Senior Adviser, Senior Agricultural Adviser and the Information Center. He would chair the internal "Policy Advisory Committee."

85. The Deputy Director for CP Operations would direct the Bank-related work, including particularly the development and negotiation of CP's work program, the review of quality on a selective basis, and the coordination of inter-service staff sharing and CP/FAO time exchange.

86. In the near term, the IC Director expects to be able personally to assume the responsibilities of the proposed Deputy Director for CP Operations and personally to direct implementation of most of the recommendations of this study. He intends, for this purpose, to diminish his externally-oriented duties. If the Director's personal external responsibilities can be held to a minimum (perhaps less than 20% of his time) and if the non-CP Deputy post he has proposed is created and filled, performance by the Director of the functions we have envisaged for the DD/CPO can be a viable alternative to our recommended top-level structure.*

CP Services

87. We recommend that the CP have three services in lieu of the present two. Respectively, they should -- for the best balance of workload, travel patterns and language ability -- encompass the work of LAC and WAF; EMENA and EAF; and the two Asia Regions.** Creation of a third service will have some cost in scheduling flexibility, subsector specialization and an increased need for inter-service sharing. The cost, however, should be outweighed by a significant enhancement of each service chief's capacity to manage the work and people for whom he is responsible -- i.e. to assess and develop his staff's capabilities, enhance the quality of his service's work and maintain the necessary close relationships and dialogue with his counterpart managers in the Bank (of whom there are more than twelve for one of the present service chiefs). Moreover, the reduced critical mass from a third service will be partially offset by inter-service loans arranged between the chiefs or, when necessary, with front office assistance. The danger of increased CP fragmentation will be overcome by the CP-wide scope of Senior Specialists and the Policy Advisory Committee, cross-service participation in debriefings and the Report Review Committee, and periodic optional (perhaps triennial) rotation of staff among services.

88. By Bank span-of-control standards -- e.g. deputy chiefs for projects divisions with 13 or more professionals -- one could justify five or six services. That, however, would create such a severe need for inter-service sharing that most scheduling decisions would be forced up to the front office -- which would sharply reduce the service chiefs' individual capacities to make firm commitments to Bank managers as well as their ability to control and upgrade the activities for which they were responsible. The Bank's span-of-control standards are, in any event, not directly applicable to CP's first-line supervisors because -- unlike Bank division chiefs who are responsible for project administration and sector work as well as project definition, prepara-

* For short-term budget purposes, the additional time spent by the Director can be regarded as offsetting the diminution of DD/PPL time devoted exclusively to CP work.

** The split of Africa reflects the comparative ease of North/South and difficulty of East/West travel in Africa, the possibility of travel from West Africa to Latin America and the fact that many of CP's people speak both Spanish and French.

tion and appraisal -- the CP service chiefs are responsible only for pre-appraisal work. Moreover, in overseeing this work they supervise primarily the mission leaders, who at any one time constitute perhaps a third of their subordinates and who absorb some of the leadership and development tasks with respect to more junior staff.*

Operations Officers

89. The CP service chiefs should each have an operations officer to assume much of the burden of expediting report production and consultant recruitment, overseeing filing, arranging debriefing and report review meetings, coordinating time reporting, assigning and handling problems of clerical staff and assisting with mission scheduling and the maintenance of project timetables. We do not believe these functions require deputy service chiefs or justify the diversion of valuable senior staff and additional layering that such deputy positions would entail.

OVERALL IMPACT

90. Taken together, our recommendations can have an important impact on the future activities of the two parent organizations and the benefits received by their member countries. We believe that significant productivity improvements will result over time -- e.g. from improved Bank and CP planning, increased bus-stopping, better communication, accelerated CP staff development, streamlined operating procedures, strengthened CP management and improved administrative support -- but recommend that these productivity gains be used to finance the staff time needed for long-term quality improvements. The quality improvements will themselves further increase productivity.

- Better prepared projects will result from having staff whose potentialities are fully and rapidly developed and who have more complete up-to-date policy guidance. Such projects are likely to be easier and more efficient to appraise.
- Greater country understanding and commitment can flow from the increased bus-stopping our recommendations facilitate. Such commitment and understanding is likely to result in improved and more efficient implementation.
- Increased levels of agricultural investment in the developing countries are likely to result from improvements in the investment orientation of FAO/UNDP investment-potential projects -- and the investments that do result from such projects are likely to be more productive.

* We also considered the alternative of two Services each with two subordinate managers, but rejected it because of the need it would create for six rather than three senior service managers, the additional layering it would involve in a context already suffering from a flat senior grade structure, and the further loss of critical mass that would result if each service's staff were divided between its two subordinate managers.

- An improved capacity in IC and the rest of FAO to complement each other's strengths can enhance the impact of both -- while at the same time increasing their productivity and facilitating direct Bank/FAO cooperation (which can have similar effects).
- Better Bank preappraisal planning can contribute importantly to an expanded and better-prepared pipeline of financeable agricultural projects as well as a more effective Bank/CP partnership. It can thereby help improve and accelerate Bank lending to -- and related agricultural and rural development in -- the member countries.

* * * *

91. We have made no recommendations about the CP's growth rate. It will depend on such diverse and hard-to-assess factors as the:

- Bank's rate of lending for agriculture projects which need preparation assistance and are not prepared through "piggy-backing" or with the help of consultants or Bank field staff -- a rate that cannot usefully be predicted until a Bank project generation planning system exists,
- Willingness of Bank managers to use CP -- which could be significantly affected by this study,
- Rate of increase of bus-stopping (which can increase CP productivity),
- Willingness and ability of CP to compete with the non-CP part of IC and the International Fund for Agricultural Development for suitable staff,
- Development of a Bank "Third Window," and
- FAO budget priorities, which are hard to predict.

92. We would be surprised, however, if the level of CP man-years did not increase at a rate of at least 5-10% per year. For time exchange reasons already discussed, the number of direct-hire CP staff members could grow more rapidly than the man-year budget.

COOPERATION BETWEEN FAO AND THE WORLD BANK

ANNEXES

The following annexes provide further analysis and data to support the points made in the report. They also, as appropriate, discuss alternatives that the task force rejected and provide detail useful in implementing the recommendations that have been made.

There are eight annexes:

- Annex 1 Comparative Advantages: Role of the CP
- Annex 2 Bank/CP Operating Procedures and Approach
- Annex 3 IC/FAO Relationships
- Annex 4 IC Location, Structure and Management
- Annex 5 Bank/CP Coordination, Planning, Budgeting and Control
- Annex 6 Direct FAO/WB Relationships
- Annex 7 UNDP, WFP and TF Aspects
- Annex 8 Budgeting and Staffing Implications

Following the annexes is a section entitled "Basic Reference Data" (BRD) which contains facts about the IC, the FAO/Bank relationship, the UNDP dimension and existing practices and procedures. Those not having a detailed familiarity with the subject may wish to peruse this section before reading the annexes.

COMPARATIVE ADVANTAGES: ROLE OF THE IC

In this annex, we review in turn (1) widely held viewpoints about the strengths and weaknesses of the Bank, FAO and CP and the proper role of the latter, (2) our conclusions about the three organizations' areas of comparative advantage and CP's proper role, and (3) our resulting recommended objectives for the CP. The attachment to this annex addresses CP's role in complex rural development projects.

I. CONSENSUS DATA

A. Strength and Weaknesses

While no task force such as this can have the competence, knowledge or time to reach its own definitive judgments about the quality of substantive work being done, we have been able to garner the opinions of large numbers of people whose collective viewpoints are not likely to be far from the truth.* We summarize the opinions below in what might be called "consensus portraits" of:

1. CP
2. The Bank
3. FAO

Although these consensus portraits are perhaps a bit sensitive, any assessment which wholly ignored the quality dimension would be irresponsible. Moreover, judgements about the proper roles of CP, FAO and the Bank must, to be logical, be based on conclusions about their comparative strengths and weaknesses.

1. CP

- (a) Overall. The CP is seen by itself, as well as by FAO-proper and the Bank, as isolated within FAO even though all three recognize the potential value of greater interaction. FAO, though bothered by CP's apparent air of superiority, sees the CP as a potentially valuable source of action-oriented ideas and staff. Bank managers see CP as the single most valuable source of preparation assistance but, lacking confidence in its responsiveness to the pressures under which they operate, would prefer to control its staff directly.

* We have not gone to the recipient countries to judge quality, because the time was not available to canvass a sample adequately diverse to assure representativeness. Nor have we sought to reach quality judgments based on case studies, because this would have required a full knowledge of the contexts and special factors involved - which would have (at least in our time-frame) been impossible to obtain.

- (b) Professional Competence. There is wide Bank consensus that in overall professional competence CP staff members are comparable to Bank projects staff. There is also wide FAO consensus about CP staff members' high competence.
- (c) Technical vs. Non-technical Competence. CP work is thought by Bank people (and CP people as well) to be particularly strong technically but less strong with respect to financial, institutional and managerial aspects (which tend to become ripe for solution in the later stages of project processing).
- (d) Compared to Consultants. For preparation assistance work, a large majority of Bank agriculture staff consider CP better than consultants except where detailed engineering is required. CP can be more conceptual than consultants, requires (and usually receives) less explicit instructions and is much more aware of Bank needs and requirements. Also, Bank staff believe that CP can usually produce what is needed faster, more compactly, and at less cost than consulting firms.
- (e) Compared to Regional Missions. CP and the Bank's regional missions in Africa are viewed by Bank staff but not all CP staff as somewhat interchangeable with respect to preparation work. They have very similar capabilities and inherent sources of difficulty. The latter include such things as the somewhat ambiguous role between countries and the Bank, problems of communication with Bank headquarters and a diminished susceptibility -- compared to Washington staff -- to control by Bank projects Division Chiefs and Assistant Directors.
- (f) Subsectors.* CP is widely viewed in the Bank as especially strong in forestry and fisheries work and weak in agro-industries. Also, its superior linguistic versatility compared to that of any single Bank Region is a recognized asset. As a general matter, the East Asia Region is less satisfied with CP than the other Regions. FAO forestry people share the Bank's high regard for CP's forestry skills, but FAO fisheries people

* A summary of the comparative advantages and roles of CP and the Bank in the preparation of Integrated Rural Development Projects is presented in Attachment 1.

doubt that the two CP fisheries staff members -- though recognized as highly competent specialists -- can alone provide the breadth of coverage that is needed.

2. The Bank

(a) Overall. The Bank is seen by its own staff as well as by CP and FAO as powerful, usually effective, inner-directed, super-busy and somewhat arrogant. It is seen to need (and, at least in the opinion of its own staff, is seen to value) strong linkages to external sources of expertise, development assistance thinking, and constructive criticism. It is regarded as the preeminent development financing institution.

(b) Investment vs. Development. In FAO and CP eyes, Bank staff are widely seen as too prone to equate development and investment, to underestimate the significance of activities (such as resource evaluation, information exchange and technical assistance) which may have little direct impact on investment but great long-term importance for development. Bank "lending program pressures" (i.e. apparent greater concern with commitment than disbursement) are seen sometimes to generate unreasonable impatience with developing country (and FAO) desires and constraints and are sometimes thought to endanger the quality of projects.

(c) Inconsistency. Since its reorganization, the Bank has -- in CP eyes -- developed inconsistencies of approach among its six Regions, and between them and CPS.

(d) Identification. CP and the Bank concur that Bank "project identification" -- meaning, usually, project definition -- work is of highly variable quality.

3. FAO

(a) Overall. FAO-proper -- although viewed by most Bank and CP staff as insufficiently action-oriented for Bank and CP tastes, uneven in the quality of its staff, politically sensitive, bureaucratic and not strong administratively -- is widely seen by both

CP and Bank staff as having a large number of extremely able staff whose knowledge and capabilities are relevant to Bank, IC and other investment-oriented work.

(b) Depth of Expertise. The principal strength of FAO is seen (in all quarters) to be its great depth of authoritative expertise in the widely varied subsectors of agriculture.

(c) Subsector Compartmentalization. There is CP and Bank consensus (and much agreement in FAO) that -- at least from the point of view of investment results -- FAO is in many activities weakened by problems in bringing to bear a multi-disciplinary approach (within agriculture). There is, however, broad recognition in the CP and FAO of numerous recent efforts to offset this perceived weakness.

(d) Skepticism. Bank and CP staff (together with many in FAO-proper) -- while acknowledging the utility of an expanding intellectual infrastructure to underpin development-related and other decisions -- are uncertain about the relative priority that should be accorded to some of FAO's information exchange and data collection activities.

B. Variant Concepts of CP's Role

Between Rome and Washington, somewhat different concepts of CP's general role emerge, although the differences tend to be differences of degree.

1. CP Concept. CP tends to think of itself as ideally being an impartial and disinterested adviser to countries when compared to the Bank -- which CP sees as less disinterested because of its eagerness to lend. A legitimate CP role is seen to be to help the developing country, when necessary, "stand up to" Bank pressure and, in other cases, advise the country to do things the Bank favors but the country would rather avoid. CP people find Bank pressure to have them prepare projects to pre-determined specifications which they have not been instrumental in developing contrary to this concept of their role.

2. Bank Concept. Bank people readily concede that the country -- not the Bank -- is CP's proper "client" in preparation assistance work; that the CP should,

under strong substantive leadership, exercise independent judgment in providing advice and assistance and not hesitate when necessary to disagree with the Bank or a developing country. Five of the six Regions believe CP does now strike a reasonably good independent balance between responsiveness to Bank and country desires. They believe CP should be willing to recognize, when this is clearly explained by the Bank, that because projects are sometimes means to broader institutional changes rather than simply ends in themselves, the technical dimensions of project excellence may not always deserve pre-emptive emphasis.

II. CP'S COMPARATIVE ADVANTAGES AND RECOMMENDED ROLE

Based on the strengths and weaknesses of the three organizations, we believe that with respect to the various categories of FAO and Bank activity, the CP has the following comparative advantages and disadvantages. These judgements underlie our conclusions about CP's proper role.

A. Bank Work

1. Country Economic/Sector Work. CP has no comparative institutional advantage in Bank country economic/sector surveys except where a subsector is concerned in which they have the advantage of special expertise. To the extent that a given piece of sector work is intended to promote Bank/country dialogue, CP is, of course, at a disadvantage.

2. "Identification"

- (a) Project Recognition. CP has no comparative advantage or disadvantage vis-a-vis the Bank in the recognition of potentially viable project ideas. Its extensive country exposure and pre-investment experience do, however, in most cases give it an advantage over the rest of FAO.
- (b) Project Selection. Project selection, in its narrowest sense, is a non-delegable Bank function.
- (c) Project Definition. CP is given an advantage in project definition work by its great depth of experience in preparation assistance. Beyond that, many of the advantages it has in preparation assistance also pertain to project definition.

3. Preparation Assistance. Project preparation assistance is the forte of the CP. Its superior knowledge of Bank requirements gives it a major advantage over consultants in most cases. It generally also has an advantage over the Bank in preparation work because of its:

- Separateness from the Bank, which makes it more possible for the Bank on appraisal to question or countermand the preparation work without appearing embarrassingly redundant or self-contradictory
- Depth of technical expertise, compared to any one Bank division
- Comparatively ready access to the technical resources and expertise of FAO
- Freedom from the competing pressures of appraisal and supervision work
- Capacity, up to a point, to withstand Bank pressures to hurry up the process where these might be counterproductive
- Capacity to assist countries in reaching decisions about how to deal with the Bank
- Extensive and multi-regional preparation assistance experience
- Lower cost (to the Bank) per man-year -- by more than 35%.

These advantages, in our opinion, outweigh the disadvantages of:

- Structural and geographic inaccessibility, compared to Bank staff
- Occasional weakness in institutional aspects and problems due to inadequate CP "feel" for Bank policy and strategy
- Greater Bank difficulty in influencing projects at a stage when the options are most fluid
- Inability, when CP is used, to merge preparation and appraisal work without changing the staff involved
- Increased delays after preparation.

4. Appraisal and Supervision. Appraisal and supervision are essentially non-delegable Bank functions. CP cannot perform them for the Bank. Individual CP staff members, however, certainly can -- from time to time -- participate in and contribute fully to such work and benefit from the consequent exposure to Bank methodology and thinking.
5. Other. It should be mentioned that some Bank Regions feel that CP's collective linguistic virtuosity gives it a capability they can well take advantage of (e.g. Spanish in WAF, French and Italian in EAF, Portuguese, etc.). Also, the CP, with its proximity to FAO, has a comparative advantage over the Bank in the latter's very lightly staffed fisheries and forestry sectors.

B. FAO-Related Activities

1. UNDP Work. Compared to FAO and UNDP, the IC is uniquely equipped to serve as a nucleus for the infusion, where desired, of greater investment expertise into FAO-executed UNDP funded projects. This comparative advantage stems from its intense investment orientation and expertise, constant close contact with financial institutions, extensive country exposure and its capacity -- because of its size -- to bring to bear a meaningful level of subsector specialization within the framework of an integrated multi-subsector approach (see Annex 7 for further discussion).
2. Assistance to Other FAO-related work. The considerations listed immediately above also pertain to IC's advantage to the FAO regular programme, trust fund and WFP projects as a compact source of investment-oriented expertise.

C. FAO/Bank Policy Coordination

CP is in a unique position to see both the Bank and the FAO side of policy questions. It is, however -- and should be -- predominantly operational in its orientation. While it may be best situated to coordinate all FAO's relations with CGFPI and some areas of Bank/FAO interaction, there are many areas of Bank/FAO interaction where it has no comparative advantage (e.g. commodities work, food balance analyses, research, etc.). (see Annex 6 for further discussion).

III. OBJECTIVES

Consistent with the foregoing assessment of comparative advantages, we believe that the CP has three key objectives -- to help:

1. Countries create projects suitable for World Bank financing;
2. The Bank and FAO interact and coordinate in ways that enable each to benefit from the other's strengths in pursuing the shared priority objective of accelerating agricultural development in developing countries;
3. FAO realize the full investment potential of its activities.

In general, it is performing the first objective effectively, although significant process improvements (which we discuss in subsequent annexes) are possible. There is room for substantial improvement, however, in its performance of the last two objectives.

MULTI-SECTOR RURAL DEVELOPMENT PROJECTS

While we did not focus our detailed attentions on multi-sector or integrated rural development projects, we were requested to review the subject in the context of our examination of CP's role. Our findings and conclusions follow.

A. Profile

1. Innovative Nature. Preparation assistance for multi-sector or integrated rural development ("IRD") projects is a relatively new, somewhat experimental but rapidly expanding activity both for the Bank and CP. Methodologies are extremely fluid and each of these projects tends to be unique.
2. "Softness". IRD projects are characteristically "soft" and politically highly sensitive. Because of the special importance and complexity of their institutional dimensions and the country-specificity of their political aspects, criteria concerning the design of these projects tend to be particularly loose and open-ended. The judgments to be made, therefore, are even more subjective than in other sub-sectors and, as a consequence, the difficulty of anticipating Bank preferences is greatly magnified.
3. Fluidity. IRD projects are also unusual in the extent to which precise definition at preparation or appraisal is less likely to preordain the pattern of implementation and is of less significance than effective management during implementation -- given the possibilities for national policy (and power relationship) shifts during implementation and the desirability of responsiveness to evolving local wishes.
4. Multi-sectorality. While usually having a major agricultural development component, many IRD projects are multi-sectoral.

B. Assessment

1. Bank Involvement. Deep and direct Bank involvement in preparation assistance for IRD projects has been justified on the ground that this is a pioneering field where preparation experience can accelerate

the evolution of effective appraisal criteria. A second reason has been the Bank's feeling that it can be more effective during preparation than during appraisal or implementation in nurturing the requisite political willpower and commitments. A third reason is the Bank's comparative advantage in coping with the inter-sectoral aspects (e.g. Mexico, "Presidencia" project; Algeria, Rural Development Program).

2. CP Involvement. The CP tends -- because of its staffing, general orientation and affinity with country agriculture ministries -- to see rural development from an agricultural starting point and is well equipped to assist in the preparation of IRD projects with a major agricultural component (e.g. Yemen, Southern Uplands; Y.A.R. Wadi Hadramaut; Philippines, Mindoro; Mexico, Papaloapan, etc.). It is capable also of addressing non-agricultural aspects with the help of consultants.
3. Importance of Project Definition. Whether preparation assistance is offered by the Bank or CP, the project definition phase of multi-sector IRD is particularly important, partly because of its extreme difficulty.
4. Bus-stopping. Because of the critical importance of country commitment and follow-through in multi-sector IRD projects a bus-stopping approach to preparation assistance is clearly essential.

C. Recommendations

1. Comparative Advantage. Both the Bank and CP have experience in preparation assistance work on IRD projects but the Bank has a comparative advantage with respect to those which have major inter-sectoral or national policy implications.
2. Process. Full and early involvement is especially necessary in IRD projects. Moreover, where CP is involved the Bank/CP dialogue after (or during) project definition is particularly important. It should usually occur face-to-face, and perhaps begin in the field at the end of the project definition mission(s). For multi-sectoral national policy-laden IRD projects, inescapable prerequisites to successful preparation are:

- (a) Unusually detailed project definition,
- (b) Local preparation teams, and
- (c) A bus-stopping approach.

3. Task Force on Training. There is little doubt that the managerial challenge of multi-sector IRD projects is awesome -- given their emphasis on integration, multi-sectorality, decentralization and local participation and given the number of ministries and levels of Government likely to be involved. Yet good middle managers in developing countries are in critically short supply. The Bank with FAO assistance should, we believe, begin to focus frontally on this problem rather than purely on a project-by-project basis. Probably, a task force should be established to examine whether an institution -- perhaps, for example, an EDI satellite -- is needed to exert a leadership role in developing methodologies for such training, training trainers and better defining what skills need to be imparted. (Probably the task force, in addition to FAO, EDI and Bank CPS/ARD representation, would benefit also from inclusion of two or three developing country officials with relevant and successful experience in multi-sector IRD).

BANK/CP OPERATING PROCEDURES AND APPROACHI. ASSESSMENT

In the following, we address in turn Bank/CP operating procedures affecting:

A. Country economic/sector work

B. Project identification

C. Preparation assistance

D. Appraisal and supervision

A. Country Economic/Sector Work

The present occasional and ad hoc participation of CP in Bank-led country economic/sector missions is satisfactory, as is the use of CP to perform selected sub-sector analyses (whether regional or limited to one country). Because the Bank's broad agriculture-wide country sector surveys usually have objectives beyond mere sector analysis -- i.e. of promoting Bank/country dialogue, providing an occasion for developing or reviewing the Bank's assistance strategy and selecting projects that will further it -- these are not normally amenable to full performance by CP.

B. Project "Identification"

1. Project Recognition and Selection. The present ad hoc participation of CP in Bank-led reconnaissance missions and occasional leadership of its own such missions on a sub-sector level is satisfactory. The CP staff feeling that the Bank does not welcome its project ideas may result from application by the Bank of broader criteria of selection than intrinsic project excellence (e.g. criteria such as project utility as a vehicle for institutional reform, IDA fund availabilities and country debt service capacity, the possible desire to focus effort on one particular sub-sector, etc.)

2. Project Definition.

(a) Report Length. The CP "identification" -- i.e. project definition -- reports that are written are usually far longer than necessary for the purpose to be served. Sometimes such reports are several volumes long and include some of the detailed preparation work that project definition work is designed to render more efficient. The possibility that the Bank or the country, in reviewing a project definition report, may wish back-up data does not justify (at that stage) preparing in publishable form such a large amount of material.

(b) Accountability. Where CP has not done the project definition work and is asked to do the detailed preparation, it is difficult and probably unfair to hold them accountable in cases where they may come to believe that the concept itself was faulty.

C. Preparation Assistance

In several respects, the approach to and procedures governing preparation assistance are susceptible to improvement.

1. Approach to Preparation Assistance.

- (a) CP Preference. CP is seeking increasingly to emphasize the bus-stop over the paratroop approach, to rely more heavily on local project preparation teams to do the work, subject to overall CP guidance. In our view, this preference is entirely sound because of the increased country project understanding and commitment likely to result and the training by-product. Bus-stopping also may make it possible sometimes to omit the formal CP preparation report (as in the Bangladesh Barisal Project).
- (b) Productivity Impact. The fuller country participation that usually results from (and permits) a bus-stopping approach greatly increases CP productivity, at least in those instances. With respect to CP-assisted projects whose preparation was completed in CYs 1973 and 1974, the average number of missions per project with "substantial country participation" was 2.2 (and 5 projects out of 31 had 4 or more missions); the average CP man-days devoted to such projects was 201. In the same period, for projects with "minimal country participation" the average number of missions was 1.8; none out of 29 had more than three missions, but the average CP man-days applied was 316 -- 56% more than in the cases of substantial country participation. (See Table 1.)
- (c) Bank Constraint. While Bank managers almost uniformly favour bus-stopping in principle, weaknesses in their present advance planning of pre-appraisal activity, combined with the significantly longer lead times that bus-stopping requires, constitute a barrier to bus-stopping and sometimes leave no alternative to the paratroop approach.

2. The Bank Role. Related to many Bank agriculture divisions' weaknesses in planning in advance for project generation activities (see Annex 5) is their frequent failure to designate specific individuals to be accountable for the pre-appraisal stage of each project. The result is often a lack of continuity in the Bank's monitoring of pre-appraisal activities.

(a) Pre-Mission Stage.

- (i) The terms of reference of CP preparation missions tend to be rather open-ended, stereotyped, and are reviewed only lightly by the Bank in most cases. Especially where there has been prior CP project definition work, this is not a root cause of major problems; considerable flexibility at this stage is desirable and a strength of CP -- and Bank reason for using it -- is its capacity to know or anticipate what the Bank will want.

- (ii) Where CP preparation missions (or their leader) come first to Washington for briefing, the Bank often is poorly prepared and the briefing not very useful.
- (b) Post-mission. Bank comments on CP Back-to-Office Reports are often inadequate and delayed even where issues have been highlighted for attention.
- (c) Report Clearance. There is nearly universal agreement in the Bank and CP that the Bank's comments on the yellow cover preparation report are almost always deficient. There are several reasons:
 - (i) Appraisal and supervision work have higher Bank priority than preparation, as a result of which the task of reviewing the often multi-volume draft preparation report is frequently performed hurriedly or assigned to a junior staff member;
 - (ii) Because of the above, Bank managers tend to have a fairly low level of confidence in the draft comments and "water them down" before transmitting them to Rome; poor communication and friction can result;
 - (iii) There are few if any criteria for the yellow-cover review. At one extreme it could constitute a desk appraisal; at the other it could simply be an effort to assure that no fundamental flaws are evident;
 - (iv) The whole review has a premature air -- especially where the country has been involved deeply in the preparation work -- as the imminent appraisal task will constitute the "ultimate" review;
 - (v) The very process of Bank review prior to country receipt of the report seems inconsistent with the premise that CP preparation assistance is a service rendered primarily for the benefit of the developing country and only secondarily for the Bank.
- (d) Post-Report:
 - (i) Without knowing how common it is, we have heard of instances where appraisal mission members (and leaders) arrive in the country without a good knowledge of the contents of the preparation report. Obviously, this is undesirable and likely to be discouraging both to CP and the country;

- (ii) Although it often does happen and is useful if preplanned, Bank missions en route via Europe to appraise a CP-prepared project do not routinely -- where there is to be no CP "bridging" role in the field -- stop in Rome for briefing by the CP;
- (iii) The failure of the Bank routinely to transmit issues papers and decision memoranda to CP concerning projects CP has helped prepare makes it harder for CP staff to evaluate their own performance and sharpen their understanding of Bank thinking and preferences.

3. The CP Role. Preparation assistance procedures within the CP are reasonably effective.

- (a) Pre-mission Stage. It is probably a weakness that Washington consultations en route to LAC projects are only sometimes held. Also, more frequent consultations in advance of work in other Regions might -- despite the extra travel outlay -- yield high returns in the productivity of subsequent preparation work.
- (b) Post-mission. Despite CP management exhortation, Back-to-Office reports still tend to be insufficiently issues-oriented. Debriefing meetings are held occasionally but not routinely.
- (c) Report Clearance. CP's process for reviewing its yellow-cover reports is considered generally satisfactory by CP's staff as well as its managers. It has been acknowledged, however, that the review -- given the pressures to deliver -- comes too late for fundamental changes to result except in the most serious cases and that there is considerable variability in the standard of completed CP reports.
- (d) Post-Report. The very useful "bridging" function is often not performed.

D. Appraisal and Supervision

We do not see any problem with the present ad hoc procedures for arranging CP participation in Bank-led appraisal and supervision work, but believe that targets should be set for the level and distribution of such activity, given its training value.

II. RECOMMENDATIONS

With respect to Bank/CP operating procedures and approach, we have two broad recommendations under which specific measures are proposed:

- A. Increasingly use the preferred bus-stopping approach in preparation assistance
- B. Streamline the Bank/CP procedures for project preparation

Recommendations on a related planning system for project generation are presented in Annex 5.

A. Increasingly Use the Preferred Bus-Stopping Approach in Preparation Assistance

1. Advantages of Bus-Stopping. The preferred "bus-stopping" approach in preparation assistance -- though slower in lapsed time -- should be used more frequently in lieu of the "paratroop" approach by CP because it:
 - Tends to enhance country understanding of and commitment to projects, both of which are normal requisites of rapid appraisal and successful implementation
 - More effectively trains country nationals in the work of project preparation, a task of major long-term importance
 - Facilitates the telescoping of preparation and appraisal work -- for example by making it possible in some cases for the Bank to appraise on the basis of country-prepared annexes plus a brief introductory section written by CP in lieu of a full preparation report
 - Increases the efficiency of CP's preparation assistance work.
2. Implications for CP Management. Increased use of bus-stopping will have several implications for the management of CP. Because missions will be smaller, a higher proportion of mission leaders will be needed. Because of the greater reliance on local preparation teams, preparation reports written in Rome will become less numerous, less directly indicative of the quality of work done by the CP team and less suitable as a vehicle for quality control by CP Managers. As a result:
 - (a) Professional Development. CP management's role in professional development -- before the fact quality enhancement rather than post facto quality control -- will become more important. (Annex 4 contains recommendations on this subject.)

- (b) Guidelines. CP's development and refinement of manuals, guidelines, standards, formats and other instructional material will become more important.
- (c) Multi-mission Travel. To minimize any increase in staff travel time, a premium will be placed on management's ability to combine in one trip visits to several local preparation efforts and possibly the work of more than one client bank. (This will make Bank intervention in CP mission scheduling more harmful than it is today).
- (d) "Down-time". Because CP staff now spend as much time away from home as is appropriate (roughly 100 days/year) and because the Rome report writing task will decline as a proportion of total effort, it will be necessary to find alternative uses for CP staff time in Rome and to involve more FAO staff (under CP mission leaders) in preparation assistance work. (This will be aided by our recommendations for facilitating increased interaction between CP and the rest of FAO. See Annex 3).
- (e) Direct Training. While we have not had time to explore its practical implications, it is possible that the change in emphasis would make time available for -- and logically be accompanied by -- CP activities aimed directly at enhancing the project preparation capacities of developing country nationals. These could include -- on a secondary and time-available basis -- such activities as development of training materials, participation in FAO training and EDI activities and perhaps even the conduct of occasional seminars or inclusion of developing country "apprentices" on preparation missions.

B. Streamline the Bank/CP Procedures for Project Preparation

Briefly our recommendations are to:

1. Make CP project definition work a normal prerequisite of CP preparation assistance work and shorten project definition reports
2. Increase Bank/CP person-to-person interchange during project generation
3. Rely on an issues paper prepared in Rome -- for fuller and earlier Bank/CP interchange before completing a full preparation report
4. Transmit CP preparation reports directly to countries, without Bank review at the yellow cover stage
5. During appraisal, provide CP with the Bank's issues papers and decision memoranda relevant to the projects they have helped to prepare.

These recommendations are framed in an assumed context of paratrooping -- for simplicity and because, despite our recommendations, we recognize that paratrooping is likely to continue to be common for some time.

1. Make CP Project Definition a Normal Prerequisite of CP Preparation Assistance Work

- (a) Normal Requirement. CP "identification" -- i.e., in this context, project definition work -- is not always explicitly done in advance of CP preparation work. It should be, in almost all cases. When CP is asked to help prepare a loosely and, in their opinion, poorly identified project it is hard to hold CP accountable for the result. Moreover, to the extent that major conceptual disagreements are found to exist or changes of direction are required, the preparation assistance effort is likely to be greatly reduced in efficiency. In the future, in those special cases where project definition has been completed without CP involvement, CP should not undertake the preparation assistance unless it can fully accept the project definition work that has been done.
- (b) Project Definition Report. The project definition report normally should not exceed 20 pages. That should suffice for its purpose of raising major questions and alternatives (with recommendations) in order to promote the reaching of fundamental decisions before the detailed preparation work begins. Sometimes after a project definition mission much more material is available than needed for this purpose; sometimes also detailed work is necessary to narrow or illuminate options. When such additional material is produced, it should be retained as working papers -- not published. A list of such working papers could be attached to the report. Publication of them at this stage is not worth the extra work and expense required and may create a bulk of material that discourages careful Bank and country review.*
- (c) Transmittal. The project definition report would be sent to the Bank for comment. Attached to it would be the CP's detailed proposal for conducting the preparation assistance work required. In cases where particularly difficult issues are discovered, face-to-face or telephone discussions should then be held to resolve them.
- (d) Debriefing. As the options at the time of project definition are particularly fluid, a service-wide debriefing session (to which selected FAO non-CP staff would be invited as well as specialists in the same subsector from other IC services) should be held within three days of the mission's return from the field.

* For reports other than Project Definition, no changes in format are recommended. Bank opinions differ widely on the preparation report. Some like as much detail as possible and a full background section; others would prefer a briefer format. To an extent, CP may already take into account divergent Bank Division Chiefs' preferences.

2. Increase Bank/CP Person-to-Person Interchange. As we have implied above, personal (and secondarily telephone) contact can often pay major dividends in the increased efficiency that comes from not retreading trod ground, working at cross-purposes or exploring in depth futile possibilities. It should be sanctioned more routinely -- especially whenever it can be accomplished through Washington or Rome stopovers and contemporaneous field visits -- and also encouraged in other cases of fundamental disagreement.

3. CP should Prepare a Preparation Issues Paper. Bank inputs to CP preparation work should take place before -- not after -- the major effort of report writing:

- (a) Issues Paper. Within 10 days of a CP mission's return to Rome to write a preparation report, it should prepare an "issues paper" of less than 10 total pages summarizing the project, identifying issues, major alternatives and other aspects concerning which Bank guidance could be useful and indicating CP's actual or likely position on the issues. This paper should replace the present Back-to-Office report (which, in any event, CP management has been seeking to make more issues oriented).*
- (b) Bank Comments. The issues paper should be telexed to Washington. Bank comments should be provided, also by telex, within 10 days.** We believe the Bank comments will be not only of greater utility because of their earliness in the cycle, but also of much higher quality because of (i) the brevity and focus of the document on which they are based (which will permit Bank managers to become involved); (ii) the likelihood that they can have an impact, and (iii) the existence of a pre-designated responsible Bank staff member.
- (c) In-Service Debriefing. Based on the issues paper, the CP service concerned should hold a service-wide debriefing session (chaired by the service chief) after which the paper might be modified before transmittal to the Bank. (Notice should be given of this meeting so that interested FAO staff and specialists in the same subsector from other IC services can attend.) Report writing would begin immediately afterwards, focussing on areas where Bank comment is not anticipated. For particularly interesting cases, the debriefing session might -- for staff development and esprit purposes -- be IC-wide.

* Except where there is a Project Definition Report or Preparation Issues Paper, the Back-to-Office Report should be retained, as it is a vehicle for informing the Bank of progress in project preparation and highlighting key issues on which Bank views are sought. Brevity, however, should be emphasized.

** The Bank is in the process of leasing a line to Europe, which will sharply reduce the cost of Telex.

(d) Assimilation of Bank Comments. Once received in CP, Bank comments would be carefully considered -- in the knowledge that they were likely to be reflected at appraisal -- and then incorporated in the report or rejected at CP's sole discretion. Where difficult issues were raised, it might occasionally be desirable for the Bank and CP to meet on the subject or further discuss it by telephone. Where CP intended to reject the Bank's viewpoint on a fundamental issue, it should notify the Bank in advance.

4. Transmit Preparation Reports Directly to Countries. The Bank's clearance of yellow cover CP preparation reports should cease because it:

(a) Is inconsistent with the proposition that CP preparation assistance is a service primarily to countries and only secondarily to the Bank

(b) Tends to further the failure of countries to distinguish between CP and the Bank and therefore -- on appraisal -- heightens the likelihood that the Bank will seem embarrassingly redundant and self-contradictory if it re-examines preparation conclusions and makes major changes

(c) Is premature and perhaps even compromising, given the imminence of appraisal

(d) Is unrealistic as a "screening" precaution, to the extent of country involvement in the preparation work

(e) Given the size of the documents and the competing pressures of appraisal and supervision, is unlikely to receive from the Bank the quality of attention needed for a useful review -- and is therefore inefficient.

CP is used by the Bank because it has competence at the management and journeyman levels to do acceptable work. The Bank review at this stage is unnecessary as well as inappropriate.

5. Bank Issues Papers and Decision Memoranda

For CP to obtain the feedback it needs to remain au courant with Bank thinking and the implicit criticism it needs to be able to evaluate its own work, it should routinely receive from the Bank issues papers and decision memoranda concerning agricultural projects, whether these have been prepared by CP or not. Within the CP, these should be screened by the appropriate subsector Senior Advisor(s) for their overall relevance to CP preparation approaches.

CP PREPARATION PRODUCTIVITY ^{1/}

* BETWEEN CY's 1973 AND 1974, AVERAGE CP INPUT PER PREPARATION COMPLETED DROPPED 37%

Country Participation:	Minimal			Substantial			All Projects		
	1973	1974	Change	1973	1974	Change	1973	1974	Change
Completed projects	15	14	- 6.7%	16	15	- 6.3%	31	29	- 6.5%
Average missions/project	1.7	1.9	+11.8	2.3	2.1	- 9.5	2.03	1.97	- 3.0
Average CP man-days/project	393	255	-35.1	260	152	-41.5	324	202	-37.5

* SUBSTANTIAL GOVERNMENT PARTICIPATION INCREASES CP MISSIONS REQUIRED PER PREPARATION BY 0.4 -- 22%

Missions per Project	Country Participation:	Minimal		Substantial		All	
		Projects	%	Projects	%	Projects	%
1		10	34%	9	29%	19	32%
2		15	52	14	45	29	48
3		4	14	3	10	7	12
4		-	-	4	13	4	6
5 or more		-	-	1	3	1	2
Total		29	100%	31	100%	60	100%
*** Average:		1.8		2.2		2.0	

* ... BUT DECREASES CP INPUT PER PROJECT BY 118 MAN-DAYS -- 36%

Man-Days per Project						
0 - 99	5	17%	8	26%	13	22%
100 - 199	10	34	13	42	23	38
200 - 299	2	7	6	19	8	13
300 - 499	3	10	1	3	4	5
500 - 699	6	21	1	3	7	12
700 or over	3	10	2	7	5	8
Total	29	100%	31	100%	60	100%
*** Average:	326		208		265	

^{1/} Projects on which preparation was completed in CY's 1973 and 1974 (based on retrospective data provided by CP Service Chiefs).

IC-FAO RELATIONSHIPSI. Assessment

Although interaction between CP and FAO is more intensive and fruitful than is recognized by the Bank or acknowledged by CP, there is no question that the CP is still far from the wide or sympathetic bridge between the Bank and FAO - imparting to each the strengths of the other - that it could be. Part of the problem is attitudinal, part historical and part of it a function of Bank/CP relationships. In the following, we discuss:

- A. The past IC/FAO relationship
- B. Barriers to closer relations
- C. The changing climate

A. Past IC/FAO Relationship

The contacts that have occurred in the past (and are outlined in Section VI and Tables 11 and 12 of the "Basic Reference Data" section at the end of this report) have been modest but significant, although somewhat one-sided -- i.e. mainly for IC's benefit.

1. FAO Contribution. FAO, both in the field and Rome, has often contributed expertise (through briefings, consultations, and research work) to the solution of IC problems and has provided a stimulating and professionally developmental environment for agriculturally-oriented staff. It has pioneered some types of project subsequently of interest to the Bank (Seeds, Disease-free Zones, Food Security and, some would claim, Rural Development) and through its UNDP-funded work (to a limited extent overseen by CP in the case of Bank "special interest" projects) has sometimes laid the groundwork for the preparation of Bank projects.
2. IC Contribution. IC, in turn, has had a gradual impact on the attention paid by FAO to agricultural investment, has helped attract funds into that sector and -- mainly through personal interactions but also through occasional visits to UNDP projects and participation in selected working groups -- has

made some contribution to FAO's growing awareness of investment needs and opportunities, as well as its project preparation methodology. IC has also been a valued (though difficult to access) source for FAO of up-to-date country information.

B. Barriers to Closer Relations

Despite these examples of interaction, essentially the "Rome connection", while useful to the IC and very valuable on a personal basis to IC staff and some FAO staff has -- institutionally speaking -- been uneasy, somewhat inhibited and almost never systematically pursued. One reason is the Program's history -- characterized by CP determination from the outset to be "outside" FAO. Another reason is the Bank's traditional reluctance to see CP staff occupied at all on FAO business. There are additional reasons.

1. General Attitudes. In CP eyes, although FAO is a vast source of in-depth agricultural expertise it is limited in its development (and especially investment) impact by a fundamentally academic orientation, a complex bureaucracy, and the absence of an action-oriented focus. FAO, in turn sees CP as "the Bank", respects its competence and action-orientation, but resents its air of superiority and what it sees as a "one way street" of cooperation.

(a) The FAO Viewpoint. While often responsive to CP requests for assistance and grateful for the country exposure and action-orientation that CP mission work can give to individual staff members, FAO units tend to resent CP's:

- Failure to reciprocate, even for informal assistance rendered. (They complain that CP comes to them for briefing but never returns after the mission to debrief; that when they want to borrow CP staff, Bank-related duties are always claimed to make this impossible.)
- Secretiveness, particularly over releasing documents
- Ignorance of the existence of much of FAO's country knowledge and staff skill

- Hiring away of many of FAO's best staff
- Isolated, superior air
- Use of FAO members as "consultants", not partners, on missions
- Frequent failure to acknowledge FAO contributions

- High grade levels
- Relative freedom from the stringent budget restraints (especially on travel) that affect the rest of FAO.

(b) The IC Viewpoint. The historically-based impulse to refrain from involvement in FAO work has reflected -- as well as a possessive attitude by the Bank -- IC fears that:

- Participation in FAO affairs could become a bottomless pit
- Intensified contact could reduce IC's partial immunity from FAO's bureaucratic problems characteristic of a large specialized agency
- The need to assure continuity in IC contributions to FAO efforts could add an additional constraint to already severe scheduling problems
- IC staff, when on loan, would be less productive in promoting investment than when in IC itself.

2. Formal Exchanges. The direct contact that comes from staff loans or exchanges is one of the best means of increasing cross-fertilization and improving relationships, but the purchase by CP of FAO staff time for CP missions (roughly 7 man-years/year) is likely to be increasingly difficult to arrange in the future. There are several reasons:

- (a) FAO Work Programmes. FAO divisions have their own work programmes to complete and, in many cases cannot use the CP-provided money effectively for this purpose
- (b) CP Barred. CP at present feels barred from offering its own staff time to an FAO division as a quid pro quo for a loan of that division's staff
- (c) Credibility at Budget Time. If an FAO division can lend staff to CP and still implement its work programme, there is an implication that it was either under-programmed or over-staffed
- (d) Other Demands. Divisions are being called on increasingly to meet demands for non-budgeted staff assistance from other sources (IC, Country Programming, Food Security, CGFPI, etc.) -- often for shorter assignments than those sought by CP
- (e) Confiscation. This year, money paid by CP for FAO staff borrowed was confiscated from the lending departments by FAO's financial department during a budget squeeze.

C. The Changing Climate

Under present ground-rules and the psychology that has prevailed in the past, the level of FAO manpower released for CP work would be unlikely to rise and could even decline. This would be harmful to FAO, the Bank, the IC and member countries. But there is evidence that the underlying psychology is changing and there is little reason to believe that the ground-rules cannot also be changed.

1. FAO Climate. FAO, in response to the greater sense of urgency in the world about food problems (exemplified by the World Food Conference and the subsequent establishment of the World Food Council, CGFPI and the nascent IFAD) seems to be searching for means of developing a more action-oriented programme. This will, it recognises, involve intensifying efforts to increase the immediacy and breadth of impact of its Regular Programme activities. It also frequently will involve the conscious and deliberate infusion of a more substantial investment orientation into some of its activities.

2. Bank Climate. The Bank, while immediately concerned to assist with the generation of projects it can finance, has also clearly and unequivocally declared its wider interest in spurring the promotion of agricultural and rural development in the developing world.
3. Mutual Interest. It is therefore increasingly in the interest of both institutions to make the Investment Center a wider and more effective bridge between them. Failure to succeed in this task could ultimately weaken the impact of both institutions on the urgent world problems they are seeking in common to address.

II. RECOMMENDATIONS

For the CP's long-term maximum utility to the Bank, FAO and their member countries, it is imperative to vitalize the CP/FAO "Rome connection" beyond its present significant but modest scale. The Bank should, through the CP, be able to draw selectively on the full range of FAO's resources. FAO, with the help of the IC, should be enabled to heighten its own investment know-how and impact. We therefore recommend that:

- A. The Bank actively encourage selective exchanges of CP and FAO staff time
- B. IC designate operational staff as "Senior Specialists" one of whose duties would be liaison with FAO's Divisions who, in turn, would establish contact points for IC matters
- C. IC take positive actions to improve its communications with FAO
- D. IC initiate establishment of additional investment-targeted "Joint Groups" on the model of the IC/Fisheries Group
- E. The name "FAO-WB Cooperative Program" be changed.

(It is possible also that consideration should be given to elevating IC's status within FAO to reflect better the growing importance and pervasiveness of its concerns and the scope of its external relationships as well as to facilitate the intensified internal interactions we foresee. In addition, such a change would alleviate present flatness in the I.C. grade structure and allow service chiefs a higher rank than their subordinates. We have not, however, explored this question and have no recommendation other than that the question be considered.)

A. Encourage Staff Interchange

Staff interchange, both formal and informal, is the most effective way of bringing FAO's technical expertise to bear on the CP investment program, assisting FAO divisions to realize the full investment potential of their own work, and building stronger CP/FAO relationships. To the extent that CP staff assigned to work with FAO divisions will be concerned principally with investment-related activities and FAO staff assigned to CP will be exclusively involved in Bank-related work, exchange arrangements will increase the aggregate FAO time applied to promoting investment.

1. Informal Interchange. CP (with the Bank's full support) should be more willing to reciprocate for short-term informal services currently rendered by technical divisions but seldom accounted for. (These CP services should be distinguishable in the time recording system and subject to a mutually agreed ceiling.) Where FAO staff contributes informally or formally to project preparation, CP should acknowledge it in the report.
2. Formal Interchange. Within pre-agreed ceilings, CP management should be free to offer staff for FAO and IC Service assignments in return for equivalent amounts of staff time furnished to CP. As a pre-requisite, the Bank should agree to contract for man-years rather than people in the CP. The accounting required for such an arrangement demands an effective time recording system. This would not be prohibitively difficult, as time accounting is, after all, the basis of billing in many types of legal, public accounting and consulting work (See Annex 5).
3. Reimbursement Option. FAO staff time assigned to CP would be reimbursable either in money or equivalent staff time, at the discretion of the directors concerned who would meet annually to determine the likely magnitude of the exchange. Divisions releasing staff for CP work would have first claim on CP staff time, but CP staff assignments would not necessarily be confined to these divisions. CP staff time also could be purchased rather than bartered for.

4. CP Preference. Because exposure of FAO staff to CP staff and CP's investment-related work can often contribute a better informed investment orientation and ultimately a sharper investment focus to many FAO activities, CP should seek to use FAO staff rather than consultants whenever feasible. (If the time exchange programme were to involve 7 man years per year, in average tranches of one month per assignment for CP staff and 3 months for FAO staff, 112 exchanges would be made per year with a direct potential impact on nearly 10% of FAO HQ staff per year and a probable indirect impact on many more.)
5. Staffing Implication and Impact. CP should increase its regular staff at the expense of its consultant budget to accommodate the demand for its staff services by FAO. Experience during the year following the initiation of the scheme would indicate the likely level of such demand. There would be no additional cost to CP. To the extent CP time was purchased, the consultant budget would be replenished; to the extent it was traded, CP's available direct-hire staff time would be replenished.
6. CP Benefit. In addition to benefits resulting from an increased (or at least not decreased) FAO contribution to CP work, the larger number of CP direct-hire staff that the arrangement would permit might facilitate further sub-sector depth. Also, to the extent that the CP staff time used for exchanges would otherwise be downtime (e.g. due to scheduling hiatuses or practical limitations on staff travel time), such exchange arrangements will permit its conversion to productive operational time. This will increase CP's efficiency.
7. Directive. It is possible that arrangements of this type would be facilitated by an umbrella directive from FAO management to the effect that investment orientation is an implicit purpose of most FAO work programmes and not exclusive to the IC.
8. Implementation Problems. The proposed staff time exchange option will require close and careful CP management to assure that it is pursued with deliberation and subjected to reasonable safeguards such as:

- (a) Upper Limit. Periodically, in consultation with the Bank, an upper limit should be established on the level of staff time to be exchanged (as should an overall CP limit be agreed for the informal -- i.e. non-traded, non-reimbursed -- overhead interaction activities). Basic charging and accounting principles will need to be agreed along lines outlined in Annex 5.
- (b) CP Flexibility. To enable CP effectively to contend with the scheduling aspects, more freedom from explicit Bank intervention in scheduling decisions will be required. After reaching agreement with the Bank on its role in the preparation of a project and on the manpower required, CP should have wide discretion on the timing and composition of individual missions.
- (c) Responsibility. Use on loan of FAO staff will not free CP management from any of its present responsibilities to assure delivery of quality work on time. It will need to be highly selective in borrowing and lending staff to achieve maximum benefits both for CP and the rest of FAO. CP management should normally require that staff loaned to FAO be assigned to investment related work.

B. Establish Technical Liaison

IC should designate Senior Specialists (and alternates) within each of its technical disciplines and make them responsible for liaison with counterpart technical divisions in FAO on technical (but not operational) issues. FAO division directors should designate an officer, preferably in their own office, as the contact point (though not exclusive channel) for CP matters. The Senior Specialists should be invited to attend technical meetings arranged by their counterpart division, and the liaison staff from FAO should be invited to relevant IC meetings, including debriefings. Also on the advice of liaison staff and by agreement between the directors of IC and the FAO division concerned, IC should be able to employ on short-term secondment proponents of innovative proposals with investment potential to work on guidelines, develop seminars, prepare papers, etc. (The role of Senior Specialists is discussed further in Annex 4.)

C. Take Positive Action to Improve IC/FAO Communications

The vitalized IC/FAO "Rome connection" that we consider necessary to full effectiveness requires, in addition to the changes recommended above, steady inculcation (with Bank support and due regard for the needs of the work program) of an outward-looking IC attitude.

1. Routine Interactions. Routinely, selective cross-attendance by liaison people and managers, for example at staff meetings, should occur; announcements of debriefings should be made and legitimately interested FAO staff encouraged to attend, and the Senior Specialists should hold occasional seminars not limited to IC staff.
2. Information Center. The Documents Unit -- which now plays a passive reference-oriented role -- should be renamed the "Information Center" and given the responsibility actively to take whatever initiatives are needed to assure that IC and FAO people derive full and timely benefit from IC, Bank and FAO documents. Beyond the reference function, this will entail following the mission schedules of IC people and systematically providing to mission members at least two weeks in advance of departure, such documents as the most recent relevant Bank sector and appraisal reports, any FAO studies or reports that could be pertinent, and relevant IC material. Also, it could perform a brief search of the FAO staff registers to determine (and provide) the names of people at Headquarters and in the field who are likely to have relevant specific knowledge. In addition, the Information Center should:
 - Take the initiative actively to acquire the material and knowledge necessary for the above-described functions.
 - Prepare and circulate to IC, FAO and Bank agricultural staff a quarterly IC Newsletter.
 - Circulate in FAO: IC mission schedules, lists of newly acquired documents, debriefing agendas and the like.*

* New ground-rules establishing confidentiality of Bank and FAO documents, and the extent to which they might be circulated within each agency should be developed at the instigation of the Head of the proposed Information Center.

- The Center would need professional direction and probably should be placed under the Editor/Information Officer (See Annex 4).

D. Establish Joint Groups/Task Forces

1. Purposes. IC should initiate the establishment of additional "Joint Groups" on the model of the IC/Fisheries Group, with the purposes of:
 - Identifying sub-sector and project investment needs and opportunities
 - Keeping IC aware of new and relevant technology
 - Briefing divisions on lending criteria and modus operandi of financial institutions
 - Adding investment orientation to divisional work programmes.
2. For Each Joint Group, the involved division directors should specify aims, identify priority topics, determine composition, level of formality, reporting system and life span. (In our opinion, the Groups should operate under technical division leadership, have no more than 5 members, and designate sub-groups for specific tasks.) For topics for which large Interdivisional Working Groups already exist in FAO but which require particularly concentrated attention -- such as Trypanosomiasis, River Blindness, Pesticides, Arid Lands, Fertilisers, Adaptive Research, Food Security -- the "Joint Group" might be constituted as an Investment Sub-Committee.
3. Costs of CP participation in such groups should -- within an agreed ceiling for "Direct FAO Support" -- be considered a legitimate charge to CP (See Annex 5). This will be justified by enhancement of CP's staff expertise, an increased flow of investment projects, informal quid pro quo and ultimately an enhanced FAO investment impact.

E. Change Titles

The name of the FAO/World Bank Cooperative Program creates confusion. FAO and developing country people regard it as "the Bank". Some even think it is concerned with cooperatives. We believe it would be

useful to rename it the "FAO Investment Center". It would contain four "Services" -- Service #1, Service #2 and Service #3 (which would handle WB project work) and Service #4 (which would carry out work for other client financiers).

IC LOCATION, STRUCTURE AND MANAGEMENT

I. ASSESSMENT

A. Location and Structure

The present location and structure of the Investment Center, including the FAO/WB Cooperative Programme, are fundamentally what they should be, although the growing complexities of the management task suggest the need for greater management capacity. We present in turn our assessment of:

1. The location issue
2. The present structure

1. The Location Issue

(a) General Criteria. As a general matter, the following criteria are relevant to the question of location:

- Access to FAO thinking, skills, data resources
- Access to Bank thinking, skills, data resources
- Responsiveness to or independence from Bank, FAO or country pressures; impact on reporting relationships
- Country knowledge, accessibility and impact
- Value of IC's critical mass
- Potential for favourable IC impact on FAO or the Bank
- Costs (travel, administration, personal services, etc.).

(b) Rome Location. On balance, after examining the likely alternatives in the light of these criteria, we have concluded that Rome is the most suitable location for the CP. This conclusion is based on three principal considerations:

- (i) Access to FAO. CP now draws extensively and beneficially on the resources of FAO (see Basic Reference Data Table 11) and will do so to an even greater extent in the future if our recommendations (in Annex 3) are accepted.
- (ii) Utility to FAO. CP has very great potential utility within FAO -- utility which can be enhanced we believe, by measures described in Annex 3. This utility would be largely lost were the CP not in Rome -- to the detriment of the Bank's as well as FAO's member countries and agricultural development objectives.
- (iii) Bank Relations. We believe that the problems of Bank/CP relationships that a Washington location might alleviate can be greatly reduced by the measures proposed in Annex 5 without incurring the costs of moving the CP.
- (c) Outposting. In considering whether to outpost staff, the added complications of back-stopping and supervision as well as the danger of losing objectivity and impact within the country have to be taken into account. Nevertheless, in the context of a Rome-based CP, we can recognize the merits of a very limited and selective outposting of CP staff directly to countries (but -- to keep the reporting relationship simple -- not to FAO field posts). Where the reporting relationships were to be directly to a Bank field post (or Bank HQ), we believe the realities of the situation should be recognized by secondment of the CP staff member to the Bank with the Bank paying 100% of the costs.
- (d) Regional Banks. We have not examined the location issue in the context of IDB, AsDB and AfDB staff who are outposted from the IC. Our conclusions with respect to the World Bank are not necessarily relevant to the other institutions where the scale is entirely different and many of the qualitative aspects may be too.
- (e) Attachment. In Attachment 1, we summarize the advantages and disadvantages of the various major locational alternatives.

2. The Present Structure

IC, despite its fundamentally sound structure, presently suffers from six significant problems, solutions to which might be facilitated by at least modest structural change.

(a) Weaknesses/Needs. Today's IC, we believe, needs:

- (i) Stronger Top Management Capacity. The ratio of 5 substantive supervisors -- Director, Deputy, 2 Service Chiefs, Coordinator, -- to roughly 80 professional staff is light, especially at the top. (There is provision for Deputy Service Chiefs, but the positions have frequently been left vacant in order to avoid diversion of two mission leaders -- key CP operating resources.) In the Bank's projects departments of equivalent size it would not be unusual to have 9 line supervisors, not counting Deputy Division Chiefs (i.e. Director, 3 Assistant Directors, 5 Division Chiefs). Of course, CP functions are more homogeneous than those of a Bank Regional projects department and for that reason CP is probably easier to manage, but -- with the Director's growing activities regarding FAO's relations with CGFPI, the already apparent rapid growth pattern of the IC Service and the accelerating evolution of Bank and FAO policies regarding agricultural investment -- the IC's overall management task is becoming too heavy for 2 top managers (with 2 advisers) and 3 middle managers to handle.
- (ii) Smaller CP Services. Despite the homogeneous nature of CP work and the extent to which mission leaders function as an intermediate layer of management, the present 2 CP services are too large for fully effective management and control by single service chiefs. The problem is particularly difficult in Service II which presently does work in four Bank regions (EAF, WAF, S. Asia, E. Asia and Pacific).
- (iii) Better Interaction with FAO. The quality and quantity of CP interactions with FAO have improved in recent years but still have much room for further improvement.

(iv) More Flexibility in Coordination and the Use of Staff. It has been difficult for the IC as a whole to make the most appropriate and efficient use of staff "locked" into specific services. In particular, this has limited the IC Service's capacity to benefit from or coordinate with the two CP services. There have sometimes, for example, been overlaps or embarrassing situations of non-coordination within countries (e.g. parallel but separate work for IDB and WB on what is essentially the same project).

(v) Better Administrative Support. Weaknesses in the administrative area have exacerbated managers' problems.

(vi) More Systematic Professional Development. This problem is discussed in Section B.2. below.

(b) Major Change Unnecessary. We do not conclude from these weaknesses that major structural change is required. Procedural and attitudinal changes (which we discuss subsequently) can help offset the weaknesses and some minor structural adjustments can provide further relief. Moreover, it is important to recognize that any other fundamentally different structure would have weaknesses too. For example:

(i) Technically-Based Structure with Area Desks. A technically-based structure with area desks would simplify staff development and FAO relations and might permit more subsector specialization -- but it would greatly complicate the infusion of a multi-disciplinary approach to the work, force scheduling decisions to the top level (which already is over-loaded), and (because of the Bank's opposite structure and the desk officers' individual lack of power to resolve conflicting priorities) reduce responsiveness to the Bank.

(ii) Decentralized Structure -- Technical Core in Rome; Remainder in Field. A decentralized structure (with a supervisory and technical core in Rome and remaining staff in the field) would improve country knowledge, simplify

bus-stopping and reduce travel costs -- but it would compound alarmingly the already significant management relationship problems (given the potential roles of FAO headquarters, Bank headquarters, IC headquarters, the FAO country or regional office, UNDP and the Bank resident mission, if any), significantly reduce the CP's utility to FAO, risk a loss of professional objectivity and access to senior-level officials by field staff, and increase costs.

(iii) "Integrated IC". An "integrated" IC (with geographic services serving all client financiers and charging them on a man-years-of-effort basis) could:

- Permit some missions to serve the needs of more than one donor, with resulting efficiencies
- Increase the strength of IC country contacts and IC's capacity to give impartial investment advice
- Bring a familiarity with Bank standards to the work of non-Bank financiers
- Give non-Bank financiers a wider spread of IC skills on which to draw, and
- Reduce IC's present rather dominant linkage to the Bank;

But it could also:

- Complicate the task of resolving conflicting scheduling priorities without alienating the financing agencies
- Reduce IC's capacity to adapt flexibly to inevitable short-notice changes in financier priorities
- Diminish the confidence of each lending agency, particularly the smaller ones, that it would receive the desired attention and priority from IC -- perhaps with a resulting reduction in IC usage

- Reduce IC staff members' knowledge of individual lender requirements and policies, which could make subsequent appraisal more difficult and possibly impair the chances of rapid project financing
- Arouse Bank fears that a Gresham's Law effect of projects being directed to the least demanding donor could over the long term reduce project quality, and
- Require protracted negotiations, given the sensitivities involved, the number of organizations and the complexities of systems that would have to be agreed for charging, reimbursement and the resolution of conflicting priorities.

Because of this alternative's complexity, we have listed in Attachment 2 further advantages and disadvantages from the viewpoints of those who would be affected. Even if the integration alternative were to be preferred, the time delay involved in negotiating it would require that the structural problems identified in this assessment be faced and resolved on an interim basis.

(iv) Separate Services Parallel to Bank Regions. Creation of five CP services corresponding to the Bank's Regions (because of the low scale of activity, one would have to serve both Africa Regions) would enhance country knowledge, diminish the span of control of service chiefs and permit one-to-one Bank relationships at the supervisory level. It might also increase the collaboration between Bank and CP superiors on questions of country sector policy in agriculture. However, there would be numerous serious disadvantages:

- "Stable" Status. The one-to-one relationship in 4 of the 5 services would almost surely result in the Bank Regions viewing each CP service as a mere "stable" of extra manpower -- one which they would seek to manage in detail from Washington. This would produce disadvantages in:

Efficiency, given the problems of "short-string" management at a distance of 4,000 miles

- The loss of benefits to member countries from CP/FAO interaction -- which requires less direct Bank control
- The loss that would result from a gradual exclusion of CP top management from the supervision of operations
- The long-term loss that would result from diluting the IC managers' leadership role in attracting, holding, motivating and professionally developing the top quality staff that make CP valuable.

- Reduced Scheduling Flexibility. The benefits in responsiveness of the one-to-one relationship would be offset by the reduced scheduling flexibility resulting from smaller units and the heavy dependence of the CP service chiefs on arrangements to borrow staff from each other (as no one service would be self-sufficient).

- Reduced Quality. Each service could support only a minimal degree of subsector specialization -- which is particularly important in preparation work. Moreover, those in a service who were specialized by subsector would lack daily opportunities for professional dialogue with service colleagues having the same subsector specialization.

- Diversion Danger. The service chiefs would be less able to resist Bank managers' tendencies to divert their resources into high priority appraisal work, supervision and inevitable trouble shooting -- which is not the most efficient way to use CP staff.

- Narrowed Experience. CP people would lose the benefits of constant multi-Regional exposure (benefits already lost to Bank divisions).

- Diminished Separateness. The advantages inherent in having preparation assistance rendered by an entity other than the Bank are reduced to the extent that CP's institutional separateness is reduced.

- Increased Overhead. A greater proportion of CP's most senior staff would be occupied with overhead and non-operational functions.

(v) Four CP Services. Based on present and projected workload, the four services would have to serve:

South Asia

EMENA

LAC

East Asia, Eastern Africa and Western Africa

Three of the four services would have all the advantages and disadvantages of a one-to-one relationship (as discussed above). In addition, the fourth service's travel patterns would be anomalous. With four services, given present staffing, there would be 18 instances of one or less subsector specialist per service. (With three services, there would be only 11 such instances.)

The span-of-control problem for CP service chiefs is not comparable to the problem for Bank division chiefs because -- while Bank division chiefs are responsible for project administration and sector work as well as project definition, preparation and appraisal -- the CP service chiefs are responsible only for pre-appraisal work and supervise primarily the mission leaders (who at any given time constitute perhaps a third of their subordinates) and who absorb some of the leadership and development tasks with respect to more junior staff).

B. IC Management

The IC is no longer the small intimate group it used to be in which primarily personal relationships could adequately serve the purposes of leadership, administration and management. Without in any way sacrificing the personal relationships that still exist -- for even from a purely clinical management

viewpoint they are of inestimable utility -- there is need for an overlay of more formalized and systematized methods of internal IC management and for an increase in IC's managerial capacity. There are at least three areas where it is clear that IC's present managerial capacities have been stretched thin:

1. Work programming, scheduling and control
2. Professional Development
3. Administrative support

1. Work Programming, Scheduling and Control. As long as CP programming and scheduling remain largely driven by Bank needs and the Bank is uneven in the quality of its own pre-appraisal pipeline planning and therefore tends to manage CP schedules rather than results, there will be limits to the improvements possible in CP's own programming and scheduling. Nevertheless, the absence of explicit and published CP project planning tables is hard to justify. CP's own reliance on travel schedules as the primary planning tool is, in fact, an inducement to Bank reliance on such schedules as a primary control tool. Similarly, from a budgetary standpoint, CP's failure to submit reliable time reporting data has left the Bank no alternative but to seek to control IC's delivery of the prescribed number of designated "bodies" (full time) rather than of a specified quantity of man-years.

2. Professional Development. Long-term quality enhancement through professional development is more effective, efficient and instructive than exclusive reliance on quality control through report review. Moreover as bus-stopping and the role of local preparation teams increases, the possibilities for quality enhancement and staff training through report review will decline. Therefore, a premium will exist (even more than today) on measures -- such as formal in-house training, professional cross-fertilization, development of guidelines and standards, feed-back, etc. -- that increase staff competence. The present structure -- with little front office capacity for policy development and with two (harassed) service chiefs each supervising roughly 30 people while handling Bank relationship problems and administrative matters -- is not well suited to giving professional development activities the attention they deserve. Yet an active multi-faceted program for professional development can

contribute importantly to the IC's esprit de corps and consequent capacity to attract and retain superior staff. It can also help maintain the atmosphere of intellectual vitality that is essential to IC's continued creative performance of project preappraisal tasks.

3. Administrative Support. Severe weakness in the administrative support area place unnecessary burdens on IC supervisors and impair the IC's efficiency. There are at least 6 broad problem areas which we summarize below. (They are addressed more fully in a Task Force working paper made available separately to the IC management.)

- (a) Confidence. As it presently functions, the Program Coordination and Administration Office is not -- as it should be -- used in every way possible to remove administrative burdens from substantive supervisors and staff.
- (b) Consultant Processing. Consultant processing is a bottleneck area in the IC, and its procedures are not geared to the tight deadlines that are hard to avoid.
- (c) Work Distribution. The organization and distribution of work within the administrative unit is inefficient -- e.g. consultant work now involves 3 people in different sub-units. Financial reporting to the Bank and FAO -- while based on the same data -- is done by separate people reporting to separate supervisors.
- (d) Documents Unit. The Documents Unit has had a passive posture unsuited to the needs of IC and FAO (See Annex 3).
- (e) Secretarial Support. IC management decided (March 3, 1975) to introduce automatic typing and modified arrangements for secretarial support -- which we consider sensible -- but this decision had not begun to be implemented by mid-May.
- (f) Equipment. Electronic desk calculators are not as widely available as could be justified and travel calculators are in short supply.

II. RECOMMENDATIONS

The significant coordination and relationship problems that exist today, can, we believe, be largely resolved through the procedural improvements proposed in Annex 2 and the integrated planning and control systems proposed in Annex 5. For that reason and for the reasons stated in the foregoing assessment, we recommend no radical change in IC's location or fundamental structure. We do, however, recommend some structural adjustments to strengthen IC's management capacities and its internal technical leadership, professional development and administrative support.

Our principal recommendations are to:

- A. Strengthen the IC Front Office
- B. Create a third CP service
- C. Assure continuing enhancement of IC staff capabilities
- D. Appoint Operations Officers in each CP service
- E. Strengthen the administrative support unit

Table 1 is an organization chart illustrating the structure as it should look after these adjustments. Attachment 3 states the duties of the key positions that would exist under the proposed structure. We briefly discuss our proposed adjustments below.

A. Strengthen IC Front Office

1. Complexity of Management Tasks. In future years the management task of IC is going to be rendered significantly more complicated by:
 - The sharp growth of World Bank lending
 - The likely rapid growth of IC non-WB activities due to increased demands from OPEC financing sources, IDB and the Bankers' Programme
 - The presently unknown impact of the International Fund for Agricultural Development (which could be of sufficient magnitude to warrant re-examination of our structural recommendations)
 - Increased bus-stopping
 - Time exchange

- UNDP infusion
- The more extroverted role towards FAO
- The rapid evolution of Bank policies in agriculture
- Work arising from CGFPI.

2. Overall Recommendation. To strengthen IC's top management capacity to meet the challenge these factors will pose, we recommend creation of an additional deputy. The Director would continue to be occupied heavily with externally-oriented functions including special priority assignments for FAO's Director General (e.g. CGFPI Liaison). A Deputy Director for CP Operations (DD/CPO) would oversee Bank-related work; a Deputy Director for Policy, Professional Development and Liaison (DD/PPL) would perform internal "infrastructural" functions. (IC's Director has proposed -- and we see no problem with -- also appointing a Deputy for IC's non-Bank-related activities because of the importance, variety and volume of external relationships these are expected to entail in the coming year.)
3. Deputy Director, CPO. The Deputy Director for CP Operations would direct the Bank-related work, including particularly the development and negotiation of CP's work program and budget, the review of quality on a selective basis, and the coordination of inter-service staff sharing and CP/FAO time exchange.
4. Deputy Director, PPL. The Deputy Director, PPL -- a "staff" executive -- would be responsible for planning, coordinating and directing the non-operational activities of the IC -- e.g. development of guidelines and standards, conduct of "off-line" professional development, and coordination of IC's contributions to the policy formulation of client organizations. He would chair an internal "IC Policy Advisory Committee" and would oversee the non-operational work of the Senior Specialists (see paragraph C.2, below). He would supervise the Senior Adviser, Senior Agricultural Adviser and the Information Center. Also, he would assist in direct (i.e. non-CP-related) Bank/FAO coordination by spending a significant portion of his time at the Bank "absorbing" policy trends and spotting opportunities

for useful Bank/FAO interaction and -- when in Rome -- performing a similar and complementary liaison function in FAO. Lastly, he would serve as (or oversee) the IC representative on may of the FAO inter-divisional working groups and oversee IC's "FAO support" activities.

5. Interim Alternative. In the near term, the IC Director expects to be able personally to assume the responsibilities of the proposed Deputy Director for CP Operations and personally to direct implementation of most of the recommendations of this study. He intends, for this purpose, to diminish his externally-oriented duties. If the Director's personal external responsibilities can be held to a minimum (perhaps less than 20% of his time) and if the non-CP third Deputy post he has proposed is created and filled, performance by the Director of the functions we have envisaged for the DD/CPO can be a viable alternative to our recommendation.

B. Create a Third CP Service

1. Trade-Offs. Creation of a third CP service will not remedy all present problems and will, in fact, have some cost in scheduling flexibility, subsector specialization and an increased need for inter-service sharing, but we believe it will provide the best balance between:
 - Fully adequate supervision and the diversion of CP's most experienced staff to overhead tasks
 - Complexity of serving several Bank divisions and independence from detailed intervention by WB Regional managers
 - Subsector specialization and the problems of largeness
 - Country specialization and the need for variety of professional exposure
 - Effective quality control and maximum scheduling flexibility (with minimum need for inter-service borrowing).

With three services, their size in the next several years would probably range between 20 and 30 professionals. This is a bit too large from the span-of-control and

professional development viewpoint, but with four smaller services the service chiefs would be less in control than is desirable -- because they would have to borrow staff more frequently from each other. As a result, they would be less responsive.

2. Regional Allocation. The three services would serve as follows:

Service I	-	Latin America, Caribbean; West Africa
Service II	-	Europe, Middle East, North Africa; East Africa
Service III	-	South Asia and East Asia

Based on past patterns of usage, this regional allocation would result in the best balance of workload (5 year average of mission days: Service I, 26%; Service II, 34%; and Service III, 39%). To the extent it can be projected, the allocation is likely to maintain a good balance in the foreseeable future, as it combines South Asia (the fastest growing source of CP work) with East Asia (the slowest growing). The proposed regional allocation would in addition:

- Permit the best intra-service travel efficiencies
- Permit Washington visits by staff of two of the three services at minimal cost and travel time
- Enable Service I to capitalize on the facts that many CP staff speak both Spanish and French and that travel between Western Africa and Latin America is comparatively convenient.

3. Rejected Alternative. We considered the alternative of two Services each with two subordinate managers, but rejected it because of (a) the need it would create for six rather than three service managers, (b) the additional layering it would involve in a context

already suffering from a flat senior grade structure,* and (c) the further loss of critical mass that would result if each service's staff were divided between its two subordinate managers.

C. Assure the Continuing Enhancement of IC Staff Capabilities

Because the quality of preparation assistance has a key impact on the efficiency of appraisal work and may also improve the quality of project implementation, measures to enhance the capabilities of CP staff will yield high returns for the Bank, FAO and member countries. Such measures should be vigorously and systematically pursued. We have recommended increasing the number of CP service chiefs, which will give them more time to discharge their professional development responsibilities, and creating a Deputy Director (PPL) to coordinate professional development activities which are IC-wide. We also recommend that:

1. CP Set (and Then Meet) Goals for Staff Participation in Bank-led Supervision and Appraisal Missions. Supervision experience (preferably on a project one has helped prepare) can heighten one's awareness of the problems projects encounter during implementation and thereby increase the operational realism brought to subsequent preparation work. Participation in appraisal work (preferably on a project one was not involved in preparing) can sharpen one's appreciation of the Bank's approach, policies and requisites for financing and thereby improve substantive communication and make subsequent preparation work more responsive to Bank needs. Therefore, we recommend that specific targets be set to achieve systematically such CP staff exposure and to assure that the desired exposure does not -- through overuse -- become a pretext for the Bank to direct CP energies away from the priority CP preappraisal tasks. We would suggest a target of perhaps one supervision mission every second year and one appraisal mission

* The flatness of the grade structure also is perpetuated -- in the FAO context -- by CP's realization that if it fills a vacant D-1 position with a person not eligible for the D-1 rank it will forfeit the D-1 position and risk losing the appointee when he eventually is qualified for the rank. (We believe CP should be able to promote qualified staff to non-supervisory positions up to the D-1 level on the basis of professional growth rather than having to "reclassify" the position first.)

every third year. Staff with more than 6 years' experience could be exempted from both types of mission as they are not at that point in a position to derive maximum benefit from the experience. (It is significant that 87% of CP staff stated on the questionnaire that it would be valuable for them occasionally to participate in a Bank-led supervision mission and 74% had that opinion with respect to appraisal missions. See Basic Reference Data, Table 11.)

2. IC Designate Senior Specialists to Provide Technical Leadership and Liaison. In each major subsector, the IC should designate "Senior Specialists" to play a lead role -- in their respective disciplines -- in professional development, liaison and policy guidance. Senior Specialist tasks should, we estimate, occupy about 25% of each designee's time. This time cost should be more than compensated by resulting improvements in their own and their colleagues' productivity and work quality. The Senior Specialists would continue to report to their appropriate service chief, but would be under the functional oversight of the Deputy Director, PPL, when performing Senior Specialist duties. These duties would be to:
 - (a) Develop (or coordinate development of) guidelines and standard formats and analyses for work within their respective disciplines
 - (b) Liaise with their counterpart FAO technical divisions and CPS advisers
 - (c) Participate in the proposed new "IC Policy Advisory Committee"
 - (d) Screen technical publications and Bank and FAO documents to identify and circulate material relevant to the work of colleagues
 - (e) Participate in selected inter-divisional working groups
 - (f) Visit missions in the field occasionally in an "elder statesman" capacity to advise on difficult issues within their respective disciplines

- (g) Participate in IC report reviews at the request of service chiefs
 - (h) Chair occasional seminars and selected IC-wide case study sessions
 - (i) Take the lead role in technical orientation of new staff.
3. Assure Feedback. People develop best and most rapidly in a context of candid and constructive criticism. "Feedback" to IC staff about the perceived strengths and weaknesses in their work is therefore essential. It occurs now through daily supervision (including that by mission leaders) and report reviews, but it should be more systematized in at least two respects.
- (a) From the Bank. CP staff routinely should receive for information Bank issues papers and decision memoranda concerning projects they have helped prepare. (Also, of course, as usually happens now, they should routinely receive the appraisal reports.) Beyond this, each CP service chief should set aside time in his semi-annual visit to Washington to receive explicit feedback from Bank mission leaders and division chiefs about the work done during the prior period. This should include specific feedback where Bank decision memoranda or appraisal reports have gone in a direction contrary to CP recommendations. The feedback should then be transmitted personally by the service chief to those affected in the CP.
 - (b) Performance Evaluation System. The absence of a formal employee performance evaluation system in IC deprives staff of the opportunity all staff need at least once a year for summarizing performance strengths and weaknesses and professional development needs. Such an employee performance/-potential evaluation system should be designed and introduced promptly. It need not be elaborate.
4. Other Measures
- (a) Debriefings. Debriefings, as we have recommended in our section on IC's operating processes (Annex 2), should be reinstituted on a routine basis. They

have important development value for staff members (particularly new ones) as well as benefit to the mission members involved.

- (b) Bank Documents. In addition to the documents already mentioned, CP staff should have more ready access to Central Projects Memoranda and the Bank's manuals (copies should be in each service as well as the Information Center). Working papers also should more frequently be made available.
- (c) FAO Technical Meetings. Participation in selected FAO technical meetings for staff development purposes should be encouraged.
- (d) Orientation. More systematic arrangements should be made for the briefing and orientation of new staff (perhaps initially by the Information Center) including, as feasible, enrollment in the recently created World Bank operations course.
- (e) Staff Exchange. The Bank and IC should study incentives to encourage exchanges of staff on secondment.
- (f) Secretarial Guide. A more comprehensive IC Secretarial Guide should be developed. (This is discussed in a task force working paper furnished separately to IC management.)

D. Appoint Operations Officers in Each CP Service

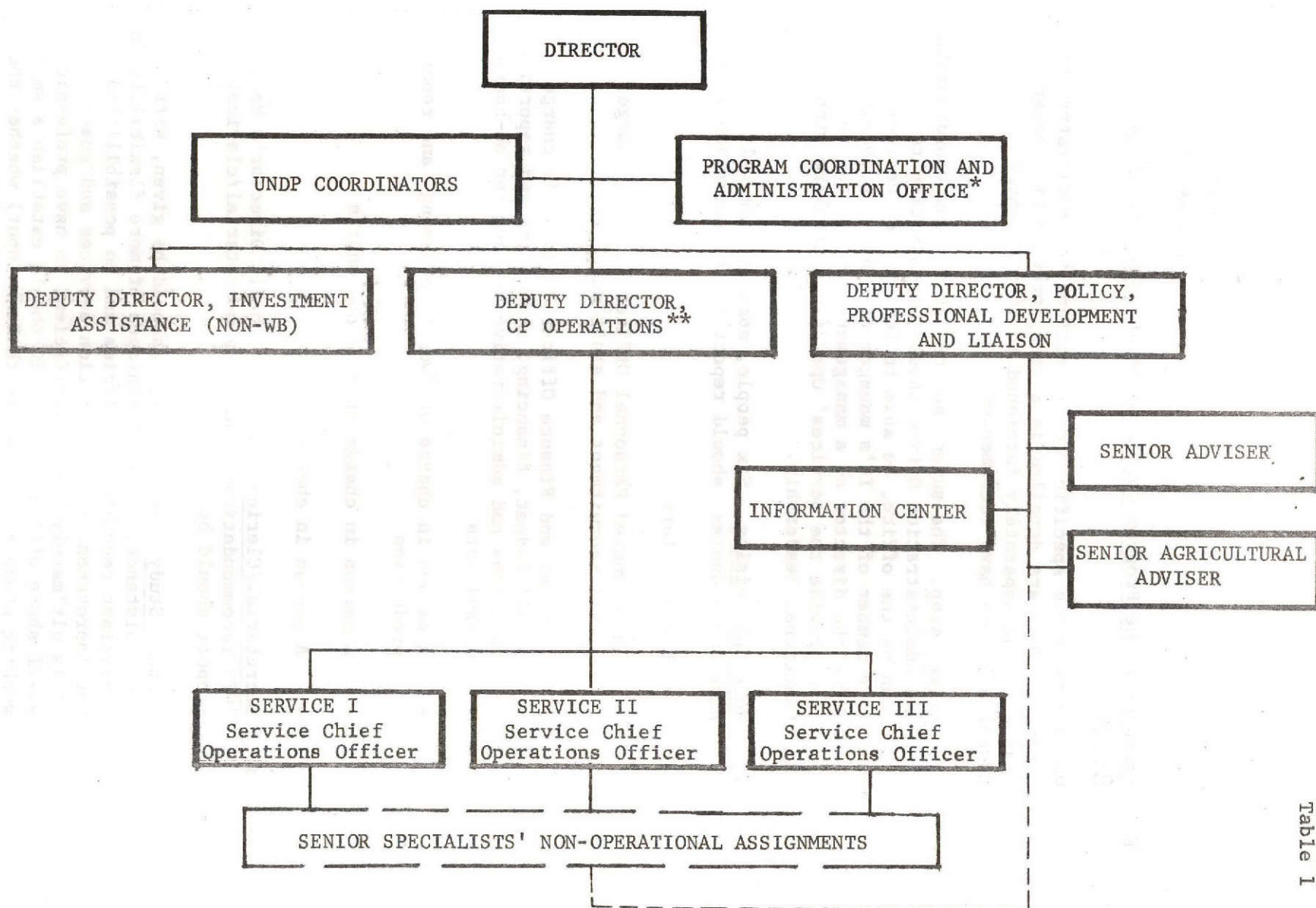
After careful consideration of the CP service chiefs' needs for deputies (the positions for which now exist but remain vacant), we rejected the idea. The scheduling task, however, is difficult and time consuming. The two existing service chiefs estimate that it, combined with administrative chores (personnel management, consultant arrangements, etc.) consumes more than half their time, with the balance left for providing guidance, leadership and quality control. At least half of the non-substantive burdens, they believe (and we agree), could be lifted by a qualified Operations Officer. Further improvement will result when the IC's administrative unit is made more effective. It would be undesirable and unnecessary we think, to divert a senior mission leader -- the critical CP resource -- to perform chores which can be performed by a far more junior person and to retain thereby an unnecessary layer in the line structure.

E. Strengthen the Program Coordination and Administration Office

We have numerous specific recommendations for administrative support. They are detailed in a task force working paper that is being separately furnished to IC management. Essentially, we have recommended:

1. Supervision. The supervisor of the Program Coordination and Administration Office should, in addition to running the office, be able to function effectively as a member of the IC's management team. He should serve the director as a management adviser and should also provide the services' Operations Officers with functional leadership.
2. Work Supervision. Six people, some of whom will have subordinates, should report to the supervisor:
 - His secretary
 - An outposted Personnel Officer to be in charge of all recruitment and staff servicing
 - A Budget and Finance Officer -- to be in charge of all budget, financing, accounting and reporting functions and administrative matters for on-board consultants
 - A person in charge of "word processing" and report production
 - A person in charge of maps and charts
 - A person in charge of files.
3. Secretarial/Clerical Support. The IC Director's March 1975 recommendations concerning secretarial/clerical support should be implemented.
4. Further Study. Further study should be given, with FAO assistance, to the advantages of more flexibility in consultant recruitment policies and to possibilities for improvement in reproduction services and space. It is ultimately highly inefficient to have professional staff share offices. Also, IC should establish a small working group to examine (with Bank input) whether the fullest desirable use is being made of existing computer analytical packages; if not, it should review the budget and IC staff training implications of changing the situation.

PROPOSED ORGANIZATION OF INVESTMENT CENTER



* Subunits: Personnel, Budget and Finance, Registry, Report Production, Maps.

** At least in the near term, the duties of this position will be assumed by the Director.

ADVANTAGES AND DISADVANTAGES OF FIVE LOCATIONAL ALTERNATIVES
FOR THE COOPERATIVE PROGRAMME

1. ROME

Located in Rome, the CP can draw heavily on FAO resources, and have a major impact on FAO programmes and policies. This more than offsets the problems created by distance from Bank thinking and management.

Advantages

- a) Access to technical and data resources of FAO
- b) Opportunity to contribute to investment orientation of FAO's UNDP projects and regular programme, and to quality of projects prepared for other financiers
- c) Freedom to concentrate on project identification and preparation
- d) Enhanced opportunity to act as independent Bank critic and to recognise country viewpoints
- e) Avoidance of internal Bank problems that could flow from having a "preparation department" under CPS aegis.

Disadvantages

- a) Lack of access to Bank thinking, methodology and data
- b) Reduced Bank certainty of timely and efficient delivery of agreed work
- c) Risk of influence by FAO political considerations and dispersion of effort into FAO activities
- d) Inherent difficulty and cost of communication with Bank

2. WASHINGTON

While location of the CP in Washington would satisfy Bank managers' desire for more control, increase CP awareness of Bank policies and reduce communications problems, it would nullify the considerable advantages of the "Rome Connection".

Advantages

- a) Increased awareness of Bank policies
- b) Easier, more effective and less costly CP/WB communications

Disadvantages

- a) Loss of FAO technical and data input
- b) Loss of impact on FAO activities
- c) Higher travel costs (\$5,000/man year) and higher travel time
- d) Danger of diversion to appraisal and supervision

- c) (For Bank) Increased opportunity for management intervention in CP, and greater confidence in performance
- e) Danger of becoming de facto Bank staff "pool", with consequent loss of second opinion in project cycle
- f) Loss of "bridge" between FAO and WB
- g) Loss of many trained employees unwilling to relocate
- h) Loss to FAO of identification with investment related work

3. BANK REGIONAL OFFICES

Outposting of CP staff to Bank regional offices would lead to lower travel costs and improved country associations but these advantages would be more than off-set by loss of FAO input and identity and increased communications problems.

Advantages

- a) Reduced travel cost and time
- b) Better country knowledge
- c) More conducive to working with local project preparation teams

Disadvantages

- a) Increased communication difficulty and cost
- b) Higher staff costs
- c) Loss of FAO technical input and impact on FAO
- d) Loss of "critical mass"
- e) Risk of becoming de facto Bank field staff

4. FAO REGIONAL OFFICES

The problems associated with outposting of staff to FAO regional offices are similar to those associated with locating them in Bank regional offices, but would tend to be accentuated by the complexity of the reporting situation.

Advantages

- a) As 3a, b, c (above)
- b) Close ties with FAO field staff

Disadvantages

- a) As 3a, b, d (above)
- b) Isolation from both FAO and Bank thinking and policies
- c) Difficult reporting situation

5. CP, BANK OR FAO COUNTRY OFFICES

The advantages of close association with national preparation teams that can be gained by outposting may - in a few cases - more than compensate for high cost and isolation problems associated with country posting.

Advantages

- a) Greatest benefits from 4a,
b (above)

Disadvantages

- a) Most serious expression of disadvantages listed under 4a, b, c (above)
- b) Loss of objectivity on country issues
- c) Reduced access to senior echelons of Government
- d) CP is not geared to manage out-posted staff

INTEGRATION OF THE INVESTMENT CENTRE -- IMPLICATIONS FOR THOSE AFFECTED

Below, we define the concept of "integration" and list its major:

- I. Implications for IC
- II. Implications for WB
- III. Implications for other lenders
- IV. Implications for countries
- V. Implications for FAO

An Operational Definition of "Integration"

A. Features

1. Regionalized multi-disciplinary services, each serving (potentially) all lender clients active in given regions;
2. Lender clients and FAO finance IC on man-year rather than position basis;
3. Identification at the request of a lender continues to be exclusively for that lender;
4. Preparation always done for a predetermined lender at its request;
5. Reconnaissance and identification at IC initiative need not have fixed lender in mind;
6. Share of IC time for activities other than lender-requested is limited to residual over agreed lender time budgets: FAO would underwrite total cost.

B. The Essence of the Change

1. Lenders would buy man-years of effort rather than positions; and
2. The work of all lenders in a given region would be the responsibility of a single operating unit.

I. Implications for IC

A. Advantages

1. Increased efficiency of resource utilization (and hence increased productivity).
 - (a) Mission schedules and TORs combine complementary tasks for different lenders;
 - (b) Data collection, analysis and presentation serve more than one user;
 - (c) Balanced services facilitate manpower exchange;
 - (d) Requisite forward planning increases usefulness of downtime;
2. Duplication and in-country conflicts reduced since each Service Chief is responsible for the timely execution of the work load of all lenders in his region;

3. More independent of any one lender with respect to scheduling of given work load, in view of need to accommodate requirements of other lenders;
4. Smaller regions and consequent better country knowledge;
5. Greater independence of scheduling facilitates "own initiative" project generation;
6. More latitude -- given greater staff knowledge of various lenders' requirements -- to match "own initiative" and UNDP projects with most suitable lender;
7. Higher absorption capacity for new recruits.

B. Disadvantages

1. Complexity of work programming;
2. Administrative burden of accurate time recording system (but this may be necessary anyway for internal management);
3. Dilution of specialized knowledge of lender requirements;
4. Loss of consistent identity with lenders, possibly reducing access to officials and information in countries;
5. Reduced capacity to place client financier interests above FAO's when they conflict.

II. Implications for WB

A. Advantages

1. Increased efficiency results in reduced cost per project;
2. Independent critic rôle of IC greatly strengthened;
3. Early notice of opportunities and needs for activities to complement those of other lenders;
4. Increased capacity to bring familiarity with Bank standards to the work of other financiers.

B. Disadvantages

1. Reduced control over timing of WB workload in IC;
2. Increased lapse time for reports from multi-task missions;
3. Reduced flexibility in IC timing to accommodate short-notice changes in WB priorities;

4. Fear of reduced work quality as result of --
 - (a) reduced awareness of WB requirements;
 - (b) high calibre CP men no longer full-time on WB projects;
5. Uncertainty of "getting its money's worth" in view of other claims on individuals.

III. Implications for Other Lenders

A. Advantages

1. Access to broader range of technical staff;
2. Work of former CP staff would be to WB standards, with spin off to other staff;

B. Disadvantages

1. Fear of competing for common manpower pool, especially in view of relative size and seniority of WB;
2. Loss of "special attention" management of present Coordinator;
3. Reduced certainty of timely report delivery;
4. Same "money's worth" fears as WB, probably aggravated by size differences.

IV. Implications for Countries

A. Advantages

1. IC more responsive to project ideas introduced during field work;
2. Increased certainty of IC objectivity in project formulation;
3. Better counsel by IC staff on funding prospects from range of lenders;
4. Wider perspective of IC staff for project potential at recognition stage;
5. Reduced aggregate counterpart time required to deal with multipurpose missions.

B. Disadvantages

1. Increased uncertainty of lender endorsement of IC position;
2. Increased risk of major changes at time of appraisal.

V. Implications for FAO

A. Advantages

1. Reduced domination of its IC by WB;
2. Greater influence over staffing and work program, especially use of down-time;
3. Increased certainty and forward planning of IC input into UNDP and regular program;
4. Flexibility to respond to requirements of "new" lenders (e.g. IFAD);
5. Reduced isolation of IC, especially if time exchange with non-IC staff introduced;
6. Standard financing formula could simplify budgeting for IC.

B. Disadvantages

1. Possibly reduced effectiveness of IC as result of looser ties with financiers;
2. Greater administrative burden of time-exchange system if it is to include non-IC manpower;
3. Less direct working-level contact with WB through full-time "Bank" men in IC;
4. Greater complexity of confidentiality problems with IC documents could reduce non-IC access.

POSITION RESPONSIBILITIES UNDER THE RECOMMENDED STRUCTURE

1. Director

- (a) Plan, direct and control the activities of the IC; supervise the Deputy Directors, UNDP Coordinators and the Chief of the Program and Administration Office
- (b) Represent IC at the management and policy level with all external agencies and with other parts of FAO
- (c) Interpret parent agencies' policies in the conduct of IC activities
- (d) Oversee time exchange between CP and the non-CP part of the IC
- (e) Through the UNDP Coordinator(s), oversee the timely infusions -- on a reimbursable basis by IC personnel -- of investment expertise into UNDP, WFP and Trust Fund activities
- (f) Coordinate FAO's relations with the CGFPI
- (g) Special assignments for the Assistant Director General, Development Department, and the Director General of FAO

2. Deputy Director, Operations

- (a) Oversee preparation and execution of the CP work program and budget; supervise the CP service chiefs
- (b) Conduct liaison with the World Bank on operational matters, including priority setting among Regions, program implementation and policy application
- (c) Coordinate staff lending among CP services; with Bank managers, as necessary, resolve conflicting priorities for the use of CP resources
- (d) Review project preparation issues papers
- (e) Review project reports on an exception basis
- (f) Oversee the scheduling and execution of CP/FAO time exchanges

3. Deputy Director, Policy, Professional Development and Liaison

- (a) Plan, coordinate and direct the non-operational activities of the IC; supervise the Senior Adviser, Senior Agricultural Adviser, the Information Center and the non-operational work of Senior Specialists
- (b) Initiate and oversee studies of IC policy and conduct broad evaluation of IC activities; chair the IC Policy Advisory Committee

- (c) Oversee the development of guidelines and standard formats to facilitate preappraisal work and increase the utility of reports to countries and financiers
- (d) Plan, coordinate and oversee professional development activities
- (e) Coordinate IC's contributions to the policy development of parent agencies (including FAO)
- (f) Liaise with other parts of FAO and serve as or oversee the IC representative on FAO interdivisional working groups
- (g) Oversee IC's direct FAO support activities
- (h) Conduct non-operational liaison between FAO and the World Bank keeping key staff in each organization as aware as possible of the other's activities of potential interest or relevance (assisted in Washington by the CP Coordinator and the FAO Regional Office)
- (i) Review identification reports, BTOs, Issues Papers, and, on an exception basis, preparation reports
- (j) Serve as Acting Director in the absence of the Director

4. Senior Adviser

- (a) Assist in the discharge of IC's responsibilities with respect to the CGFPI
- (b) Contribute to quality control on an exceptional review basis
- (c) Assist in the interpretation of parent agency policies of relevance to the work of IC
- (d) Perform special assignments as requested

5. Senior Agricultural Adviser

- (a) Assist Deputy Director, PPL, in planning, coordinating, overseeing and integrating as necessary the non-operational work of the Senior Specialists
- (b) Serve as the Senior Specialist for integrated or multi-sector rural development
- (c) Assist missions in the field on difficult or innovative agricultural components of projects (field time should not exceed 25% in any one year, and regular report-writing assignments should not be undertaken)
- (d) Represent IC in multi-disciplinary technical groups (e.g. IDWG-Rural Development, TAC) and other FAO fora, as assigned

- (e) Frequently serve as member of the Report Review Committee
- (f) Perform special assignments as requested

6. Senior Specialists (25% of time)

(e.g. in Agronomy, Irrigation, Livestock, Fisheries, Forestry, Education, Economics, Credit)

- (a) Develop (or coordinate development of) guidelines and standard formats and analyses for work within their respective disciplines
- (b) Liaise with their counterpart FAO technical divisions and CPS advisers and serve as member of Joint Groups
- (c) Participate in the IC Policy Advisory Committee
- (d) Screen technical publications and Bank and FAO documents to identify and circulate material relevant to the work of colleagues
- (e) Participate in interdivisional working groups
- (f) Visit missions in the field occasionally in an "elder statesman" capacity to advise on difficult issues within their respective disciplines
- (g) Participate in IC report reviews at the request of service chiefs
- (h) Chair occasional seminars and selected IC-wide cause study sessions
- (i) Take the lead role in the technical orientation of new staff.

7. Chief, Program Coordination and Administration Office

- (a) Serve the Director as a management adviser; supervise the central administrative units -- i.e. Personnel, Budget and Finance, Registry, Report Production and Maps; provide functional leadership to the services' operations officers
- (b) Monitor systems for providing administrative and secretarial/-clerical services
- (c) Interpret and satisfy managers' overall information needs, including the design and production of regular and ad hoc reports
- (d) For the Director, monitor the timely provision by services of complete and accurate time reporting data

8. Service Chief (and head of non-WB investment assistance group)

- (a) Plan, direct and control the service's activities
- (b) Assure the quality of work performed

- (c) Assure the training and development of subordinate staff; evaluate their performance; provide and convey feedback
- (d) Plan and control work schedules (by project and by staff member); recruit and assign staff
- (e) Select consultants (with mission leader)
- (f) Oversee service administration (with Operations Officer)
- (g) Conduct liaison with counterpart managers in the Bank (or other financing agency) with regard to work to be done, schedules, substantive issues, priorities, etc.
- (h) Supervise the conduct of necessary activities regarding special interest UNDP projects within the service's purview

9. Operations Officer (one for each CP Service)

On the Service Chief's behalf (and subject to the functional oversight of the Program Coordination and Administration Officer):

- (a) Assign support staff within the service in response to workload demands
- (b) Coordinate and assist in the preparation, maintenance and distribution of project timetables and mission schedules
- (c) Assure the prompt accurate submission of time sheets
- (d) Supervise service filing and intra-service distribution systems
- (e) Assist with arrangements for debriefing and report review
- (f) Assist in expediting and coordinating report production and consultant recruitment
- (g) Other tasks as assigned.

AGRICULTURAL EDUCATION, TRAINING AND EXTENSION

We were requested to review the organizational and conceptual status within CP of education activities. Our conclusions are summarized below.

A. Profile

1. Dimension of the Task. Agricultural education, training and extension to remove the human resource constraint on agricultural production has at least three dimensions --
 - Fostering the recipients' desire to learn or change
 - Imparting the necessary skills, and
 - Increasing farmers' micro-economic awareness
2. Collaboration. Involved with agricultural education are the Bank, FAO, UNESCO and ILO. Collaboration arrangements include:
 - FAO/WB Cooperative Programme (3 agricultural education specialists)
 - UNESCO/WB Cooperative Programme (2 agricultural education specialists) and
 - FAO/UNESCO/ILO Joint Advisory Committee on Agricultural Education, Science and Training (no permanent staff)
3. CP Activities. The FAO/WB/CP participates in UNESCO and WB missions on education projects with agricultural components, identifies and helps prepare agricultural education projects for the Bank and participates in CP missions involving agricultural extension and training.

B. Assessment

1. Role Unclear. Because the role of educators in the CP has not been clearly defined problems have arisen. Some of the symptoms include a:
 - Divergence of opinion about priorities among CP educators
 - Feeling that CP's educators have become isolated from CP's agricultural staff

- Tendency for UNESCO and education divisions of the Bank to use CP as a "hiring hall" for individual education specialists
- Loss of opportunities to use CP educators to the maximum extent in addressing the human resource dimensions of CP agricultural projects
- Tendency for agricultural education to have difficulty competing with other subsectors for management attention.

The problem has, we suspect, been compounded by vague lines of responsibility for agricultural education in the Bank's Regions and by lacunae in the FAO/UNESCO relationship.

C. Recommendations

Our recommendations follow:

1. Integration Within CP. Education staff should be fully integrated within the service structure of the IC and one of the educators should be designated as a "Senior Specialist".
2. Clarify Role. The role of CP's educators should be clarified. We suggest that it be primarily to focus on the immediate manpower and training needs of CP-prepared agricultural and rural development projects. While such needs should be addressed in the context of national education policies, CP's educators should generally avoid being drawn into broad issues of human resource development at the national level, except in research and extension projects. If this view is accepted it should be developed in a written circular to CP staff and then adhered to.
3. Non-CP Use. Use of CP educators directly in the work of UNESCO and the education divisions of the WB or in providing leadership in the formulation of agricultural education projects should be subordinated to the fulfillment of the primary role.
4. Vehicles. Vehicles such as working papers and seminars should be developed (and held) to close the gap between educators and agriculturalists among CP staff and help clarify the distinctions among education, training, extension and man-power planning and their implications in project work.
5. Internal Procedures. To ensure adequate attention to the human resource elements of agricultural projects, terms of reference for identification and preparation

missions should include explicit reference to the need to determine possible human resource constraints and an educator should participate in all identification mission debriefings and in preparation missions for projects involving extensive or difficult training and extension components. Also, educators should be involved in the Review Committee for preparation reports pertaining to projects with a significant manpower dimension.

ANNEX 5: BANK/CP COORDINATION, PLANNING, BUDGETING AND CONTROL

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TABLE - Illustrative Top-Down CP Size Projection

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BANK/CP COORDINATION, PLANNING, BUDGETING AND CONTROLI. ASSESSMENT

Close coordination is an inherently complicated task -- rendered particularly difficult between the Bank and CP by distance, organizational separateness, fluidity of methodologies involved and the Bank's geographically-oriented structure. Considering these obstacles -- and even given the large number of recommendations we have for improvement -- we are impressed by the comparatively good relationships between the Bank and CP. Of course, the relationships are not perfect. It is useful, therefore, -- for purposes of improved dialogue as well as analysis -- to examine some of the common causes of frustrations that arise and some of the attitudes held on each side about the overall relationship. We examine in turn:

- A. Communication problems
- B. Bank managers' desire for control
- C. Danger of Bank's control impulse
- D. The impact of planning, programming, budgeting and control problems

A. Communication Problems

Where scale and distance permit, more frequent and informal personal contact can be the easiest and best solution to communication problems, but more systematic solutions are also needed between the Bank and CP.

1. Bank View. In the Bank view, although CP knows Bank needs and thinking better than most consultants, it is thought not to be fully au courant with or sympathetic to the Bank. Bank managers usually concede that the Bank is not diligent enough in communicating expectations (project-by-project and on a policy level) or frank and conscientious enough in conveying its reactions to CP work.
2. CP View. CP people concur with the Bank view. They desire more substantive feedback, want more Bank documents and also -- as the largest single agriculture unit -- want to be heard and consulted on project policy questions.
3. Specific Documents. CP managers would like routinely to receive the P&B IVb lending operations tables and the agriculture project timetables as aids to scheduling. The Service Chiefs apparently learned only recently that specific amounts of CP manpower were budgeted to each Region; they would like to know more (and so would many Bank managers) about the process through which each Region's allocations are made and priorities established. In our questionnaire to CP staff (see Basic Reference Data, Table 11:6), the following documents were:

	<u>Wanted By:</u>	<u>Seldom or Never Received By:</u>
Supervision Reports	87%	78%
Issues Papers/Decision Memoranda	87	78
Policy Papers/Guidelines	92	65
Central Projects Memos	87	89
Working Papers (CPS and DPS)	79	90

4. The CP Coordinator Position in the Bank's Central Projects Staff. As a CP/Bank communications link and facilitator -- principally through signalling of each side's likely view-point to the other -- the present Washington CP "Coordinator" position is (and is considered to be) most useful. Inherent limits, however, are imposed on the position's potentialities by the Bank's decentralized structure. Moreover, the position has an administrative and operations-oriented focus that has not encompassed broader Bank/FAO relationships.

(See Annex 4 and Annex 6 in addition to Part II of this Annex for recommendations affecting the communications problem.)

B. Bank Managers' Desire for Control

1. Integration Backwards. Although more resources are widely considered necessary for project preparation assistance and can be used if placed in the CP, many Bank line managers would prefer that any additional staff be added to the Bank Regions rather than to CP. Most Bank line managers intellectually recognize the existence of broader considerations such as the advantage of a second professional opinion (although they tend to be unaware of the cost implications and of the extent to which CP draws support from FAO) but, if given the choice, would also prefer to have CP's present staff assigned to their own divisions rather than to CP. This attitude reflects their desire to control the largest single feeder of their project pipeline, to "integrate backwards," and to eliminate uncertainties resulting from competition with other Bank managers for the resource. It is the natural and understandable reflex of a pressured line manager. Also, it reflects the desire for greater flexibility that might come with a larger staff.
2. Danger of Diversion. Despite the above desire, Bank line managers are quite willing to admit the danger that the pressures of supervision and appraisal work would be likely to lead them to divert staff under their control away from preparation work -- with deleterious results for the long term. They also see the potential for internecine frictions if the Bank were to create in CPS a separate department for preparing agriculture projects.

3. "Screen" Effect. Because of CP's remoteness and necessary intermediate layer of management, Bank line managers feel they must (in the words of one of them) manage the CP resources through a "screen." Because detailed Bank-style timetables are not available on CP preparation work, and because Bank managers (lacking reliable time reporting system data on CP) have no way of knowing whether they receive the level of resources from the CP that has been allocated to them in their budgets (and suspect -- probably incorrectly -- that they do not), they hesitate to become reliant on the CP resource; they tend to hold down their requests for CP service at budget time.

C. Danger of Bank's Control Impulse

To the extent that the Bank seeks to use -- and direct -- CP as a supplementary source of Bank staff rather than as a sub-contractor or partner accountable for results (i.e. projects ready for appraisal), the leaders of CP will tend to lose the confidence of their staff and will find it increasingly difficult over time to perform their leadership role in attracting, holding, motivating and professionally developing top quality people. This explains their reluctance to respond favorably to requests on short notice for named staff to participate in appraisal missions. It should be recognized, however, that occasional participation in Bank-led appraisal, supervision and sector missions and overall responsiveness to the Bank's needs for flexible scheduling are not incompatible with the exercise by CP managers of independent professional judgment or leadership. Bank tendencies to use CP as a "stable" of extra manpower also overlook the long-term benefits of an effective Rome connection and the inefficiencies of trying to manage staff from a distance of 4,000 miles.

D. Impact of Planning, Programming, Budgeting and Control Problems

While some Bank Divisions have instituted systems for preappraisal planning, most have not. Partly as a result, CP's advance planning has also been extremely limited -- in most cases confined, in fact, to the six-month travel schedule. Moreover, the time reporting system necessary for controlling CP's preappraisal manpower utilization against a plan and for improving planning and budget estimates in the future is not functioning adequately. This failure systematically to translate the lending programmes outlined in Bank Country Program Papers into forward programmes for pre-appraisal work -- coupled with related uncertainties as to the levels of "net" CP time allocated to and received by Bank operating units -- is a root cause of many Bank/CP relationship problems, for it:

- Tends to force "short string" crisis management and increase the tendency of scheduling imperatives to drive inter-regional CP resource allocation decisions.

- Impedes recognition of the long lead times generally required for fully effective project preparation and thereby causes opportunities to be lost for providing early preparation assistance to local preparation teams where this would be desirable.
- Forces decisions on the CP budget -- which may affect projects scheduled for Board presentation as much as five years ahead -- and decisions on the sub-allocation of CP resources among Regions to be subjective and incremental rather than workload-based.

Below, we discuss the impact of these problems in more detail.

1. Uneven Pipeline Planning. While some Bank managers are diligent about preappraisal pipeline planning (e.g. EAF has preappraisal timetables), many agriculture division chiefs allow their proper concern for meeting the current FY's lending targets to weaken planning for future years. Our pipeline analysis, made on the basis of data supplied by Bank Division Chiefs, showed, for example, that of the 95 projects programmed for FY77 as of March 31, 1975, 29 were "unidentified" and preparation work had not begun on 32 that were "identified."* This overall state of the pipeline masks what appear to be more serious situations in EMENA and South Asia which between them had 19 out of 34 projects unidentified for FY77 and in those Regions the situation also appeared serious for FY76. (See Table 1.) Of course, we have not examined the programs in detail and it is possible that factors of which we are not aware make the situation less serious than it appears.
2. Tendency to Manage CP by Schedules Rather than Results. Beyond its intrinsic undesirability from the Bank's viewpoint, the apparently tight pipeline situation reinforces the tendency of Bank Division Chiefs to seek to manage CP schedules rather than CP results. By reducing the lead times that can be permitted in preparation, it induces paratrooping and diminishes the possibilities for full country involvement in the preparation work. It may also contribute to rather erratic patterns of Bank response to CP preparation work. For example, with respect to CP preparation reports completed in the four-year period from 1970-73:

* If the unidentified projects are identified within four months of our survey date; if 3 months later preparation begins and is entirely concluded -- i.e. the blue cover report is forwarded to the Government -- 5 months after it began (this, of course, assumes paratrooping); if an appraisal mission departs 4 months after that and 9 months then transpire until Board presentation; the now unidentified projects will be approved in May of 1977. (Data from one division was not included in the overall figures.)

- 30% were followed by departure of the appraisal mission within 2 months of completion;
- 36%, however, "sat" for 9 or more months before an appraisal mission departed;
- the median interval was 4 months.

We are not sure of the explanation, but these data may suggest an intense bunching of effort followed by significant loosening of pressure after a year-end deadline is missed. (See Table 2.)

3. Penalties of the Short String. The syndrome of uneven pipeline planning followed by very tight and short-notice preparation scheduling (and what has occasionally been referred to as a tendency to seek to manage CP from Washington through a "shower of cables") has costs.

- a) Preparation Quality. Most fundamentally, because of its important purpose of building full country understanding and commitment, preparation assistance is less likely to be fully successful when it is rushed.
- b) Preparation Efficiency. The increased paratrooping that short-notice scheduling induces tends to consume more CP-applied time than the bus-stopping that better planning would facilitate (see Annex 2, Table 1).
- c) Post-Preparation Efficiency. Corners that have to be cut during short-notice preparation tend to increase the difficulty, cost and time lapse of subsequent appraisal work and may even impair implementation.
- d) CP Efficiency. CP's efforts to respond to rapidly changing signals (although, ironically CP is considered comparatively inflexible by Bank managers) may conceivably increase Bank efficiency, at least in the short term, but they diminish CP efficiency by:
 - Causing situations of insufficient mission "gear-up" time and converse situations of wasted gear-up effort;
 - Accentuating workload peaks and dips;
 - Complicating time management between missions;
 - Inducing a greater use of consultants, sometimes under crash recruitment conditions which may be costly, particularly in terms of quality;
 - Straining relations with confused government agencies.

e) Credibility and Morale. The frequent rush requests and changes of priority caused by "short string" management tend to impair Bank credibility and lower morale in the ranks of CP. The erratic intervals between preparation and appraisal are sometimes construed as a somewhat frenetic "hurry-up-and-wait" pattern. The impression held by many in the ranks of CP that the Bank wishes from it an almost Pavlovian responsiveness is -- although false in our opinion -- demoralizing.

4. Costs of Weak Control Information. While accepted in principle by CP management, the CP time recording system has not yet been made to work in practice. As a result, its potential long-term value as a source of information on manpower requirements (i.e. coefficients) for preappraisal tasks and as a management tool for tracking inputs against plans has not been realized. Bank Division Chiefs grow uneasy because they do not know how much "net" CP time has been devoted to work on projects under their purview or how much usable CP staff time they can expect for the remainder of the year. CP managers do not know with precision how CP time is spent -- how much time, for example, is "down-time" (i.e. time lost to Bank operations because of scheduling hiatuses or limitations on the amount of travel a staff member can be expected to undertake), how much time might be available at minimal cost for long-term activities such as professional development. The Bank as a whole is forced to look to CP for full-time people rather than for managed man-years, which impedes CP/FAO interaction and the benefits that could result from it.

II. RECOMMENDATIONS

Earlier and fuller delegation to a more systematically-managed CP is needed to permit bus-stopping, CP accountability and long-term efficiency as well as fully productive working relationships. Systematic Bank and CP methods for planning, programming, budgeting and controlling preappraisal activities are prerequisites to earlier and fuller delegation. They can also help:

1. Assure a future pipeline of projects ready for appraisal which is neither -- after discounting for slippage and drop-outs -- larger than the Bank's appraisal capacity (and therefore wasteful in terms of the preparation work done) nor smaller than the Bank's financing capacity (and therefore a constraint on project lending);
2. Give more lead time to preparation work so that it can be done better and with a degree of local participation that enhances country understanding and commitment and, as a result, the efficiency of appraisal and quality of implementation as well as the country's capacity to prepare its own projects in the future;

3. Contribute to realistic manpower planning and budgeting -- both by the Bank and CP -- to assure a sound balance of resources available for preappraisal and other activities;
4. Facilitate Bank and CP scheduling by giving more advance notice of preparation deadlines, thereby broadening the range of scheduling alternatives and reducing the inefficient tendency to manage CP on a "short string";
5. Permit the CP-Bank contractual relationship to be expressed in terms of operational targets and expended time rather than simply numbers of full-time on-board staff; and
6. Improve the mutual confidence between Bank and CP managers -- and the efficiency of their units -- by surfacing problems before they become crises.

To be systematic in their project generation planning, Bank managers need to know not only what work has to be done and what portion of it they would like to have done by CP, but also what CP is likely to be able to do. The process is somewhat circular, or at least iterative. Bank Regions have to know the scale of CP resources that will be delivered to them each year -- i.e., net CP operating time. The overall size and budget of CP, in turn, should reflect Bank preappraisal demands (to the extent compatible with FAO objectives for investment-related work) augmented as necessary by agreed time allocations for CP activities such as management and administration, staff development and FAO support. Performance against plans and budget then needs to be monitored to reveal departures and improve the accuracy of future planning and cost estimation.

The overall system we propose has three broad interlocked components:

- A. Preappraisal planning and programming
- B. Budgeting
- C. Control

Below, we summarize our proposals with respect to each component. Attachments 1, 2 and 3 provide detailed implementing instructions.

A. Preappraisal Planning and Programming

In order to ensure the timely and efficient preparation of projects suitable for appraisal at scheduled dates, each Bank Region and CPS needs to translate its broad lending program outlined in the CPPs into a 3 to 4-year preappraisal work program.* We propose for that

* We suspect that there is no good reason to limit the preappraisal planning and programming system we describe to the agriculture sector, but have not in the course of this study addressed the problems of other sectors.

purpose introduction of standard periodically-updated "Project Generation Plans" (PGPs). For projects involving CP, the PGP data should be derived from CP/Bank-agreed "Project Generation Timetables," which should be updated quarterly.

In a few Bank Regions project generation planning systems already exist, but to serve as the basis for Bank/CP consultation and permit aggregation of workload commitments into a draft CP work program (which would also include non-appraisal assignments), they need to be consistent from Region to Region.

1. The Project Generation Plan. (Our proposed PGP format is Table 3 and related procedures are presented in Attachment 1). Each agriculture project division's Project Generation Plan should summarize its plan for accomplishing its share of the preappraisal work required by the five-year operations program. For each project, the PGP should indicate the entity responsible for preparation, key dates in the project cycle and the manpower requirements (both Bank and CP) for preappraisal. Although this information should be as complete as possible for all projects in the divisional pipeline, it will necessarily be less precise -- particularly on preappraisal manpower requirements -- for projects entering the pipeline in outer years. The plan should be updated quarterly and reviewed with CP at the Bank/CP semi-annual program coordination meetings in order to provide division chiefs with current information on the status of their preappraisal pipeline and the manpower available to work on it. The updating would involve reflecting new CPP and timetable data. The initial work (perhaps four hours quarterly) could be done by support staff or perhaps by the Program Coordinators' offices. Every second year,

Every second year, the Bank-wide aggregation of PGPs will provide a basis for determining the overall demand for CP services, and hence the appropriate size and budget for CP. In all years, the PGPs will also provide the basis for estimates of the Bank's overall preappraisal resource requirements and for Regional and divisional allocations of the CP resource. The latter will be made by P&B, with the advice of the CP Coordinator, by reconciling demand, as expressed in the PGPs, with a "reasonable" indicative allocation based on a review of past levels of CP utilization and a Bank-wide relationship between the level of CP resources and total preappraisal workload. The allocation would be adjusted as necessary to reflect such constraints as FAO policies on regional concentration or Bank policies on staff growth.

2. Project Generation Timetables. (Our proposed CP timetable format is Table 4 and instructions for using it are presented in Attachment 1.) For projects in the PGP for which the CP has preparation responsibility, the CP should complete and maintain Project Generation Timetables. These timetables would summarize the main features of the project, CP's understanding of its role in preparation assistance, target dates and manpower requirements. They would be approved in principle and initialed by the Bank division chiefs. Their approval would make unnecessary the Bank approval of detailed terms of reference for individual missions consistent with the timetables although such approvals may still be sought where questions of coverage or timing exist. The Bank, however, should continue to receive information copies of CP's mission terms of reference. Subject to quarterly updating, the timetables would:

- Provide CP with an agreed basis for its own planning, scheduling and control;
- Provide Bank managers with the data on which the CP portion of PGPs is based;
- Effectively serve as the "contract" between the Bank and CP for work on a given project.

Key information from the CP timetables would be transferred to the preappraisal section of the Bank's standard project timetable (modified to allow manpower requirement estimates and utilization to be recorded). During the preappraisal phase, these should be kept by the Bank projects divisions rather than programs departments.

B. Budgeting

The planning system will permit more rational budgeting for preappraisal work in general and for CP in particular. Because the CP budget, in keeping with that of FAO, is biennial and because the gestation period for agricultural projects -- from initial identification to Board approval -- is often as much as three years, the system ideally should have the capacity to identify workload for projects scheduled for Board presentation at least five years ahead. For the fourth and fifth-year projects, this can be established only notionally.

1. Logical Approach - Aggregated Workload. The logical approach to establishing the required size of the CP and hence its budget would be for the Bank division chiefs to assess, on the basis of a project-by-project review (using the PGPs), the number of projects becoming suitable each year for CP preparation and the manpower required, by

year, for the preparation of each. The aggregated manpower estimate would be equivalent to the total CP preappraisal resource requirement. That, in turn, could be converted to the required size of CP as a whole, making allowance for other demands on CP time such as management and administration, direct FAP support, professional development, leave, etc. Levels of resource allocation for these non-preappraisal functions and their relation to "down-time" would be reexamined at the beginning of each CP budget cycle by FAO and the Bank.

Inevitably -- given that Bank planning for individual projects is increasingly tenuous in outer years -- this "ideal" approach will be subject to considerable errors in the estimation of (i) the number of projects to be prepared by CP, (ii) the manpower requirements per project, and (iii) the impact of slippage and drop-outs. Taken alone, the approach could also lead to sharp inter-annual variations in the estimated CP workload.

2. "Top-down" Approach. The logical "bottom-up" approach will, therefore, need to be complemented by a "top-down" review based on an assessment of the global proportion of projects in the Bank agricultural pipeline which might be prepared by CP, assumptions about productivity and lead time changes, estimates of hiring and funding constraints, and considerations of the need to avoid the inefficiencies of sharp year-to-year size fluctuations.
3. Reconciliation. Final recommendations on CP budget size would result from a reconciliation of the bottom-up analyses and top-down estimates. The budget recommendation thus derived would effectively summarize the CP work program, expressed in man-years and converted to dollars. Main items to be specified would include professional manpower (staff and consultant) allocations for:

"Net Operating Time" (expressed in direct-hire man-years of 40 man-weeks -- to exclude leave, holidays, staff meetings, etc. -- and divided between the Bank Regions and CPS) consisting of:

- Preappraisal time (including UNDP investment potential "special interest" work)
- Appraisal and supervision time (estimated, subject to a global CP ceiling)

Professional Development

Direct FAO Support

Management and Administration

Within the CP, each service chief would maintain subsidiary work programs which would summarize manpower allocations and target dates for specific projects and indicate the time allocated for "non-operating" work. The latter would be programmed against specific tasks by the Deputy Director for Policy, Professional Development and Liaison.

4. Links Between the Bank's and CP's Budget. Because FAO has a biennial budget, changes in the amount of CP manpower resources can be contemplated only once every 2 years (i.e. when preparing the Bank's budget for FY76, FY78, FY80, etc.). In the alternate years, the CP resource should be considered as fixed. The Bank's budget is approved in June; in odd-numbered calendar years when FAO's (and CP's) budget is changeable, FAO budget approval occurs in November (See Table 5). The Bank cannot be certain that its desired and budgeted changes in CP's budget will be reflected in FAO's budget, but because they usually have been, they can generally be assumed as approved for Bank planning purposes until there is evidence to the contrary.

C. Management Information and Control

Planning and scheduling information will be conveyed by PGPs and project generation timetables. Beyond that, the strengthened Bank/CP management information and control system needs to indicate to Bank and CP managers the levels of CP manpower expended on the various types of budgeted activity. This will help assure that CP commitments of resource levels to Regions and programs are met or, if they cannot be met (perhaps because of scheduling impasses), that this is discovered early enough for alternative arrangements to be made to get the necessary work done and suitably employ the available resources.

For these purposes, an effective time reporting system is essential. Also, it is indispensable to the man-year approach to CP budgeting that CP/FAO time exchanges will require. It is almost as important to be diligent, self-conscious and accountable in tracking expenditures of time as it is in tracking expenditures of money. Just as reimbursable services rendered or received should be entered into CP's financial accounting system, time should be registered in the time recording system.

Time expenditures against plan should be shown, broken down by CP service and Bank division, by Region, by:

- Category of Activity (management, preappraisal, professional development, etc.)
- Project
- Subsector

- Source of Staff Time (e.g., CP staff, consultant, other FAO).

(Attachment 3 contains suggested modifications to the existing time recording and reporting system.)

D. The Integrated System

The interrelationships between preappraisal planning, budgeting and control within the proposed system are illustrated in Table 6. The proposed systems are not automatic or self-managing and do not diminish the need for judgement. They are designed to provide timely data that can inform -- and thereby improve the quality of -- the judgments that are required. More specifically,

- The PGPs will provide a bridge from the Bank's Country Program Papers to preappraisal timetables and will give visibility to the manpower implications of pre-appraisal work. Also, they will be the key vehicle for allocating CP resources among the Regions and CPS.
- The CP project generation timetables will facilitate CP's management and scheduling of preappraisal work on individual projects, serve as the basis of CP's agreed preappraisal work program and budget and constitute an input vehicle for updating the CP elements of PGPs and the Bank's overall program of preappraisal work.
- The CP work program and budget will be built up principally from the Bank's CPP-driven PGP-based preappraisal work program, augmented (in approximately pre-determined proportions) to encompass the non-preappraisal activities. (Table 7 illustrates what appear to be reasonable proportions.)
- The CP's time recording and reporting system will permit managers in the Bank and CP to track the utilization of available resources against the work program, foresee resource shortfalls or surpluses early enough to plan remedial action and, over time, develop better baseline data and coefficients for future plans and estimates.

SERIOUS PIPELINE PROBLEMS COULD AFFECT THE BANK'S FISCAL YEAR 1976 AND 1977 AGRICULTURE PROGRAMS...

STATUS OF AGRICULTURAL PROJECTS PIPELINE AS OF MARCH 31, 1975

REGION AND FISCAL YEAR	TOTAL	APPRAISED OR READY FOR APPRAISAL	PREPARATION			IDENTIFIED	
			Near Completion	Less than Half Done	Planned but not Begun	Yes	No
<u>LATIN AMERICA</u> 76	18	8	6	1	2	-	1
<u>CARIBBEAN</u> 77	22	-	4	5	7	2	4
78	17 1/	-	-	1	2	9	4
(Partial) 79	9	-	-	-	-	-	9
<u>EMENA</u> 76	15 1/	7	2	1	2	1	1
77	16	-	-	1	3	2	10
78	12	-	-	-	1	1	10
79	17	-	-	-	1	-	16
<u>SOUTH ASIA</u> 76	21	5	7	4	3	-	2
77	18 1/	-	-	4	4	-	9
78	16	-	-	1	1	-	14
(Partial) 79	6	-	-	-	-	-	6
<u>EAST ASIA/ PACIFIC</u> 76	19	8	8	2	-	-	1
77	15 2/	-	2	2	3	2	2
78	17 3/	-	-	-	2	1	11
(Partial) 79	8	-	-	-	2	-	6
<u>EAST AFRICA</u> 76	21	9	10	2	-	-	-
77	15	1	2	3	3	3	3
78	18	-	-	1	-	5	12
79	18	-	-	-	-	5	13
<u>WEST AFRICA</u> 76	10	9	-	-	1	-	-
(Excludes one 77	9	3	2	-	2	1	1
Division) 78	15	-	1	-	4	2	8
(Partial) 79	2	-	-	-	-	-	2
<u>BANK TOTAL</u> 76	104 1/	46	33	10	8	1	5
(Excl. 1 WAF 77	95 4/	4	10	15	22	10	29
Division) 78	95 2/	-	1	3	10	18	59
(Partial) 79	60	-	-	-	3	5	52

- 1/ Status of 1 project unreported (No World Bank or CP input)
 2/ Status of 4 projects unreported (No World Bank or CP input)
 3/ Status of 3 projects unreported (No World Bank or CP input)
 4/ Status of 5 projects unreported (No World Bank or CP input)

HIGHLIGHTS (as of 3/31/75)

Based on division chiefs' data:

1. Of the 104 FY '76 projects for which data was supplied, 57 had preparation work remaining (including 14 on which preparation work had not begun).
2. In S. Asia, 9 of the 21 FY '76 projects were less than half prepared (of which 2 were unidentified and on 3 of which preparation had not begun).
3. In EMENA, 5 of the 15 FY '76 projects are less than half prepared (1 of which is unidentified, and on 3 of which preparation work has not begun).
4. For FY '77's presently programmed projects, on 61 of the 91 concerning which data was supplied, preparation work had not begun. (29 of these had not been identified).

INTERVALS:9 MONTHS AFTER COMPLETION OF THE YELLOW COVER CP PREPARATION REPORT,36% OF CP-ASSISTED PROJECTS HAD NOT YET STARTED TO BE APPRAISED;- HOWEVER, FOR 30%, THE APPRAISAL MISSION HAD DEPARTED WITHIN 2 MONTHSBetween Departure Bank Appraisal Mission and CP Report Date

<u>Number of Reports</u> ^{1/}	<u>0,1 or 2 Months</u>	<u>3,4 or 5 Months</u>	<u>6,7 or 8 Months</u>	<u>9 Months or More</u>	<u>12 Months or More</u>	<u>Median</u>
69	30%	28%	6%	36% of which	14%	4 months

PROJECTS DROPPED: 22% PROJECTS DROPPED AFTER CP YELLOW COVER PREPARATIONS SEEMS HIGH, BUT MAY NOT BE;- COULD, IF HIGH, INDICATE POOR BANK PLANNING AND FOLLOW-THROUGH,POOR CP PERFORMANCE OR THE INHERENT UNCERTAINTIES INVOLVED IN OUR WORK

<u>Yellow Cover Reports</u> ^{2/}	<u>Followed by Appraisal</u>	<u>Approved by Board</u> ^{3/}	<u>Appraised but not yet to Board</u>	<u>Not yet Appraised</u> ^{5/}	<u>Dropped</u> ^{6/}
82	60	50 ^{4/}	10	4	18
100%	73%	61%	13%	5%	22%

PROBLEM PROJECTS: CP-ASSISTED PROJECTS ARE SOMEWHAT MORE LIKELY TO BECOME PROBLEM PROJECTS,- BUT THIS WOULD BE EXPECTED AS THE NON-CP ASSISTED GROUP INCLUDES MANY REPEATERS

	(1)	(2)	(3)	(4)	
<u>Date of Problem Project Review</u> ^{1/}	<u>Problem Projects</u>	<u>Total, Excluding Apparent Political Problem Cases</u>	<u>CP-Assisted</u>	<u>CP-Assisted, Excluding Political Problem Cases</u>	<u>(4) as of % (2)</u>
Oct., '73	25	22	11	11	50%
Feb., '75	43 ^{8/}	38	18	17	45%

% of Agriculture Projects Approved in the Past 44 Months that were Prepared by CP: 37%

^{1/} Reports dated from 1-70 through 6-74, but omitting reports that were not followed by appraisal.^{2/} Reports dated from 1-1-70 through 12-31-73, but omitting 7 that cannot be linked to a World Bank project identification number.^{3/} CP records show preparation assistance to another 23 projects approved by the Board in FY 72 - FY 74, where no Yellow Cover report was produced.^{4/} CP records understate substantive CP involvement, listing only 45 of the 50 cases approved by the Board in the period shown.^{5/} Not yet appraised as of April 1975^{6/} Dropped from World Bank operations program as of April 1975.^{7/} Source: Periodic reports prepared by the regions on problem projects. The two sets of reports analyzed were the only ones available before the Task Force left Washington. Only agriculture sector projects are included in the analysis.^{8/} Seven of those in Feb. 1975 were also "problem projects" in Oct. 1973.

Date: (Update quarterly)		PROJECT GENERATION PLAN										Region: West Africa		Division: Agriculture 2				
Project Identification Code By FY	Country and Project	Responsible Bank Officer	Entity Responsible for Preparation	Key Target Dates ^{a/}				Preappraisal Manweeks ^{d/}										Reasons for Change (asterisk changed items)
				Completion of		Depart. Appr. Mission	Board	Bank (Incl. Consultants)					CP					
				Ident. ^{b/}	Prep. ^{c/}			FY 76	FY 77	FY 78	FY 79	FY 80	FY 76	FY 77	FY 78	FY 79	FY 80	
<u>1976</u>			Bank	10/73 A	9/74A	1/75A	8/75	0	0	0			0	0	0			1/Id.mission delayed by 3 months, country not ready.
3CAMAPO5	Cameroon		Govt.	10/74 A	12/75	3/75A	12/75	0	0	0			0	0	0			
3CHDAD03	Rubber Plantation Chad Rural Development																	
<u>1977</u>			CP	3/74 A	3/75 A	5/75	2/76	0	0	0			0	0	0			
3GAMAD02	Gambia		CP	9/75 ^{1/}	9/76	10/76	6/77		0				15		10			
3SENAPO1	Rural Development Senegal		Bank	3/74 A	4/75 A	6/75	7/76	0	2	0								
3TOGAIO1	Casamance Rice II Togo		CP/Cons.	6/74 A	12/75	1/76	10/76	2	0				25					
3IVCAP04	Maritime Agric.Dev Ivory Coast Rubber II		Bank	9/75	9/76	12/76	FY78	5	25	0								
<u>1978</u>			CP	10/75	12/76	2/77	FY78	1	2				10	20				
3	Guinea		CP	8/76	8/77	9/77	6/78	1	0	2			5	15	10			
3IVCAL	Ivory Coast																	
3NIRALO2	Livestock Nigeria Livestock																	
Totals:								9	29	2			55	35	20			

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ANNEX 2
Table 3

^{a/} Month and Year only; put "A" after "actual" dates.

^{b/} Completion of Identification in case of CP means completion of Project Definition Report;
in the case of some consultants' work, completion of feasibility survey; omit in case of "piggy-backing".

^{c/} Completion of preparation means Bank receipt of final Preparation Report.

^{d/} Put "A" after "actual" manweeks.

**I. C. PROJECT
GENERATION
TIME TABLE**

World Bank/Client Bank:		Project Name:		Project Identification:	
				ANNEX 5 Table 4	
World Bank Projects Division:	Division Code:	Bank Projects Officer:	Planned for Board Presentation in FY:	Country:	
Investment Center Service:	Investment Center Officer:	Alternate I. C. Officer:	Consultant:	Local Prep. Team: YES ☐ NO ☐	

Project Description and Role of C. P.: (See Project Brief dated)

Date of first inclusion in I. C. work program:	Proposed Borrower:	Other Financial Partners:

TIME TABLE			KEY DATES										Manweek Estimates		Reasons for Changes:					
			Original Plan			Previous Month's Plan			Current Plan or Actual (A)											
			Mo.	Day	Yr.	Mo.	Day	Yr.	Mo.	Day	Yr.	A								
MISSIONS		Kind ^{1/}											Field	Rept. Writ.						
1st	Departure																			
	Return																			
2nd	Departure																			
	Return																			
3rd	Departure																			
	Return																			
4th	Departure																			
	Return																			
5th	Departure																			
	Return																			
6th	Departure																			
	Return																			
7th	Departure																			
	Return																			
Debriefing after Final Preparation Mission																				
Issues Paper to Bank																				
Receipt of Bank Comments																				
Draft Report Review Meeting																				
Distribution of Final Report																				
Departure of Bridging Mission																				
Departure of Bank Appraisal Mission																				
Possible Causes for Future Slippage/Remarks:										TOTALS →										

I. C. Officer:	Initial:	Date:	Service Chief:	Initial:	Date:	World Bank Division Chief: (approval in principle)	Initial:	Date:

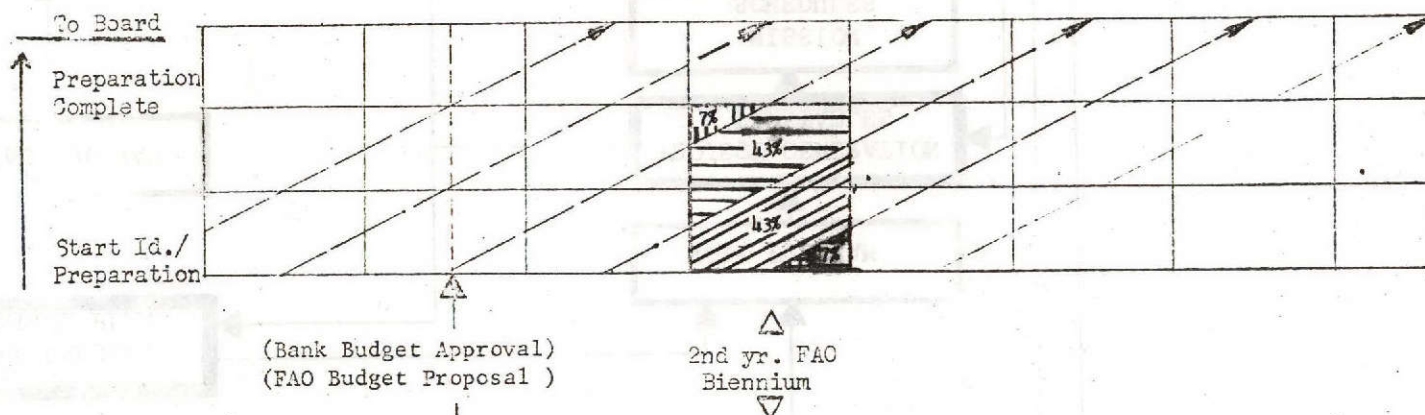
^{1/} Kind of Mission: R = Reconnaissance; PD = Project Definition; P = Preparation; PF = Final Preparation Mission.

BUDGETING FOR PREAPPRAISAL WORK REQUIRES LONG-RANGE ESTIMATES :

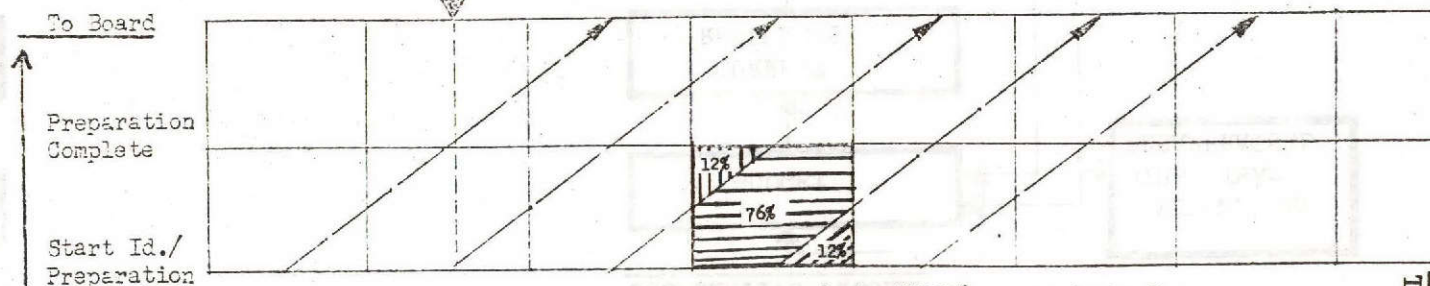
- BUDGET DECISIONS NEED TO REFLECT WORK ON PROJECTS FOR THE BOARD AS MUCH AS 5 YEARS LATER:
- BUDGET DECISIONS ABOUT THE FAO BIENNIUM'S SECOND YEAR WOULD (ASSUMING ONLY PARATROOPING) DETERMINE CP RESOURCES 88% OF WHICH WILL BE APPLIED TO PROJECTS SCHEDULED FOR BOARD APPROVAL MORE THAN 3 YEARS LATER

Calendar Year	1976	1977	1978	1979	1980	1981	1982	1983
Fiscal Year		1977	1978	1979	1980	1981	1982	1983

I. BUS-STOP PREPARATIONS:
(3 years to Board)



II. PARATROOP PREPARATIONS:
(2 years to Board)

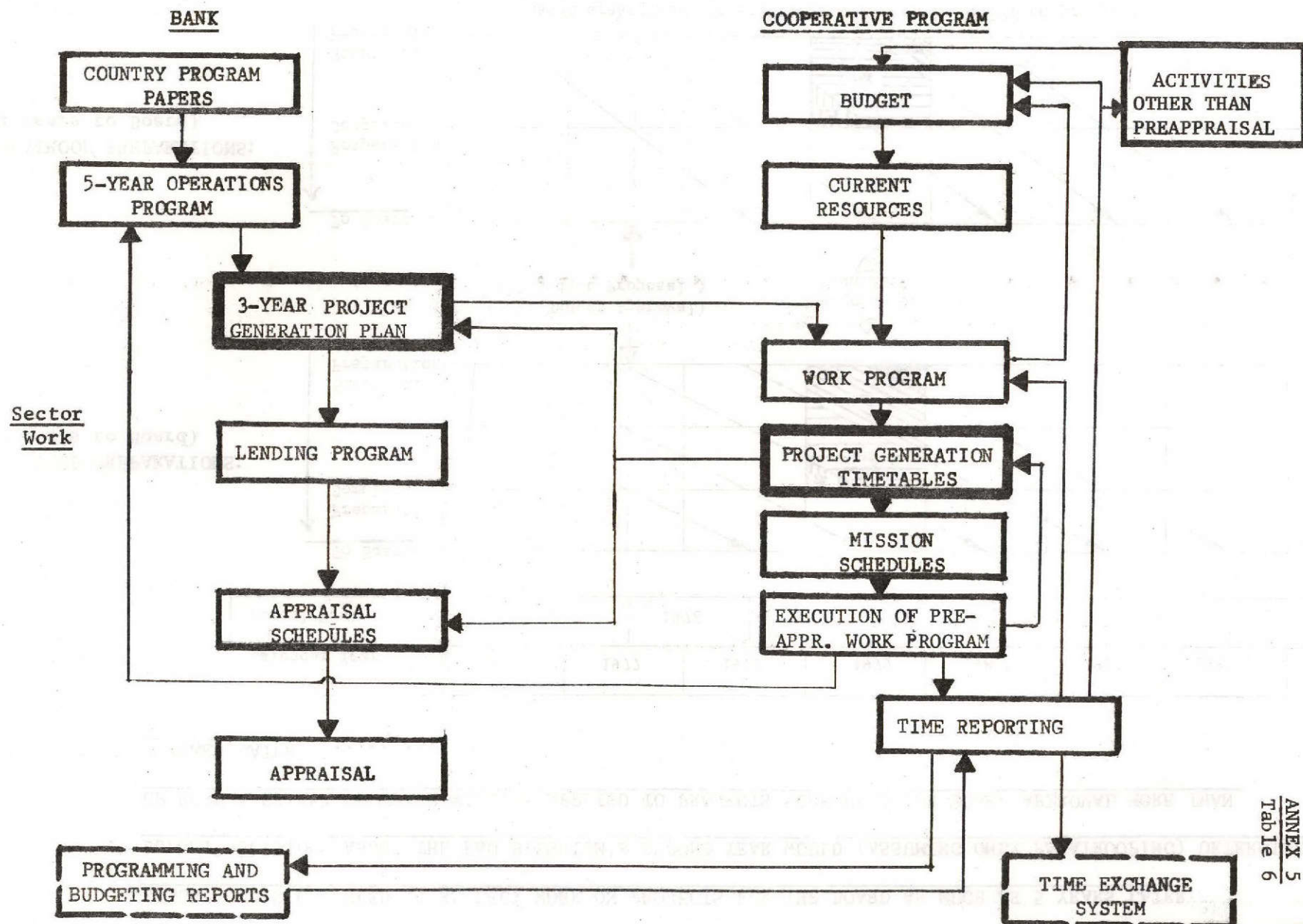


Shaded areas show, in each case, CP work in CY1978 on projects for Board presentation in:

FY 80
 FY 81
 FY 82
 FY 83

Figures show the percentage that each shaded area represents of the total work in CY 79 for each type of preparation.

INTEGRATED BANK AND CP SYSTEMS FOR MANAGING PROJECT GENERATION



UNDER OUR INDICATIVE ASSUMPTIONS :

- 68% OF USABLE TIME WOULD BE AVAILABLE FOR PROJECT GENERATION
- 10% OF USABLE TIME WOULD BE AVAILABLE FOR FAO SUPPORT AND STAFF DEVELOPMENT

TIME EXPENDITURE BY ACTIVITY AND STAFF CATEGORY*

	TOTAL MANPOWER RESOURCES (100)			MANAGEMENT STAFF (13)			SENIOR SPECIALISTS (8)			CONSULTANTS (20)			OPERATIONS STAFF (59)		
	Weeks	% of Category		Weeks	% of Category		Weeks	% of Category		Weeks	% of Category		Weeks	% of Category	
		Total Time	Usable Time		Total Time	Usable Time		Total Time	Usable Time		Total Time	Usable Time		Total Time	Usable Time
<u>PROJECT GENERATION</u>	2864	55	68	-	-	-	197	47	62	1000	96	100	1667	55	71
<u>APPRAISAL & SUPERVISION</u>	400	8	10	-	-	-	40	10	12	-	-	-	360	12	15
<u>STAFF DEVELOPMENT</u>	208	4	5	-	-	-	42	10	13	-	-	-	166	5	7
<u>FAO SUPPORT</u>	208	4	5	-	-	-	41	10	13	-	-	-	167	5	7
<u>MANAGEMENT & ADMIN.</u>	520	10	12	520	77	100	-	-	-	-	-	-	-	-	-
<u>LEAVE AND HOLIDAYS, ETC.</u>	1000	19		156	23		96	23		40	4		708	23	
<u>TOTAL</u>	5200	100	100	676	100	100	416	100	100	1040	100	100	3068	100	100

* "Consultant" time may actually be provided by non-CP FAO staff in return for consultant funds.
Operations staff time may actually be provided by non-CP FAO people through time exchange.

PROPOSED AGRICULTURAL PROJECT GENERATION PLANNING AND PROGRAMMING PROCEDURES

This attachment describes the proposed procedures for project generation planning and programming in agriculture. (Proposed formats for the Project Generation Plan (PGP) and IC Project Generation Timetables are tables 3 and 4 of the Annex. The system of which these procedures are a part is described in the body of the Annex.)

A. Overview

1. The PGP is each Bank division's work program and time budget for preappraisal activities. With one line for each project in the operations program, the PGP shows the: project number, country and name, responsible projects officer, target dates for completion of identification (project definition), preparation, departure of appraisal mission and Board presentation, and preappraisal man-week estimates by FY broken down by CP and Bank (including consultants). Essentially, it summarizes and aggregates the division's preappraisal timetables.
2. The IC Project Generation Timetable is, for each Bank project, the CP's Bank-agreed overall preappraisal terms of reference, work program, time budget and schedule. The CP timetable is initially prepared by CP (usually after a Bank/CP coordination meeting) and then approved in principle (i.e. with respect to project concept, preparation approach, and final deadline but not each intermediate deadline) by the Bank. In the aggregate, the CP's project generation timetables are the heart of the CP's work program. The timetables show each project's purpose, major issues and likely causes of difficulty, the number and timing of missions, the manpower needed, the deadlines for related documents, and the names of those responsible in the Bank and CP.
3. Updating. The Project Generation Plans are updated quarterly, based on CPPs, Bank and CP timetables and Bank/CP consultations about manpower availabilities and scheduling feasibility. The timetables are updated whenever necessary but always in time for the quarterly reviews. The year-end PGP update differs from the other quarterly updates because it is also used to provide a basis for the subsequent budget determinations.

B. Preparing and Updating Preappraisal Timetables

1. Non-CP Projects

- a) The Form. For projects whose preappraisal work is not assigned to CP, Bank timetables should be used by the projects divisions for planning and monitoring. In addition to descriptive and deadline data for which space is now provided, the Bank and Bank-financed consultant manpower required for preappraisal by fiscal year should be noted on the timetable, as should the name of the projects officer responsible for monitoring the project during preappraisal.

- b) Initial Completion. The first timetable should be prepared by the projects division chief as soon as the project enters the Bank's long-term operations program and a decision is made that it will not be assigned to CP. This may be immediately after approval of a CPP, after a sector or reconnaissance mission resulting in "recognition" of the project possibility or in connection with a Bank/CP coordination meeting. Completing the initial timetable will entail reaching preliminary decisions (usually in sequence) about when the project might be expected to go to the Board, when preparation will have to be completed, what method of preparation will be employed (on the paratrooping/bus-stopping/squatting spectrum), the nature of the Bank's involvement with the preparation work, the duration of the preparation effort and the necessary resulting starting date.
- c) Updating and Review. While the concerned "responsible project officer" should retain a copy of the timetable and normally should update it whenever the status of an item changes, the projects division chiefs should review all the preappraisal timetables quarterly in relation to the division's overall planning and programming of preappraisal work and in conjunction with the quarterly PGP review. Copies of the projects division chiefs' approved updated preappraisal timetables would be furnished quarterly to the programs division chiefs for concurrence and to the CP for information.

2. CP Projects

- a) Initial Completion. The IC Project Generation Timetable is completed by the responsible officer, reviewed by the appropriate service chief and forwarded to the appropriate Bank projects division chief (through the CP Coordinator) within 10 working days of CP's acceptance of preappraisal responsibility for a project. The completed timetable summarizes CP's understanding of the project, its role in the preappraisal work and the preparation approach to be taken. It contains deadlines for the various steps in the process, estimates of manpower requirements (by step and FY), and identification of who in the CP will be responsible. The Bank division chief, unless he disagrees with some fundamental aspect of the completed timetable (such as the approach, project concept, final deadline or CP's role), initials the timetable and returns it to CP (through the CP Coordinator) with copies to the responsible projects officer and the appropriate country programs division. If the projects division chief disagrees, he seeks to resolve the issue with the CP service chief. If necessary, the projects assistant director and CP's front office become involved. If the issue cannot be resolved and is fundamental, either the Region or CP may decide that CP should not become involved in the preappraisal.

- b) Updating and Review. The responsible CP mission leaders update CP timetables for their own purposes whenever changes occur. Quarterly, but earlier if necessary, they forward them to their CP service chief for review and, if changed, transmittal to the Bank ten days before the quarterly coordination meeting. Bank concurrence is assumed unless its disagreement is registered within 3 weeks of the timetables' dispatch to Washington.
- c) Mission Terms of Reference. Bank clearance of CP terms of reference for individual missions is not necessary where they are wholly within the scope of the pre-agreed project generation timetable (although they should nevertheless be sent to the Bank for information). However, where questions of staffing and timing exist, consultation might usefully occur at a quarterly Bank/CP coordination meeting, by telephone, by mail, or through the Bank's reaction to a previous mission's back-to-office report on the same project.

C. PGP Updating Procedures

1. Quarterly Updating

- a) Draft PGP Update. Quarterly (before the coordination meeting), the Bank agriculture projects division chiefs' secretaries verify with the "responsible project officers" (i) the acceptability of any changes that have been made in the CP timetables and (ii) the continuing validity of Bank timetable data for preappraisal work on non-CP projects. Then, based on the updated timetables, they revise the previous PGPs, identifying changes made to them.
- b) New Projects. At this time, support staff add new projects selected since the quarter began for possible Bank financing (e.g. through CPP updates, reconnaissance missions, or substitution for a "drop-out"). If the first timetable has already been prepared for such a project, the relevant data is entered on the draft revised PGP. If not, the need is called to the division chief's attention. If the division chief is sure the preappraisal work will not be assigned to CP, he designates a responsible Bank project officer and (with his assistance, as desired) prepares the first preappraisal timetable. If the preappraisal work might be assigned to CP, he defers the initial timetable until after the Bank/CP coordination meeting.
- c) PGP Review. The division chief then reviews the draft revised PGP. He assures himself that the revisions that have been made are sound in terms of the individual projects. Next, he totals the pre-appraisal manpower resources needed for the remainder of the year -- by subsector, as necessary -- to assure that there is no shortfall. For this purpose, he may consult reports of CP time utilization to assure that the CP "operating time" allocated to him is not in danger of being overdrawn or underutilized. He also assures himself, taking appraisal and supervision schedules into account, that timetable changes

to the non-CP projects do not create irreconcilable conflicting demands on his staff's time. If they do, he determines what changes are necessary and makes them or decides first to solicit CP help.

- d) Bank/CP Coordination Meeting. At the Bank/CP coordination meeting, proposed changes in the CP project generation timetables are discussed, as are the possible new tasks (whether country sector work, preparation, appraisal or supervision) that CP might undertake. Decisions are reached on both categories of question. In quarters when the meeting is in Rome, the CP Coordinator takes the draft revised PGPs with him together with division chiefs' guidance on programming and scheduling matters that may be at issue. When the meeting is in Washington (mid-year and end-year), the Coordinator attends and helps CP resolve unavoidable conflicts between Regions for CP resources. (Even where no change is involved to the overall budgetary suballocations to Regions, there may be conflicting demands within a given subsector which may necessitate scheduling changes.) The meetings are also used for substantive discussions of project issues and of work already or about to be performed.
 - e) Post-Coordination Meeting Tasks. After the coordination meeting, CP prepares (within 10 days) timetables for the new preappraisal work it has undertaken. The CP service chiefs relay to their subordinates feedback from the Bank about past work and necessary input for future work. The Bank division chiefs -- after receiving and approving the CP timetables for new projects -- issue the revised PGPs, with copies to the CP (through the CP Coordinator), the programs divisions chiefs and the Regional program coordinator.
2. The Year-End PGP Update and the Budget Process. The year-end PGP update has a dimension that the other 3 updates lack because of its relation to the budgeting process. Every year, it has an impact on the allocation of CP resources among the Regions and CPS; in the odd-numbered fiscal years, it also has an important impact on the total size of the CP. The year-end PGP updating procedure therefore differs from the routine quarterly procedure in the following respects:
- a) Indicative CP Allocations. In November, the Bank's Programming and Budgeting Department (with the advice of the CP Coordinator) provides the Region and CPS with an indicative allocation of CP resources for the coming fiscal year and -- in odd-numbered FYs -- for the coming 3 fiscal years. The P&B estimate is based on the Five-Year Work Program tables and, in the odd-numbered FYs, on a rough "top-down" analysis of the sort described in Attachment 2 of this Annex.
 - b) Out-year Coverage. The year-end coordination meeting always looks at least 18 months ahead. In the odd-numbered FYs, however, the year-end coordination meetings in Washington look ahead for budgetary purposes, insofar as possible, to 3 years of preappraisal work. This entails notional estimates with respect to projects scheduled for Board presentation as much as 5 years hence.

- c) Draft PGP Transmittal. The draft revised PGPs are sent to the CP by the end of November so that CP management can review them in advance of the December coordination meetings.
- d) Proposed PGP. After the meetings and with the advice of the CP Coordinator and CP management, the Regions submit to P&B "Proposed PGPs" for the coming fiscal year(s) either reflecting the indicative allocations for the coming fiscal year(s) or accompanied by a statement why they believe the indicative allocations of CP resources to be inappropriate.
- e) Allocation Decision. With respect to CP resources for the coming fiscal year(s), the PGP remains tentative until the decision is reached (based on P&B, CPS and CP recommendations) on how to allocate the CP resource in the coming fiscal year(s) and on how large those resources in total are likely to be.
- f) Adjustment. If the CP resources finally allocated to a Region (or CPS) for the future fiscal year (and tentatively indicated for out-years) differ significantly from those anticipated in the Proposed PGPs, the Proposed PGPs and related timetables will need to be revised to reflect the new levels.

AN INFORMED BASIS FOR BUDGETING PREAPPRAISAL WORK AND CP RESOURCES

I. INTRODUCTION

In the past, the size of the CP budget has been fixed somewhat arbitrarily. With more attention to preappraisal planning, as proposed in this Annex, a basis will be created for determining the total professional manpower requirements for the Bank's preappraisal work in the agricultural sector and for identifying the share to be met by the CP. Since preappraisal work occupies the major proportion of CP usable time -- and the other uses can be determined relatively easily -- this would be a key factor in establishing the optimum size of the CP and hence in formulating budget requests.

Because decisions about the CP budget affect the level of CP preappraisal manpower available to work on projects due for Board presentation as much as five years ahead and because the manpower needs of such projects are necessarily somewhat conjectural, an aggregation of the annual manpower estimates from Project Generation Plans cannot be relied on exclusively as a source for recommendations on CP size. Hence this "bottom-up" approach must be supplemented by a "top-down" approach which seeks to relate CP size to the overall Bank lending program for agriculture. Below, we describe both approaches and the process of converting such analyses into a CP budget.

II. PROCEDURES

A. "Bottom-up" Approach

1. Odd-numbered FYs -- Determining CP's Biennial Budget and the Coming Year's Sub-allocations to Regions and CPS

- (a) Aggregate from the Project Generation Plans the annual preappraisal manpower requirements for all agriculture projects in the pipeline on which work will be done in the next 3 fiscal years. Where not available for the outer years, manpower estimates should be derived from past experience (e.g. coefficients developed by the Time Reporting System). The total number of projects under consideration should include potential "drop-outs" and an allowance for slippage.
- (b) Decide -- with CP management -- on the portion of projects for which CP's assistance will be sought. (See Attachment 1: "Proposed Project Generation Planning and Programming Procedures" for detailed procedure.)
- (c) Identify Bank demands on CP manpower for other operational purposes (appraisal and supervision). Quantify these demands and add them to the preappraisal manpower requirements.

- (d) Compare the total CP manpower requests with the indicative allocations to each Region and CPS. Review requests which are inconsistent with the indicative allocations.
- (e) Make adjustments in allocations and/or requests to reflect any changes introduced.
- (f) Add to the net number of CP man-weeks needed a percentage for:
 - Leave, holidays and sickness
 - Management and administration
 - Staff development (excluding appraisal or supervision)
 - FAO supportand arrive at the total CP man-years requested.*
- (g) Convert to dollar equivalents and add an allowance for support services, etc.
- (h) Refer to "top-down" analysis of CP budget requirement and finalize budget request. (See Sections B and C below.)

2. Even-numbered FYs -- Determining the Coming Year's Sub-allocations of CP Time to Regions and CPS (CP Budget fixed).

- (a) Aggregate the PGPs to determine total preappraisal manpower requirements in the coming FY and the estimated share to be provided by CP.
- (b) Quantify Bank demands for other CP operational assistance and include them to arrive at the total net CP resources requested.
- (c) Compare total requested with available CP resources. Within the fixed ceiling of available CP resources, decide what, if any, shifts in the sub-allocation pattern between the Regions and CPS are desirable. (Take these decisions into account in arriving at final non-CP budget allocations through the Bank's normal budget process.)

* A discussion of time allocation between preappraisal work and other CP activities is presented in Section D of this Attachment.

B. "Top-Down" Approach

Taking into account the number of agricultural projects forecast in the Bank's five-year lending program -- extrapolated for one or two more years -- and the recent average size of the CP (in man-years), judgments should be made on the following issues to arrive at an informed basis for determining CP size and the number of new projects to be put in the CP pipeline annually.

- The proportion of all Bank agricultural projects to be prepared with CP assistance
- The CP manpower input per project in relation to recent levels of input
- The average lapsed time per project between initiation of preappraisal work and Bank Board presentation
- The proportion of CP total resources to be applied to pre-appraisal work, and
- Other constraints.

Factors which should be considered in arriving at each judgment are summarized below.

1. Proportion of Bank Agricultural Projects to be Prepared with CP Assistance. The judgment to request and fund CP to assist in preparing a similar, greater or lower proportion than previously of the projects in the Bank's agricultural lending program should be based on considerations such as the following:

- The extent to which projects in the pipeline can be prepared without external assistance (e.g. second phase livestock and credit projects; some irrigation projects, etc.)
- The comparative advantage (including cost to the Bank of the CP vis-a-vis other sources of preparation assistance);
- The preferences of Bank managers (analysis of the proposed Project Generation Plans will indicate in broad terms -- at least for 3 to 4 years of the 5-6 year budget horizon -- the extent to which the Bank managers seek CP assistance);
- The need for reasonable year-to-year continuity in staffing of the CP.

2. The CP Manpower Input per Project in Relation to Recent Levels of Input. A change in the dominant style of preparation assistance from paratrooping to bus-stopping as recommended could be expected to lead to a progressive reduction in the aggregate CP manpower expended per project (although the ratio of mission leaders probably would have to increase). This trend, however, could be offset to some extent by the growing complexity of projects for which the Bank lends.
3. Changes in Lapsed Time Between Initiation of Preappraisal Work and Board Approval. Despite the reduction in applied time per project, increased bus-stopping and a growing proportion of complex projects will increase the lapsed time required for preappraisal work. This means that the number of projects being worked on in any one year by CP will need to be increased even to maintain a constant number of projects completed annually. Projects will need to be assigned to CP further in advance of anticipated appraisal.
4. The Proportion of CP Total Resources Available for Pre-appraisal Work. We discuss in Section D, below, the allocation of CP time between preappraisal and other activities, including participation in supervision and appraisal work, staff development, direct support to FAO, and management and administration. After making allowance for these activities and for "unusable" time (leave, etc.) all residual time would be available for preappraisal work.
5. The Average Drop-out Rate for CP-prepared Projects. As long as the average drop-out rate for CP projects remains constant, this has no impact on required CP manpower resources since these can be determined in relation to Board approvals rather than projects worked on. If a reduction in drop-out rate were anticipated, however (perhaps in response to changed methods of preparation assistance), the CP could -- with a given level of manpower -- prepare a greater number of successful projects than otherwise. This would necessitate either reducing CP's manpower or raising the project entry rate.
6. Other Factors. Other constraints to be taken into account -- more subjectively -- in formulating CP budget proposals might include:
 - Recruitment capacity of CP
 - Possible Bank or FAO policy not to have CP compete for additional preparation assistance staff with other claimants on IC staff resources (e.g. IFAD, regional banks)

- Overall Bank staff growth limitations
- FAO and Bank budget resource availability
- Broader institutional relationship considerations.

7. Conclusion. By quantifying each of the proportionate changes anticipated, integrating them, making allowance for the lead time required between initiation of pre-appraisal work and Board presentation, and relating them to the professional manpower size of CP in the pre-budget period, it becomes practicable to estimate the proportionate change in overall CP size required to meet the probable pre-appraisal assistance demands of the Bank's lending program. This can also be a means of deriving the indicative sub-allocation levels provided to the Regions and CPS in advance of their year-end PGP update exercise. (An illustrative example of the "top-down" approach is given in Table 1 of this attachment.)

C. Reconciliation of the Two Approaches

1. Compare the CP size arrived at in the "top-down" method with the one found through the "bottom-up" method.
2. If no significant difference exists, use the total number of man-years thus estimated in the budget request.
3. If a significant difference exists, identify which regions have diverged from the indicative CP resource allocations.
4. Discuss and make compensating adjustments in the sub-allocations if possible. Alternatively, reevaluate the assumptions in the sub-allocations and the "top-down" projections as well as those underlying the resource requests. Reach decisions on the CP resource level needed for preappraisal work.

D. Time Allocation Between Preappraisal Work and Other CP Activities

CP professional manpower may be directed toward the following purposes:

- "Unusable" time -- leave, holidays, sickness, personal time, staff meetings, etc. -- (total 12 weeks per staff man-year and 2 weeks per consultant man-year)
- "Usable" time (40 weeks per staff man-year and 50 weeks per consultant man-year)
- Preappraisal assistance for potential Bank-funded projects (including UNDP "special interest" projects)

- Professional development
- Direct support to FAO activities
- Participation in appraisal and supervision missions
- Management and administration.

Table 7 of this Annex illustrates for a CP budget of 100 man-years (of which 80 are direct-hire staff and 20 consultants) the likely amounts of time available for each category. We discuss the categories and their interrelationships below.

1. Management and Administration. CP's management and administration will, assuming acceptance of this report's recommendations, occupy 13 staff members (520 man-weeks -- 12% -- of the aggregate CP usable time). While part of this time may be used for FAO support, staff development and Bank-related operational work, this will generally be in a managerial capacity and hence should be classified as such.
2. Participation in Bank Appraisal and Supervision Missions. The report's recommendations for a minimum level of CP staff participation in appraisal and supervision missions require the allocation of approximately 400 man-weeks per year (10% of usable time) for these purposes.
3. Preappraisal Work and Other Activities; "Down-Time." The residual net CP staff time available for preappraisal work, staff development and FAO support activities is thus about 3280 man-weeks per year or 78% of usable time. No matter how well managed its preappraisal activities, CP will have some staff "down-time" (caused especially by scheduling hiatuses and staff reaching a reasonable limit to annual travel time). Though this down-time has not been specifically measured in the past, it could well equal from 10% to 15% of net direct-hire staff operational time (i.e. in the range of 300 man-weeks per year).

To the extent the CP professional development and direct FAO support activities we have recommended entail assignments which do not have to be pre-scheduled and to the extent that specific periods of down-time can be predicted and utilized even for pre-scheduled activity, these activities can be accommodated as down-time filler work at no additional expense. Alternatively, time "traded" under exchange arrangements with FAO can effectively be converted to preappraisal time. Thus, if the total resources allocated for professional development and direct FAO support work were less than the anticipated down-time, only time-specific assignments which could not be keyed to unconvertible down-time would lead to a reduction in the resources otherwise available for preappraisal work.

The proportion of CP resources allocated for FAO support and staff development should be reexamined annually by the Bank and FAO. In our view, a reasonable initial target would be a total of about 10 man-years (400 man-weeks) divided roughly equally between the two purposes. CP would have full discretion in using this time, whether or not it fell within down-time, though it would be anticipated that it should be largely accommodated within down-time. The CP would normally consult with the Bank on a case-by-case basis on the utilization of time for non-preappraisal work beyond this target.

On this basis, the net time available in a CP with 100 man-years of professional staff time for Bank preappraisal work would be about 2900 man-weeks per year or almost 70% of usable time. This should be regarded as the ceiling which -- after discounting for a reasonable vacancy rate (perhaps 5% of direct-hire positions) -- should correspond for planning purposes with the aggregate annual manpower resource requirements estimated in the Project Generation Plans.

III. RESPONSIBILITY AND TIMING

Final decisions on the budget are taken by the FAO Conference, but take into account the level of contribution pledged by the Bank. To provide an informed basis for the budget proposals, the Bank's Programming and Budgeting Department -- in collaboration with the CP Coordinator -- should take the lead in identifying preappraisal manpower needs by following the two approaches proposed above.

As CP's budget is biennial and based on calendar years (i.e. beginning on January 1st) in contrast to the Bank's financial year (beginning on July 1st), the lead time required for preparation of the budget is considerable. Since, under the cost-sharing arrangements, the CP and Bank budgets must be linked, changes can only be introduced every two years. Moreover, because of the long pre-budget preparatory phase in FAO (over one year), recommendations on CP size must be made well in advance of the budget dates.

Key dates are as follows:

<u>CY</u>	<u>Month</u>	<u>Action</u>
1	November - December	Prepare draft CP budget proposals for Bank and FAO budgets.
2	June	Bank FY1 budget finalized and approved; FAO draft budget finalized.
	July	Bank FY1 budget active.
	November	FAO biennial budget approved; Bank FY2 budget being prepared (CP resources fixed).
3	January	FAO biennial budget active.
	June	Bank FY2 budget finalized and approved.
	July	Bank FY2 budget active.
	November	Bank FY3 budget being prepared (CP resources fixed for first 1/2 year and contingent on FAO 2nd biennial budget for second half of year). Prepare draft proposals for CP 2nd biennial budget.

ILLUSTRATION OF "TOP-DOWN" APPROACH TO PROJECTING THE SIZE OF THE CP

STEPS

	FY1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
1. <u>Projects to be Worked on by CP</u>		Base Years										
a. Number of Bank agriculture projects to the Board ^{1/}	36	47	57	68	75	81	87	93	100	108	119	131
b. % of projects to Board to be prepared by CP	50	34	30	37	36	36	36	36	36	36	36	36
c. Number of projects to Board to be prepared with CP assistance	18	16	17	25	27	29	31	33	36	39	43	47
2. <u>Projects to Enter CP Pipeline</u>												
a. Gross number required to come into CP pipeline to produce necessary throughput -- unadjusted for drop-outs ^{2/}	21	26	28	30	35	39	42	47	51			
b. Total worked on in year ^{3/} (memorandum item)					79	89	100	114	129			
c. Work units to be completed, expressed in "baseline project equivalents" (i.e. the amount of work today needed to complete a preparation) ^{4/}		22	27	30	32	35	38	41	45			
d. Adjustment to reflect greater throughput required by drop-out factor ^{5/}			41		51	56	60	66	72			
3. <u>Man-weeks Required per Completed Project Preappraisal</u>												
a. Man-weeks per completed base-line project ^{6/}			53		50.4	47.7	45.1	42.4	39.8			
b. Adjustment to reflect fact that drop-outs take less work ^{7/}			47.7		45.4	42.9	40.6	38.2	35.8			
4. <u>Net Man-Weeks for Project Preappraisal</u> (2c x 3b)			1956		2315	2402	2436	2521	2578			
5. <u>Proportion of Usable CP Budgeted Professional Time Used for Project Preappraisal</u> (See Table 7 of this Annex.)					68%	68%	68%	68%	68%			
6. <u>Total CP Man-Years Needed On-Line^{8/}</u>			61		81	84	85	88	90			
7. <u>Total CP Budgeted Man-years Needed^{9/}</u>			82		97	101	102	106	108			

* Both the assumptions and methodology of this table would be refined from year-to-year.

1/ Derived from Bank 5-year plan, after 1976

2/ Assumes average lead time increases gradually from 2-1/2 to 3 years between 1976-1980, because of increased "bus-stopping."

3/ Derived from number in CP pipeline and average time in pipeline. Takes into account a gradual shift from 2-1/2 to 3 years preappraisal time in process.

4/ In FY78, for example, CP will assumedly work on 100 different projects, 75 of which have 3-year lead times and have 1/3 of their "work" done in the year; 25 have a 2-year lead time and have 1/2 "work" done in the year. Thus, $(1/3 \times 75) + (1/2 \times 25) = 38$.

5/ Assumes an overall drop-out rate of 35% of projects entering the pipeline. (We found a 22% drop-out rate after completion of yellow cover preparation report.) Being in "baseline" project equivalents, the figure somewhat understates the number of projects to enter the pipeline, given assumed efficiency increase.

6/ 53 Man-weeks per completed preappraisal job is average of time actually spent in 1973 and 1974. (See Annex 2, Table 7.) Our projection assumes a 25% increase in CP efficiency over 5 years.

7/ Assumes that on average 10% less time per project is spent if one includes dropouts.

8/ Net potentially usable time per weighted average of consultant and direct-hire man-year (at 50 and 40 weeks respectively) is 42 weeks. 68% of the 42 weeks, i.e. 28.6 weeks per weighted CP man-year is available for project preappraisal work. For 1976, therefore, with 2315 net usable man-weeks needed for project preappraisal and 28.6 man-weeks available for such work per CP man-year, the number of budgeted man-years required is 81 (i.e. $2315 \div 28.6$) -- with no allowance for vacancies or for down-time that is unusable for non-preappraisal activities.

9/ To convert the 68% of on-line time usable for preappraisal to a percentage of total budgeted time, subtract 6% to account for budgeted positions that remain vacant and 5% for unusable down-time. Then take 57% (68%-11%) of 42 man-weeks (23.9 man-weeks) and multiply by Line 4.

MANAGEMENT INFORMATION AND CONTROL: OUTLINE DESCRIPTION OF TIME REPORTING SYSTEM

1. OVERVIEW

Until recently the Investment Center's need for detailed time expenditure information on the activities of its professional staff was not great. Most staff worked substantially full-time on the assignments of their service. Exchanges of time were most unusual. Tasks were normally scheduled on a six-months time horizon. Activities such as staff development and training were handled on an ad hoc basis. Decisions about the size of CP were based mainly on intuition.

These conditions should change. Under special charging or trading arrangements, CP professionals will sometimes work outside the CP and vice versa. Project preappraisal work will be timetabled through to completion. Activities other than preappraisal (such as staff development and direct FAO support) will be formally recognized and planned, subject to man-year ceilings. The CP's future size will be heavily influenced by forecasts of the volume of projects needing CP assistance converted, via experience-based coefficients, into a demand for CP professional time.

In such an environment, CP managers will need accurate information on the expenditure of time -- as well as the achievement of deadlines -- against plans and programs. To monitor exchange arrangements, they will have to manage and monitor time as well as subordinates -- and the two will cease to coincide. Moreover, retrospective data on results achieved vs. time expended will provide a useful and steadily improving basis for building future budget projections on the basis of future results required.

In the following sections, the principal features of a system for meeting managers' needs for time expenditure information are described in terms of:

- A. Data required
- B. Processing of Data
- C. Management reports

As there is more work to be done on the detailed systems design (probably by FAO's Management Services Division in consultation with IC management and with the advice of Bank systems specialists), what follows should be viewed principally as illustrative.

II. THE TIME REPORTING SYSTEM: REPORTS AND PROCEDURES

A. Data Required

To produce the reports needed by Bank and CP managers so they can know how their resources are used, monitor time expenditure ceilings, and build towards meaningful workload coefficients, time expenditure data needs to be categorized by:

- . Activity (See Table 1 of this Attachment for "major" and "minor" work categories. Four of the former -- i.e. Pre-appraisal, Economic and Sector, Post Preparation and Professional Development -- have components which it will often be useful to total; together the first three activity categories constitute what we have defined as "net operating time");
- . User (i.e. Bank division and CP service, Other (specified));
- . Chargee (i.e. CP, Other (specified));
- . Basis of charging, if other user (i.e. Reimbursement to CP, time exchange, non-reimbursable, undecided);
- . Source of Time (i.e. specified CP Service, non-CP IC, Other (specified) and (at least for IC staff) staff member identification).

B. Processing of the Data

In the CP, the Operations Officers (acting in behalf of the service chiefs) would be responsible for assuring that time expenditure data was submitted accurately and on time. Staff would be provided a simple instruction containing the necessary codes and time recording groundrules.* The IC Program Coordination and Administration Office would screen the timesheets received from the Operations Officers as a last check before transmitting them to the Bank for computer processing.

Given the modest volume of data (encompassing approximately 100 man-years per year) and of required reports, it probably does not make sense to rely on the Bank's computer for all the data manipulation and report assembly that may be desirable. Using "intermediate" computer-produced reports in some cases (where special programming or coding is impractical), the IC's Program Coordination and Administration Office could manually generate some of the output information required by managers and, where useful, manually combine aspects of different machine-produced analyses. The precise manner and mix of machine and manual data handling will have to be worked out in detail based on joint Bank/FAO assessments (for each category of output report desired) of the relative ease of machine and manual production and manipulation.

C. Management Reports of Time Expenditure

The principal reports would display at least the following information, with each item showing data for the year-to-date and the most recent reporting period:

* Development of this instruction has been started by the Task Force and should be completed by FAO before the end of the year.

1. Report for Bank Division Chiefs and Assistant Directors (Quarterly)

- . Expenditures of net operating time totaled by project and broken out by minor activity code (see Table 1 of this attachment for code structure)
- . Divisional totals by major activity
- . Divisional grand total
- . Regional totals by major activity
- . Regional grand total
- . Regional post-appraisal (i.e. appraisal and supervision) as percentage of Regional grand total

2. Reports for CP Service Chiefs (Monthly)

a) Time Delivered. Same as above for Regions served; also:

- . Multi-Regional grand total and major activity totals
- . Totals for direct FAO support, professional development, absences and overall grand total
- . Professional development, direct FAO support, and post-preparation work each as a percentage of overall grand total

b) Source and Application of Time

- . By each non-CP unit, time delivered to the service broken down by basis of charging
- . By each non-Bank, non-CP unit, time received from the service, broken down by basis of charging
- . Service grand totals of delivered and received time by basis of charging

3. Report for Deputy Director, PPL (Quarterly)

- . Direct FAO Support and Professional Development time of designated Senior Specialists -- by man and assignment
- . Total Direct FAO Support by recipient unit
- . Total Direct FAO Support by service
- . Total Professional Development by service
- . Total time applied to specified assignments

4. Reports for Overall Bank and CP Management (Monthly)

- a) Time Delivered. For each minor and major activity:
- . Grand CP total, total by service and Front Office
 - . Percentage that grand CP total for the activity bears to total of all CP time expended
 - . Percentage that service total for the activity bears to all time expended by the service
- b) Source and Application of Time
- . By each non-CP unit, time delivered to CP, broken down by basis of charging
 - . By each non-Bank non-CP unit, time received from CP broken down by basis of charging
 - . CP grand total by basis of charging for all external units
- c) Special Reports. Special annual reports may be useful for special purposes -- to provide, for example, a basis for recruitment decisions. These might include reports of consultant time, exchanged time or total time by subsector, subsector time by Bank Region or CP service, CP time by UNDP special interest project, etc.

Assistance in assessing the time reports and initially determining where they indicate needs for corrective action would be provided to CP's top management by the Program Coordination and Administration Officer, to CP service chiefs by the Operations Officers, and to managers in the Bank by their own assistants and the CP Coordinator in CPS.

FAO INVESTMENT CENTRE
TIME REPORTING ACTIVITY CODES

ANNEX 5
Attachment 3
Table 1

MAJOR ACTIVITY		MINOR ACTIVITY	
Description	Major Code	Description	Minor Code
<u>Travel</u>: Time spent on travel should be reported against the activities and projects for which the travel is intended. If a trip involves work on more than one project, the travel time should be allocated against the projects roughly in proportion to the effort expended in the field on each project. No more than eight hours of travel should be recorded against a single day including days spent in authorized stopover, or, in lieu of stopover, for rest at the end of the trip.			
<u>Preappraisal</u>: All project-oriented preappraisal work; in the case of the World Bank this work will have been agreed with CPS or regions concerned.	PP	<u>Technical Assistance</u>: Work in relation to pre-investment programs, e.g., UNDP	TAS
		<u>Project Definition</u>: Project-specific work culminating in a Project Definition Report or equivalent.	PDR
		<u>Preparation</u>: Project-specific work culminating in a report to be used by the funding agency as the basis for loan appraisal or decision; the report may or may not be IC-prepared.	PRN
		<u>Combined Identification/Preparation</u>: To be used when no useful distinction can be made between the two activities.	IPR
<u>Economic and Sector</u>: Preappraisal work not related to a specific project.	ES	<u>Economic Work</u>: Preparation of economic reports, studies or memoranda.	ERA
		<u>Sector Work</u>: Preparation of sector surveys, reviews and studies.	SRA
		<u>Reconnaissance</u>: General project recognition work preceding Bank selection for project definition.	REC
<u>Post-preparation</u>: Operations not directly concerned with preappraisal.	PP	<u>Appraisal</u>: Appraisal of projects, whether IC-prepared or otherwise.	APR
		<u>Supervision</u>: Supervision and implementation assistance of on-going projects.	SUP
<u>Direct FAO Support</u>: Work primarily for FAO benefit which is uncompensated by reimbursement or time exchange.	FS		
<u>Professional Development</u>: The preparation/presentation of, and attendance at, courses/seminars/workshops directed towards the development of IC staff knowledge and professional skills; other work with these objectives.	TR	<u>Material</u>: Preparation/presentation of training material, e.g., lectures, guidelines, senior specialist assignments.	MAT
		<u>Study</u> of training material; attendance at lectures, seminars, debriefings or other meetings with a staff development objective.	STU
<u>Management and Administration</u>: Full time of supervisors, operations officers, professional administrative personnel.	MA		
<u>Absences</u>: All categories of time absent.	AB	<u>Leave</u>: Home, annual, or compensatory leave.	LEV
		<u>Holidays</u>: Official FAO holidays.	HDY
		<u>Sick Leave</u>	SIK
		<u>Unpaid absence</u> of any kind.	UNP
<u>General</u>: This code should be used only when none of the other above activities apply; specifically includes interviewing, staff meetings, personal time and non-operational general reading in work hours.	GE		

DIRECT FAO AND WB RELATIONSHIPSI. ASSESSMENT

There are many direct links between FAO and the Bank, but the two institutions fail to exploit fully their areas of complementarity. The mutual and, in the ranks, rather pervasive lack of knowledge in FAO and the Bank of each other's work programmes greatly increases the chances of duplication and must cause the loss of numerous opportunities for creative synthesis. While it is true that in some cases (e.g. joint studies) speed and clarity can be a casualty of over-coordination, it is also true that where the desire to coordinate is thwarted by absence of knowledge or lack of the necessary mechanisms, likely results can be waste, friction and a loss of potential benefits.

We discuss below:

- A. Possible areas of increased coordination
- B. Institutional constraints
- C. The need for system

A. Possible Areas of Increased Coordination

While the task force has not made a detailed assessment of the potential complementarity of the two organizations' work programmes, it has identified the following non-project activities on which there is little collaboration at present, but appears to be room for more deliberate, routine interaction in the future.

<u>In FAO</u>	<u>In the Bank</u>
Perspective Study for World Agricultural Development	Mini-Link Model
Food Trade Statistics	National Accounts Statistics
Food Production Statistics	Income Distribution Statistics
Food Consumption Patterns	Development Research Program
Land Classification/ Resource Inventory	
Trypanosomiasis Control	
Technical Seminars	Meetings of Experts

B. Institutional Constraints

Because large institutions usually should not and cannot mold their organizational structures primarily around the purpose of coordinating with each other, their basic internal structures must be taken as constraints on the coordination problem. Nevertheless, small changes can sometimes be made that do not violate other considerations but have an important impact on coordination capacities.

C. The Need for a System

While there is much ad hoc and purely personal coordination today and numerous specific means for regularized contact on given subjects, there is in the non-operational areas an overall absence in each institution of a facility or system for:

- Keeping each generally informed of the other's activities
- Bringing to the attention of the right person at the right time relevant work done in the other institution
- Actually promoting collaboration or coordination when appropriate.

II. RECOMMENDATIONS

To improve collaboration between FAO and the Bank on non-CP matters:

- A. Make the IC's Deputy Director, PPL, responsible for helping stimulate direct FAO/Bank interaction.
- B. Designate Bank contact points in four ADG's (Assistant Director Generals') offices in FAO.
- C. Encourage FAO field staff informally to provide, on request, minor assistance to the Bank (and IC).

A. Make the IC's Deputy Director, PPL, Responsible for Helping Stimulate Director FAO/Bank Interaction

The task of bringing into the Bank knowledge of outside thinking, work and developments is one that in agriculture deserves special attention, given the priority of the sector and the amount of activity occurring in it. Because FAO --

the largest of the UN specialized agencies -- is becoming increasingly active in matters which also concern the Bank and conversely, it makes sense to have a specific assignment of responsibility for non-operational liaison between the two organizations.

We have recommended in Annex 4 that such responsibility be assigned to the proposed IC Deputy Director for Policy, Professional Development and Liaison. His other activities (as well as his proximity to the IC Director -- who chairs FAO's Interdepartmental Working Group on the CGFPI) will complement the liaison function. In Rome, he will be able to work with designated FAO contact points (see below); in Washington he will have the assistance of the CP Coordinator and the FAO Regional Office as well as access to the Director of CPS's Department of Agriculture and Rural Development. He should not seek to be a coordinator in the "exclusive channel" sense, but should be a catalyst to voluntary interaction, a point of consultation or "marriage broker" for staff of either agency who wish knowledge of the other's activity in a specific area. In general and as time permits he should:

- Keep staff throughout the Bank as fully informed as possible about all FAO activities of potential interest
- Bring to Bank staff members' attention in timely fashion -- i.e. before they begin a study or depart on mission -- FAO material of relevance, and the names of FAO staff (in Rome or the country) who may have useful knowledge of the subject
- Assure that the FAO liaison points (see below) are kept fully informed of Bank work of potential interest to FAO.

He would have no responsibility for Bank/CP operational coordination.

B. Designate Bank Contact Points in Four ADGs' Offices in FAO

FAO's ADGs in the Agriculture, Economic and Social Policy, Fisheries and Forestry Departments should each designate a staff member to be responsible (in addition to his other duties) for Bank contacts and liaison. This officer would work with the IC Deputy Director, PPL, to assure the exchange of work programmes, publications, special papers and the like and to see that his department's staff are fully aware of Bank activities of relevance. For FAO's Development Department, the IC Deputy Director, PPL, would be the contact point.

C. Encourage FAO Field Staff Informally to Provide, on Request, Minor Assistance to the Bank and IC

To the extent not incompatible with their primary assignments (in terms of deadlines, loyalties or confidentiality) FAO field staff should be encouraged to cooperate, on request, with the Bank and IC. They should do so with minimum formality in their personal capacities and not as representatives of FAO, the Bank, UNDP or the country government. A draft directive that could set the appropriate tone for this type of collaboration is presented as Attachment 1. The Bank should issue a complementary circular to its agriculture staff contemporaneously to advise them about the arrangements.

DRAFT FAO CIRCULAR

ASSISTANCE BY FAO FIELD STAFF TO THE WORLD BANK AND THE FAO/INVESTMENT CENTER

Introduction

A recently completed study of cooperation between FAO and the World Bank has highlighted the fact that FAO's large field-based store of experience and expertise in developing countries could more fully be brought to bear in the preparation, appraisal and implementation of projects financed by the World Bank. Where FAO and the Bank have collaborated in the field, both have usually been careful to keep the relationship at an informal level so as to avoid any problems of protocol.

Policy

In the interests of member countries, FAO has agreed with UNDP and the Bank to encourage greater collaboration in the field between FAO staff and Bank and IC missions, provided that the assistance requested by the Bank or IC and given by an FAO staff member does not conflict with his primary duties. Such a conflict might arise where the Bank-related work:

- Could jeopardize the timely completion of the staff member's own work;
- Is known to arouse national sensitivities which could prejudice the outcome of FAO-sponsored activities;
- Could endanger the confidentiality of materials or opinions to which FAO staff have had access in the course of their own work.

(The World Bank and the IC recognize that such conflicts may sometimes bar FAO field staff from giving the assistance requested.)

Procedures

1. Informal and Semi-formal Collaboration

Informal collaboration would be confined to the country of assignment of the expert and might involve requests to assist a World Bank or IC mission with the assembly of data, to accompany it on field visits, or to accept minor assignments, -- e.g. providing occasional advice to a local project preparation

team or, at Bank request, to the management of a Bank-financed project between or during supervision visits. In such cases, FAO staff would act as technical advisers to the Bank or IC but would remain wholly accountable to FAO and (where applicable) the Government of the host country. Normally, no reimbursement would be made by WB or IC for such assistance although where necessary UNDP through FAO could be reimbursed for per diem and travel expenses.

Staff members should use their discretion in deciding on the level of formality to be used in seeking Government clearance for the participation in such Bank-related activity if it lies outside their terms of reference. Any request for assistance from the Bank or IC which could cause problems of the type mentioned under "Policy," above, or would involve more than three man-days of work should be made (or, if not made, relayed) to FAO HQ. The latter will view favorably proposals for collaboration of this kind.

2. Formal Collaboration

Where comparatively large amounts of help are requested -- e.g. where the World Bank or FAO/IC requests the full participation of an FAO field staff member on a mission -- the Bank or IC accept responsibility for full reimbursement to FAO of costs (i.e. salary, expenses and travel). The FAO staff member becomes wholly accountable to the Bank or IC mission leader, must act as an individual adviser to him and cannot make any commitments on behalf of the host country or FAO. Authorization for such full-time participation in Bank or IC missions must be obtained in writing or cable form through the Operating Unit in FAO from:

- the FAO Project Manager;
- the UNDP Resident Representative (on advice of the SAA/FAO Country Representative) who will also certify that the Government concerned has no objection.

The World Bank may be able to assist in obtaining Government clearance for release of staff from their normal duties.

3. Communications with the World Bank

In order to improve the effectiveness of the contribution that FAO field staff can make to the World Bank's or IC's work, individual staff members are encouraged to correspond freely and

without formality with World Bank or IC staff provided that it is made clear that such correspondence is of a personal nature, implies no commitment on behalf of the host country or FAO, and does not jeopardize the staff member's primary assignment. Information copies of such correspondence should, where appropriate, be sent to FAO HQ and the Project Manager. Where an FAO position is stated, correspondence must be through formal channels.

UNDP AND WFP ASPECTSI. BANK "SPECIAL INTEREST" FAO-UNDP PROJECTSA. Assessment

Both the Bank and CP recognize that CP -- although designated as "watching agent" -- has had little impact on the approximately 30 FAO-executed UNDP projects in which the Bank has a declared "special interest". CP has not been involved in the selection of such projects and is not systematically apprised of the rationale underlying their selection. Moreover, what should be included in CP's role as "watching agent" has not been clearly agreed. Little time is devoted to the activity.

B. Recommendations

CP and the Bank need more systematic procedures for the selection and monitoring of "special interest" FAO-UNDP projects.

- With Bank advice, CP should develop proposed criteria for Bank "special interest" declarations.
- Based on those criteria, CP should routinely screen the FAO-UNDP projects to propose to the Bank (at the semi-annual Bank/CP reviews) "special interest" declarations as appropriate.
- CP and the Bank should agree, as a general matter, on the former's role with respect to Bank "special interest" projects and -- with respect to specific projects -- should agree where departures are anticipated from the general procedure (See Table 1 for our proposed procedure for IC monitoring).
- Annually, CP should report to the Bank on the status and work performed with respect to each "special interest" project, the average CP man-weeks expended per special interest project, and the time spent per Bank Region.

II. FAO-UNDP PROJECTS OTHER THAN BANK SPECIAL INTERESTA. Assessment

In total, there are approximately 600 ongoing FAO-UNDP large scale projects which cost roughly \$100 million/year. Roughly one third of them are "investment oriented". Whatever the

benefits of this FAO/UNDP technical assistance programme in the training of skilled manpower, accumulation of resource knowledge and creation of development ideas, the direct investment impact of pre-investment work has clearly fallen below reasonable expectations. By a recent staff estimate, the total investments directly resulting from FAO/UNDP pre-investment work have roughly equalled the cost of the pre-investment studies. While the specific ingredients of the estimate are arguable, there is no disagreement about the room for improvement.

(Despite the unimpressive overall record -- which, of course, could improve with time as more projects mature -- it should be noted that several FAO/UNDP projects have led directly to World Bank-financed projects (e.g. Yemen, Southern Uplands; Egypt, Tile Drainage) and many others have provided substantial inputs to support World Bank investment project preparation (e.g. Nepal, Terai Settlement; Brazil, Lower Sao Francisco Polders).

By funding one investment follow-up post in the IC, UNDP has acknowledged the need that exists to infuse a greater investment orientation into this important and potentially high long-term impact work. But it is clear that one man cannot adequately provide FAO's needed investment-oriented input to 200 on-going projects. Unfortunately, in our view, FAO's UNDP work today suffers from:

1. Inadequate investment-oriented intervention
2. Inadequate investment follow-up staff.

1. Inadequate Investment-Oriented Intervention. At present, the application to FAO/UNDP's so-called investment potential projects of the investment-oriented expertise that -- at relatively minor expense and dislocation -- could greatly increase their potential developmental impact is too late, far too sparse and too unsystematized. As a result, important opportunities for magnifying FAO/UNDP's investment impact are being foregone.
2. Inadequate Investment Follow-up Staff. It is not realistic to expect staff throughout FAO -- generally without an investment orientation or investment expertise -- to see that "investment potential" projects have the maximum investment impact compatible with development needs. Nor is it rational to rely on one qualified man in the IC

Service to accomplish this result for 200 such projects. Moreover, it is clearly impractical to expect the requisite infusion from staff located in UNDP's Regional Bureaux in New York which are not only remote from the executing agency and the project site but also lack the relevant sectoral expertise. Lastly, it is not normally possible to rely on project field staff for the requisite infusion, as most projects are too small to support a project economist and, even where this is not the case, a project economist would only in the rarest cases have a good knowledge of the requirements of major financing agencies.

B. Recommendations

To increase rapidly and to its fullest desirable extent the investment return from UNDP investment-potential projects (as well as other similar projects undertaken by FAO for bilateral donors through trust fund arrangements), it is necessary to:

1. Increase the staff devoted to investment infusion
2. Locate the staff in the Investment Center
3. Supply the needed infusions of investment orientation earlier and more systematically.

1. Increase the Staff Devoted to Investment Infusion. The IC central office has estimated that at least 6 man-years of HQ time are needed for an adequate infusion of investment expertise into the approximately 60 new investment-potential projects per year and the 200 that are ongoing. This estimate does not seem excessive, given the numerous points at which such infusion is desirable and the high possible returns. Whether the staff time other than field time (which now is chargeable to the projects) should be funded by UNDP (as with the present position), charged to the projects (perhaps through a flat fee or percentage), or borne by FAO as the responsible executing agency and recipient of the 14% UNDP management fee, is a question beyond the scope of this study. We do, however, recommend that the question be promptly resolved and that the necessary staff time be provided as soon as possible.

2. Locate the Staff in the Investment Center

- (a) Location. The additional staff effort we recommend should be located in the IC, but should consist of two full-time follow-up coordinators plus planned "slivers" (equivalent to perhaps 4 man-years per year) of the IC's nearly eighty investment-oriented specialists. In this way, the expertise brought to the task will have the full benefit of IC's critical mass; it will have sub-sector-specific knowledge in addition to the overall investment expertise that can make it most effective. Also, the constant and intensive exposure of IC people to the task of investment preparation and their continuing interaction with major financing institutions (Government, private and multi-lateral) will guarantee the focus that the task requires.

IC people -- whose principal job is to assist country nationals in preparing projects for investment -- should not find it difficult to assist FAO/UNDP people in the same task.

- (b) Management of the Infusion. It is most important, under our proposed "sliver" approach to the FAO/-UNDP investment infusion task, that the infusion effort be managed conscientiously and closely within IC so that the function does not become lost and the resources dissipated in the overall rush of other IC work. To assure this result, we have proposed having 2 UNDP Coordinators report to the IC Director. They would be responsible for selecting projects for investment infusion and arranging to have the infusions made at appropriate points. They would also assist personally as appropriate, in the early stages of UNDP programme formulation.

3. Supply the Needed Infusions of Investment Orientation Earlier and More Systematically. In Table 1, we display 18 steps in the UNDP project cycle and indicate the various points (there are more than 10 of them) at which an investment-oriented infusion should be considered. If properly staffed and managed, the utility of such an infusion should be evaluated at each such point in each investment potential project. The first opportunity occurs in the earliest pre-

programming stage, when project ideas are being considered by Governments, field staff and FAO's DDF. Then, infusions can be appropriate during the preparation of project documents and at the various key stages of implementation. Finally, a last contribution can be made through review of the draft final report. At any stage during the project's evolution, the IC might try to interest specific potential financing institutions in the project.

III. WORLD FOOD PROGRAMME (WFP)

A. Current Situation

1. WFP-FAO Links. WFP is institutionally separate from FAO, but FAO provides, on contract, the technical services to backstop the planning and implementation of WFP agricultural projects. FAO also provides personnel and administrative services. Aside from notable exceptions, IC involvement with WFP projects has been limited.
2. WFP Agricultural Projects. WFP prepares and approves some 50 projects annually, of which 20-25 are in the agricultural sector and 10-15 might be classified as having non-food investment implications. Although there is no systematic orientation of WFP projects towards non-food investment goals, several have already been associated with Bank follow-up investments (e.g. Egypt, Tile Drainage; Ethiopia, Resettlement).
3. Investment Potential. In contrast to the UNDP, WFP has no system for classifying its projects according to their non-food investment implications.
4. Investment Opportunities. Based on the present level of resources at the disposal of WFP, investment opportunities in projects assisted by it should be considerable. The Programme expects to commit approximately \$300 million during the year 1975, mostly for agricultural development projects of one or two years duration. In terms of quantities, WFP hopes to move at least one million tons of food. Among the new projects will be major schemes in Egypt (Land Reclamation, Settlement, Tile Drainage), South East Asia (Rural Rehabilitation Works, Construction or Improvement of Roads, Canals, etc.), Central America (Production of Basic Grains), Tunisia (Rural Cooperatives) and Pakistan (Watershed Management). In several of these

new projects as well as in smaller projects of a more pilot character, WFP food input could be complemented with World Bank or other investment. Likewise, World Bank projects could be examined with a view to identifying areas for complementary WFP food inputs. Institutional arrangements are needed whereby WFP-FAO-IC-WB are likely to identify suitable opportunities for collaboration at an early stage.

B. Recommendations

We recommend that possibilities be explored between WFP, FAO, IC and IBRD for instituting more formal arrangements both for bringing investment expertise to bear on WFP-assisted agricultural projects and to incorporate food inputs, where desired, in World Bank assisted investment schemes.

Given the nature of WFP's resources, it is likely that food will usually be a secondary input in what are primarily investment schemes, rather than the leading resource to be supplemented with non-food investment of the kind usually provided by the Bank.

C. Possible Procedures

1. WFP Projects. WFP (Project Management Division) should consider as a matter of normal project processing any possibility for non-food investment, as should the WFP/FAO Liaison Unit which receives all agricultural project requests for technical scrutiny. Proposals for non-food investment should be screened by IC who would then take the necessary follow-up (contact potential investors, arrange for participation in appraisal missions, etc.). In cases in which WFP projects are designed as pilot schemes for potentially larger non-food investment programmes, investment orientation could be provided by arrangement with the IC, as in the case of UNDP projects. A system to enable financing institutions including the Bank to declare "special interest" in these projects might also be introduced.
2. Bank Projects. When CP becomes aware of proposed Bank agricultural projects which might profit from complementary food inputs, it should bring them to the attention of WFP.

3. Institutional Arrangements and Funding. Arrangements for staffing and funding of IC inputs into WFP projects should be negotiated between WFP and FAO. For Bank "special interest" WFP projects, arrangements similar to those proposed for "special interest" UNDP projects should be instituted by CP with Bank agreement.

PROPOSED IC ROLE IN FAO/UNDP PROJECTS

<u>Phase</u>	<u>Step</u>	<u>Action by FAO</u>	<u>IC Role</u>
<u>Formulation</u>	1	Government and FAO Technical Divisions generate project ideas	Propose projects; review project proposals for IP; suggest modifications
	2	FAO (DDF) assembles pipeline ideas; assists Government and UNDP to define projects	Comment on overall investment implications. Indicate operational implications for investment orientation
	3	UNDP Res.Rep. negotiates pipeline with Government, and develops multi-sectoral country programme, classifying projects for IP	
	4	UNDP Res.Rep. forwards draft country programme to FAO (and Banks) for comment. FAO (DDF) seeks Divisions' comments. Banks indicate "special interest"	As for 2 (above)
	5	UNDP Res.Rep. finalises country programme	
<u>Approval</u>	1	Government submits country programme as T/A request to UNDP HQ	
	2	UNDP presents country programme to its Governing Council	
	3	After approval the document is accepted as a joint Government/UNDP programme	
	4	Executing agencies are assigned responsibility for preparing project documents. For small-scale projects this is a desk elaboration of the country programme description. For large projects, FAO may provide preparatory assistance (6-12 months) for detailed planning in the field. Project documents may include an IPPA	DDF involves IC in preparing project documents including IPPA. A field visit may be necessary. IC may alert financiers
	5	Project documents are signed by UNDP, FAO and Government. FAO (AGO) assumes operational responsibility	
<u>Implement- ation</u>	1	FAO (AGO and Technical Divisions) select and appoint project managers	Advise on selection if IPP project
	2	Project staff are briefed at FAO HQ	Brief IP project managers/economists
	3	Bi-annual and technical reports are submitted by project to FAO	May review for IP projects
	4	Project staff visit Rome and IC missions visit project country (for other purposes)	AGO may advise IC to contact project
	5	UNDP mounts <u>ad hoc</u> or mid-term review mission to project	Participation desirable for IP projects to set framework for IPA report
	6	Project submits draft final report for FAO review	Comment and propose adjustments
	7	Project submits final report	Contact financiers
	8	Occasionally UNDP mounts end-of-project, follow-up planning missions	IC participation desirable

BUDGETARY AND STAFFING IMPLICATIONS

The growth rate of CP will depend on the demand for its services, trends in its productivity and other factors outlined in Paragraph 91 of this report and in Attachment 2 of Annex 5.

Important to the growth rate will be the extent to which productivity gains are realized directly through an increase in CP output per man-year or indirectly through an improvement in the quality of CP's work that brings about long-term productivity gains for the Bank and FAO. We have recommended the latter option and detailed some of the relationships in Paragraph 90 of the report.

Also important to gauging the impact of our recommendations on CP's size will be the relationship of "down-time" to the professional development and direct FAO support activities we have proposed. Although bus-stopping is more economical for the CP than paratrooping -- as the missions tend to be smaller and CP's report writing burden lighter -- it could (because of travel constraints) raise the level of down-time.

If the current and likely rates of operationally unusable down-time exceed the time needed for professional development and FAO support, these activities will entail little additional cost or growth. On the other hand, to the extent the time exchanges we have proposed effectively convert down-time to operationally usable time -- by yielding a future FAO mission participant in place of a currently idle CP staff member -- the proportion of down-time available for professional development and direct FAO support will shrink.

Because of the problems of time reporting that have been described, we (and CP) have not been able accurately to measure the level of down-time. Consequently we cannot confidently gauge the additional cost, if any, of concerted professional development and direct FAO support. We can, however, hypothesize that if the former is properly done it will (in addition to improving quality) increase productivity by more than enough to offset its entire cost. The latter, if properly done, should yield immediate benefits to FAO well in excess of the total cost to CP and -- to the extent it increases the frequency with which FAO activities create a practical basis for investment -- will also yield major long-term benefits to the Bank and, of course, to the member countries of both organizations.

To suggest illustratively some of the factors and magnitudes that might be involved, we attach a table of some of the more significant staffing and productivity implications of this report. It assumes the present volume of work and level of CP budget.

Even with a constant budget, the staff size of CP could expand significantly. Time exchange is likely to cause an increase in CP's staff at the expense of its consultant budget. UNDP, World Food Program and Trust Fund investment infusions will result in staff increases which are financed outside the CP budget.

Given all the factors and constraints that exist and the time lags implicit in the budget process, our guess would be that the CP's budgetary growth rate in the next several years would fall between 5 and 10 percent annually (in constant prices). The growth rate of staff would exceed that -- by a margin dependent on the growth rates of time exchange and reimbursed investment infusion.

Overall, we would expect that there will be significant increases in the demand for, and scope of CP service, in the productivity of CP, and in the quality and impact of CP work.

SOME BUDGETARY, PRODUCTIVITY AND STAFFING IMPLICATIONS OF MAJOR RECOMMENDATIONS*

ANNEX 8
Table 1

<u>CHANGE</u>	<u>RESULTS</u>	<u>ESTIMATED STAFFING IMPACT ON CP**</u>	<u>COMMENTS</u>
1. <u>Time exchange</u> with FAO and non-CP IC	CP staff increasingly engaged in non-CP work; greater likelihood of FAO men on CP missions	+ 4	No net additional cost despite estimated need for from 3-6 new positions. Positions financed from CP consultant budget and FAO reimbursements; FAO staff input offsets reduced CP usage of consultants.
2. <u>Additional Deputy, CP Operations</u> and Secretary	More top level management time to provide leadership, liaison, quality control, etc.		No immediate cost if Director assumes these responsibilities at the expense of his external duties
3. <u>Senior Specialists</u> (25% of perhaps 8 men)	Improved professional development and technical leadership will help the staff mature faster and become more productive and effective. The production time for policies, guidelines, etc. should be more than offset by resulting reduction in report writing and review time, more useful reports.	+ 2	
4. <u>Emphasis on professional development</u>		- 2	Assuming resulting 5% decrease in overall report writing time
5. <u>More guidelines, models, formats</u>		- 3	Assuming resulting 5% increase in overall productivity.
6. <u>More routine project definition</u> by CP prior to preparation	Small number of additional missions and reports; briefer reports, but easier more efficient preparation	+ 1	Perhaps savings to the Bank from avoidance of CP "false starts," mis-directed effort; reduction in post-preparation "drop outs."
7. <u>Issues Paper</u> replaces BTO	Early Bank input will reduce the likelihood of CP's work being subsequently altered or rejected	- 2	Assuming resulting 5% increase in productivity of report writing
8. <u>Yellow Cover Clearance</u> by Bank eliminated	Reduction in lapsed time from report completion to country receipt and in CP waiting and revising time.	- 1	Savings for Bank of perhaps 1 man-year (after subtracting time to comment on Issues Paper)
9. <u>More bus-stopping</u>	Smaller more frequent missions, multi-project missions, but countries assume much of report preparation burden	- 3	A guess, as rate of increase cannot be predicted but productivity with bus-stopping appears to be more than 30% higher (See Annex 2, Table 1)
10. <u>Participation in Bank appraisal and supervision missions</u> (in lieu of Bank staff or consultants)	Time lost to CP work somewhat offset by more effective identification and preparation. (Present 7.75 CP man-years per year should be more evenly distributed among CP staff). Gross requirement is 10-11 man-years, i.e. a net increase of 3 man-years.	+ 3	No supplementary cost to WB or FAO -- although total cost should be shown in CP budget -- as CP staff replace Bank staff or consultants and WB pays full cost of CP staff on Bank missions. Probable long-term quality and productivity gain from resulting professional development, increased convergence of Bank and CP views.
11. <u>Direct FAO Support</u>	Working group, seminar participation; preparation and review of papers; advice and assistance	+ 2	Benefits accrue mainly to FAO, but also -- in the long term -- to Bank through increased project recognition and FAO investment impact. No net direct cost to FAO. Cost to CP depends on relation to down-time, the present level of which is unknown.
12. <u>UNDP and WFP infusion</u>	Increased investment pay-off far in excess of additional input	+ 6	Possible 6 additional man-years in IC, but they would be funded externally -- i.e. by UNDP, WFP, or FAO.
13. <u>Third service chief</u>	Improved service management	+ 1	The productivity gain from enhanced managerial capacity will more than offset the additional overhead cost.
14. <u>Improved administrative support services</u> (including creation of 3 Operations officers)	Reduced administrative burden on managers, faster word processing, better use of available data	- 3	3 junior professional and 7 new GS positions offset by reduction of 9 present GS posts (working paper furnished separately to IC management), release of service chief time for non-administrative tasks. 5% productivity increase likely from improved support and reduced administrative distraction of managers.
15. <u>Improved management systems</u> -- i.e. project generation planning, time-tableing, time reporting, programming, budgeting	Better resource utilization and improved Bank/CP relationships	+ 1	The cost of planning and coordinating systematically probably is less than the present cost of improvisation. The cost of good time reporting is additional, but compensated by resulting increases in the capacity to plan, manage and control.
Total increase in professional staff (excl. item #12)		C	

* This table is highly conjectural and should not be regarded as anything more than a suggestive aid to contemplation of some of the productivity and cost implications of our principal recommendations.

** Based on present size and workload.

BASIC REFERENCE DATA

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BASIC REFERENCE DATA

1. WHAT CP DOES IN RELATION TO BANK ACTIVITIES

Primarily, CP helps developing countries identify and prepare projects that the World Bank can then appraise and finance.

In the following, we summarize quantitatively:

- A. The relationship of Bank and CP effort
- B. CP's impact on the Bank's approved lending program
- C. The distribution of CP mission days by subsector and within Regions
- D. The distribution of CP subsector effort among Regions
- E. The distribution of CP mission days among activities
- F. Other activities

A. Relationship of Bank and CP Effort (Tables 1 and 2)

1. While in FY 1974 only 18% of Bank agriculture time was consumed in preappraisal work, 84% of CP's mission days were for pre-appraisal -- 50% for preparation, 34% for identification/reconnaissance. The Regional distribution of these efforts was as follows:

	<u>CP Mission Days for Preappraisal</u>		<u>Bank's Preappraisal Time</u>
	<u>Preparation</u>	<u>Ident./Reconn.</u>	
South Asia	43%	16%	15%
East Asia	26	20	17
EAf	11	9	22
EMENA	9	21	19
WAF	6	1	6
LAC	4	34	21
	99	101	100
All Regions' % of Total	50	34	18

2. WAF's low usage reflects its small share -- 6% -- of total Bank preappraisal effort and the extensive use of FAC by WAF countries. Their use of CP is expected to increase as the proportionate reliance on FAC decreases.
3. EAf's use is held down by the presence of Regional Mission in East Africa, Nairobi; but is still significant in forestry and in francophone countries.
4. LAC's low usage for preparation and high usage for identification/reconnaissance in FY 1974 may reflect the technical capabilities of many countries of the Region, but also is at variance with the five year totals.
5. Economic and sector work consumed 11% of Bank effort and 2% of CP's mission days in FY 1974.
6. Appraisal work consumed 12% of CP's mission days and 34% of that was for the S. Asia region.

B. CP's Impact on the Bank's Approved Lending Program (Table 3)

1. Of the 164 agriculture projects approved by the Bank's Board from July 1972 through February 1975 CP had assisted in the preparation of 65, (37%) --

	%	No.
EMENA's	61%	17
South Asia's	52	12
LAC's	46	12
East Asia's	30	7
EAF's	25	8
WAF's	23	9

Because many of the non-CP-assisted projects in the period were repeaters or prepared through "piggy-backing", the 37% figure significantly understates CP's impact on new project work in agriculture.

2. By subsector the pattern varies widely:

Fisheries	86%
Irrigation	51
e.g. South Asia's	100%
EMENA's	83
East Asia's	14
Livestock	50
Area/rural development	19
e.g. South Asia's	100
EAF and East Asia's	0%

3. The overall trend of CP's contribution is upwards in South Asia, downwards in East Asia and Africa; unclear in EMENA and LAC.

CONT....

C. Distribution of CP Mission Days by Subsector and Within Regions (Table 4)

1. Most CP mission days in FY's 1972-74 were used in:

Area/rural development	27%
Irrigation	18
Forestry	10
2. In LAC, 56% of CP's mission days for the Region were for area/rural development in the three year period, 80% in FY 1974.
3. In East Asia, 22% were for area/rural development in the three years; 43% in FY 1974
4. EMENA's and South Asia's largest shares in FY's 1972-74 were for irrigation -- 38% and 23% respectively.

D. Distribution of CP Subsector Effort Among Regions (Table 5)

1. In area/rural development, the greatest share of CP mission days has consistently been devoted to LAC -- 45% for FY's 1972-74.
2. In irrigation, EMENA had a disproportionate share (76%) in FY 1973 as did South Asia (56%) in FY 1974; East Asia's usage has been negligible.
3. In forestry, South Asia used more than half (71%) in FY 1972 and 1973 (61%); East Asia (37%) and EAF (40%) were heavy users in FY 1974.
4. In education, EAF has been a disproportionately heavy user -- 27% for FY's 1972-74; South Asia's use has been erratic -- 66% in FY 1974, 0% in 1973.
5. Credit days went 72% to LAC in FY 1972 and 92% in FY 1973 but dropped to 7% in FY 1974.

E. Distribution of CP Mission Days among Activities (Table 1)

Over the past five years, CP mission days have been expended as follows:

	<u>FY '70 - '74</u>	<u>FY '73</u>	<u>FY '74</u>
Preparation	55%	67	50
Ident./Reconn.	25	16	34
Appraisal	9	8	12
Economic/Sector	8	7	2
Supervision	1	1	1
Other	2	1	2

1. Regional usage patterns have varied widely from year to year; LAC, for example, used 78% of its for identification/reconnaissance and 13% for preparation in FY 1974, while in FY 1973 the proportions were reversed -- 12% and 78% respectively.
2. Usage patterns over time within each activity also fluctuated widely in the larger regions (Table 6):

	<u>Share of CP Mission Days on Preparation</u>			<u>Share of CP Mission Days on Identification/Reconnaissance</u>		
	<u>FY '74</u>	<u>'73</u>	<u>'72</u>	<u>FY '74</u>	<u>'73</u>	<u>'72</u>
East Asia	26%	9%	12%	20%	35%	6%
South Asia	43	26	28	16	21	0
EMENA	9	26	39	21	19	16
LAC	4	30	11	34	19	66

F. Other Activities

CP also is responsible for:

1. Overseeing FAO-executed UNDP-funded projects in which the Bank has declared a "special interest"
2. Advising the Bank on request -- both directly and, as appropriate, on FAO's behalf -- with respect to policy statements issued, needed, or in preparation
3. Assisting the Bank in locating suitable FAO staff for special assignments
4. Formulating Project Preparation Guidelines
5. In general, but as one of many channels, helping assure that the Bank and FAO become more fully aware of each other's activities, concerns, resources and constraints.

II. APPROACHES TO PROJECT PREPARATION WORK

In this section on approaches to project preparation work we discuss in turn:

- A. Sources of preparation assistance
- B. Preparation for preparation work
- C. The preparation task
- D. Methods of assisting preparation
- E. Relationships during the preparation process

A. Sources of Preparation Assistance

1. Country Responsibility. Unlike appraisal, which is a non-delegable Bank responsibility, preparation is properly and primarily a country responsibility.
2. Assistance Required. Occasionally projects suitable for Bank appraisal and financing have arrived from countries without any prior form of external assistance, but usually some form of preparation assistance is required.
3. Numerous Sources. Preparation assistance can be funded or provided from numerous sources:
 - (a) Bilateral donors (e.g. FAC, USAID)
 - (b) UNDP
 - (c) A UN specialised agency
 - (d) Consultants - either separately, in conjunction with another source or through "piggy-backing" on an existing Bank-financed project
 - (e) The Bank itself (whether from Washington or a field post)
 - (f) A "cooperative program" between the Bank and another agency

B. "Identification" Work

Before the Bank can consider measures towards the provision of needed preparation assistance, it must identify a potential project which it might be prepared to finance.

1. "Identification". The term "identification" is usually used loosely (with some resulting confusion) to encompass three activities:
 - (a) Project Recognition. Recognition of a project idea as potentially viable and consistent with country desires
 - (b) Project Selection. Selection of a project for preparation (and perhaps pre-preparation) work with a view to Bank financing -- because it seems to be the best available combination of intrinsic merit, country support, and consistency with Bank assistance strategies
 - (c) Project Definition. Development of a selected project idea to the point at which it is prudent and efficient to commit the level of resources necessary for detailed preparation.
2. Purposes of Project Definition. The purposes of project definition are to:
 - (a) Reach a decision that further detailed preparation work is justified
 - (b) Identify major issues, options, and alternatives and make some initial choices.
 - (c) Establish a broad range of financial magnitude for the project
 - (d) Establish a preliminary preparation program.
3. Bank "Identification" Systems. Reconnaissance missions and country sector work are routine means of project "recognition", but much recognition also occurs through other means (such as supervision work). Project "selection" is often a result of country economic sector work and Bank country programming systems. "Project definition", the least systematized of the three, is sometimes hastily or superficially done and sometimes not done separately at all -- i.e. merged with the detailed preparation work.
4. Pipeline Planning. Attention paid to the planning of selection, project definition and preparation work varies widely from WB division to division; there is no Bank-wide or agriculture sector-wide system for planning project generation work and no consistent pattern of assigning responsibility within divisions to see that it gets done.

C. The Preparation Task

1. Creative Aspects. Although the judgments made during preparation are not irrevocable (in contrast to those made at appraisal), preparation work is widely considered by Bank staff to be the most difficult and creative aspect of the project cycle.
2. Preparation's Purpose. The purpose of project preparation (in the Bank context) is to develop a project concept to the point at which it is ready for Bank appraisal and -- with minimum change -- subsequent approval for financing. This ideally requires development of a project design that satisfactorily resolves all major technical, economic, financial and managerial issues (although -- because of broader implications which may not be susceptible to resolution until appraisal -- the latter may sometimes have to be addressed through options).
3. Purposes of Preparation Assistance. The purpose of preparation assistance is not only to enable a country to develop a suitable project for financing and to present in its loan application the required technical, economic and financial justifications, but also to:
 - (a) Assure that the country fully understands the project
 - (b) Help bring about full country commitment to the project, and
 - (c) To the extent feasible, leave the country better able in the future to prepare its own projects.

D. Methods of Assisting Preparation

1. Three Methods. The joint task force found it useful to distinguish among three methods of assisting countries in project preparation. In practice, the differences are differences of degree.
 - (a) Paratrooping. Typically, the "paratroop-style" preparation assistance team will spend four weeks in the country, summarize their early findings to key country officials at the end of the visit and then return to HQ to write the preparation report.
 - (b) Bus-stopping. The "bus-stopping" approach typically entails an initial visit to map out work to be done by a local preparation team, followed by periodic visits to review progress and provide assistance and perhaps by a final visit to help with "packaging" a report written principally by the local team. A variant of "bus-stopping" could be termed "shuttling" in which the visits (often from a regional field post) tend to be much shorter and far more frequent.

- (c) Squatting. Typical of bilateral donors and UNDP, the "squatter" approach entails residence in the country of an expatriate who sometimes may have technical assistance duties beyond preparation assistance.
2. Present Patterns. For the 60 projects whose preparation was completed in calendar years 1973 and 1974, CP averaged two missions per project. 32% had one mission, 48% two missions, 12% three missions and 8% had four or more. (See Table 1 of Annex 2) From the World Bank's regional mission in Nairobi, it is not unusual to have six or more missions to help with preparation. Of FAO's UNDP-funded projects involving "squatters" overseas, approximately 25% are estimated to entail investment potential.
3. Consensus. There is wide agreement that:
- (a) If the speed of project preparation were an overriding consideration the paratroop approach would be best
 - (b) Paratrooping sometimes is the only feasible approach
 - (c) Speed of preparation should only in rare cases be a paramount consideration -- given the possibilities for advance planning and the disadvantages of cutting preparation corners
 - (d) Bus-stopping tends to improve country understanding, commitment and capabilities -- and hence implementation.

E. Relationships During the Preparation Process

1. Prime Responsibility to Country. No matter who is providing it (e.g. a Bank resident mission, consultant, CP) or what method is used, Bank-related preparation assistance is primarily and properly a service to and for the benefit of the developing country. While the pressures and constraints inherent in the objective of developing a project that meets Bank standards -- combined with the knowledge that the Bank is at least partially financing the preparation assistance effort -- may sometimes create an apparent duality of accountability, CP and Bank staff are close to unanimous in acknowledging the prime and immediate responsibility to the country.

2. Fiduciary Role. Responsibility does not mean subservience. As in any fiduciary relationship, the provider of the service (e.g. CP) is responsible for exercising independent professional judgments -- i.e. for resisting pressures to do or recommend things which are considered unsound -- and, in the case of CP, for rendering advice as to what the Bank may or may not find acceptable.
3. Bridging Procedure. A common procedure, widely approved in both institutions, is for one member of the CP team that was involved in preparation assistance to be present during the first week of the related appraisal mission, to help the country describe and defend the project to the Bank team and to accelerate the Bank team's comprehension of alternatives and issues.

III. BANK/CP OPERATING PROCEDURES

In this section, we briefly outline present Bank/CP operating practices and procedures affecting:

- A. Country economic/sector work
- B. Project "identification"
- C. Project preparation assistance
- D. Project appraisal and supervision

A. Country Economic/Sector Work

CP's occasional participation in country economic/sector work is through provision of staff members to Bank-led missions (or facilitating arrangements for FAO staff to participate) except that in a few instances, CP has mounted and led sub-sector analyses (e.g. Forestry and Livestock in West Africa).

B. Project "Identification"

1. Project Recognition. CP occasionally participates in Bank-led reconnaissance missions and sometimes leads its own on a sub-sector level of detail (e.g. Irrigation in Ghana, Fisheries in Indonesia.) Also, it can lead and conduct overall agricultural reconnaissance missions (as in Turkey).
2. Project Selection. This is a non-delegable Bank function -- there is no formal role for CP except to the extent that selection decisions may be implicit in reconnaissance and sub-sector analyses.
3. Project Definition. CP frequently does project definition work, usually as a prelude to its own preparation work. The so-called identification reports are subject to the same procedures as preparation reports (see below), except that the pre-preparation Bank/CP dialogue tends to be somewhat fuller where there has been a project definition stage than in those cases where the stage has been omitted. Project definition work, however, frequently does not result in a comprehensive report.

C. Project Preparation Assistance

Essentially, the normal preparation assistance procedure is as follows. (Further quantitative data are provided in Tables 11:6 and 11:7.)

1. Pre-mission Procedure

- (a) CP prepares draft terms of reference at Bank request (often made in the CP/Bank semi-annual coordination meeting).
- (b) Bank clears or comments on terms of reference and approves staffing; mission does preparatory work in Rome (average of 4.5 man-weeks, 2.2 weeks lapsed time); mission departs. (On average, a CP mission has 5 members, 1.3 of whom are consultants. An average CP staff member goes on 3.2 missions per year.)
- (c) If the mission is for LAC, it will usually step in Washington for consultation en route; if it is to another region, Washington consultation may still occur in special cases. (Prior to or during each first CP mission on a sample of recent projects, there was mission leader/Bank dialogue in 96% of cases; when there was such dialogue, 58% was "face-to-face").

2. Post-mission Procedure

- (a) When the mission returns (usually via Washington from LAC) it prepares a Back-to-Office Report which is circulated in the CP with a copy to the Bank. Where no preparation report is necessary, usually a "Back-to-Office-and-Full-Report" is prepared. (The field work -- including Washington stop-over as applicable -- lasts an average of 4.6 weeks).
- (b) Occasionally (e.g. where there may be particularly interesting issues), the CP will hold a "debriefing" session for its Rome staff, based on the Back-to-Office Report.
- (c) Occasionally, the Bank will comment on the Back-to-Office Report -- especially if it has highlighted key questions concerning which guidance is sought.
- (d) Where, as is usually the case, there is to be a CP preparation report, the mission writes it. (The report writing, through release to the Bank of the yellow cover, consumes an average of 8.1 weeks or 24 man-weeks).

IV. INTERNAL MANAGEMENT OF THE IC

We outline in turn IC's present:

- A. Structure
- B. Work programming, scheduling and control
- C. Staff development
- D. Administrative support

A. Structure

Located in the Development Department of FAO, the Investment Centre consists of the FAO/WB Cooperative Programme which has two regional services (Service I covers Europe, the Middle East, North Africa and Latin America; Service II covers West Africa, East Africa, South Asia and East Asia/Pacific), and a third unit which serves cooperative programs with IDB, AsDB and AFDB and manages the "Bankers' Programme" *. Each CP Service is headed by a Service Chief and has a position for a deputy chief. These Services have 31 and 29 on-board professional staff respectively. Bank approval is required for all new appointments. The IC Service unit is headed by a Coordinator and has 7 professionals on board at HQ as well as several outposted staff. The "front office" of the Investment Centre has a Director, a Deputy Director, and two Senior Advisers, one of whom is now engaged primarily on work for CGFPI. The Programme Coordination and Administration Office has 3 professionals and consists of four sub-units: Documents, Personnel, Budget and Finance, and Registry (files).

B. Work Programming, Scheduling and Control

Essentially, CP's work programming and scheduling are driven by Bank needs. Semi-annually, the CP Service Chiefs and Director confer in Washington with Bank Assistant Directors and Division Chiefs (in the presence of the CP Coordinator) to discuss the future work to be done by CP. Decisions about what CP will do and when are unavoidably as much a result of the anticipated availability of particular sub-sector specialities (with the right language competence) as of overall more abstract criteria. Travel schedules are then produced by CP each month by project and staff member. Changes (mostly Bank requested) are frequent. No project timetables as such are printed. Financial control is exercised using the FAO-wide system. The Bank's time reporting system is in place but not used (or not usable) for management purposes.

* The Bankers' Programme involves 15 national development banks and 16 national and private financing institutions in developed countries.

C. Staff Development

For professional staff development, reliance is placed primarily on on-the-job training during missions. There are also occasional seminars, formal discussion meetings, debriefing sessions and -- to a diminishing extent -- semi-formal meetings of staff members with the same technical speciality. There is no formal orientation for new employees of the IC, no employee performance evaluation system and no conscious planning for staff development.

D. Administrative Support

1. By FAO. Under its agreement with the Bank, FAO-proper provides to the IC space, personnel services, financial services, reproduction services and office maintenance, supplies and equipment. Space is extremely limited and report reproduction facilities are primitive for the work volume involved.
2. Within the Services. Secretaries are provided to the services on a ratio of about one secretary for two professionals. CP's services also have statistical assistants; 1 in Service I, 2 in Service II.
3. Program Coordination and Administration Office. The IC's Program Coordination and Administrative Office is responsible for travel arrangements, recruitment, budget and accounting, time-reporting coordination, files, report production and the Documents Unit.
4. Front Office. Reporting to IC's Director are a Reports and Liaison Officer and a cartographer.

V. CP STAFFING AND COSTSA. Staffing

1. Size. At the end of 1974, CP had 69 professionals (75 authorized) and 47 secretarial/clerical staff (53 authorized). Of these, the "Program Coordination and Administrative Office" (PCAO) had 3 professionals and 12 general services. In addition, the Investment Centre "Service" (now called "Central Office") had 10 professionals (2 -- 4, as of May 1, -- worked with IDB in Washington, 1 with the Africa Development Bank in Abidjan (2 as of May) 1 worked on the Asia Development Bank, 1 on UNDP activities, 1 on the Bankers' Programme and one report and liaison officer) and 6 general service staff (of which 3 were working in the PACO and included in the PCAO general services total).
2. Growth of CP. From July 1971 to December 1974 CP staff grew by 19% (from 58 to 69) while Bank agricultural staff grew by roughly 70% (from 120 to 205). In the same period, total CP man-years -- staff members plus consultants plus CP funded FAO man-years -- grew by roughly 23%. The proportion of total CP-furnished man-years (excluding consultants) to total Bank agriculture staff declined from 53 to 37. (See Table 7)
3. Origin of CP staff. In the 5 years from 1970 through 1974, CP recruited 52 people: 46% came from FAO, 35% had been consultants, 19% had some other background. (See Table 8.) Their median age at recruitment was 41 years. The average tenure of today's CP staff members is just under 5 years, though nearly one in five has been in CP since its inception. Over the past 4 years, the level at which CP has "borrowed" FAO staff (on a reimbursable basis) has stayed at approximately 7 man-years per year.

B. Costs

1. Cost Sharing. The Bank/FAO 75%/25% cost sharing arrangement for CP does not fully describe the relative cost of CP staff to the Bank. At FY'74 price levels, a man-year of CP staff time cost the Bank in total 36% less than a man-year of Bank projects staff time; 20% less than a man-year of Bank consultant time. (Bank : US\$61,100/man-year; CP : US\$39,120; consultant : US\$49,100). The CP man-year cost FAO a total of US\$18,325, a figure that would increase by about US\$6,000 if the office space occupied by CP were not provided free by the Italian Government* (see Table 9).
2. Travel Cost. Because Rome is closer to most developing countries than Washington and FAO's travel rules somewhat different than the Bank's, there is a further significant cost consequence. If (based on 1974 data) CP's mission travel, which is more extensive per capita than the Bank's, had been done from Washington by Bank staff, the total additional annual cost would have been about US\$403,000 or roughly US\$5,000/man-year -- see Table 10. (It is true that the difference would have been

* The IC is likely to be relocated soon in a separate, rented building.

reduced slightly by a decline in CP/Bank Rome/Washington travel for coordination purposes, but this could well have been offset by an increase in the need for such travel to help coordinate the Bank and FAO proper in the absence of CP).

VI. CP RELATIONS WITH THE REST OF FAO

There is significant interaction at all levels between CP and the rest of FAO, but it is usually based on personal relationships (as more than half of CP's staff come from FAO). Little of it is planned or systematic and most of it is for CP's benefit. We explored the nature of such interactions through a questionnaire to CP staff. (The aggregated responses are displayed in Table 11.) Below, we summarize:

- A. Director's contacts
- B. Working Group participation
- C. Staff contacts
- D. Contacts in the field
- E. Contacts by Non-CP IC

A. Director's Contacts

IC's Director participates fully in the management of FAO. He is a member of The Director-General's Policy, Planning and Advisory Board (PPAB) and has recently been appointed Chairman of FAO's Inter-Departmental Working Group for the CGFPI.

B. Working Group Participation

1. Inter-Divisional Working Groups (IDWGs). CP belongs to 10 IDWGs and Steering Committees (See Table 12), but is regarded by FAO as a reluctant participant except when there is an explicit investment objective (e.g. the Pulp and Paper Study). The CP contribution -- partly because of extensive travel -- also suffers from a lack of continuity of representation.
2. Joint Groups. "Joint Groups" between the IC and the Fisheries and Forestry Departments have been set up to act as task forces to identify investment projects. The CP/Fisheries Group meets regularly and is considered highly productive by both parties. The CP/Forestry Group has not yet met but is intended to formalise important existing informal relations.

C. Staff Contacts in Rome

1. Quantity. The average CP staff member spends almost 8% of his work time interacting with FAO. He averages 1.5 contacts per week, 70% of which -- in the aggregate -- are informal.
2. Quality. According to mission leaders, 95% of these contacts are either "very useful" or "useful". CP staff consider their capacity to tap FAO HQ as either "vital" (17%) or "important" (59%).

3. Nature. CP's main contacts are with the technical Departments (e.g. Agriculture, Forestry and Fisheries) (54%), and Divisions of the Economics and Social Policy Department (25%): 51% of the interaction time is intended primarily for Bank or CP benefit; 21% is intended primarily for FAO benefit; the balance is seen by CP as being for mutual benefit. The contacts are predominantly for technical advice (28%), country advice (16%) and data (15%).
4. Other Contact.
 - (a) FAO Input. FAO staff provide about 7 man-years/year of service to CP -- about 30% of its consultant-budget-funded effort.
 - (b) CP Contribution. CP in 1974 had 10 formal but not reimbursed assignments exceeding one week to FAO, totalling 29 man-weeks of which 50% was in the field. The CP time formally loaned to FAO was roughly one-tenth of the FAO time received by CP.
 - (c) Professional Development. CP staff make considerable use of FAO publications (particularly of an economic and statistical nature) and sometimes attend seminars and technical meetings organized by FAO.

D. Contacts in the Field

A side benefit of the relationship not to be overlooked is the use -- usually informal -- of FAO field staff. FAO field staff in 1974 numbered roughly 2,200 on UNDP-funded activities and 780 on other programs. With respect to 27 of CP's most recent missions (as of 4/25/75), there were 48 "contacts" with FAO field staff, 30 of which were described by CP staff as "extensive". Of the total, CP considered 94% "very useful" or "useful". (See Table 11:2.)

E. Contacts by IC Service

The IC Service makes relatively heavier use of FAO's resources than the two Bank-related services for at least the following reasons:

1. Bankers' Programme. The Bankers' Programme, with its "commercial" approach to development financing and interest in agro-industries, has established close links with the FAO Industry Cooperative Programme.
2. FAO Regional Office Funding. Some of the IC Service's activities are financed by funds administered by FAO regional offices, staff of which sometimes participate in the missions.

3. UNDP. The UNDP-financed post for investment follow-up is located in the IC Service.
4. Staffing. The IC Service is staffed mainly by economists and project analysts whose need for FAO technical input is greater than that of the more specialized CP staff. FAO staff are invariably involved in reviews of IC reports.

VII. FAO/BANK RELATIONS NOT INVOLVING CP

The CP has not been and should not be an exclusive channel for relations between the Bank and FAO. In some cases the CP has promoted new links while in others extensive coordination has occurred with no CP involvement. Points of FAO/Bank interaction, outside the formal ACC heads-of-agency meetings, include the following (See also Table 13):

A. Formal Inter-agency Agreements

- Commodities. FAO's Commodity Division reviews and clears all Bank appraisal reports with agricultural commodity implications.
- FAO/WB Cooperative Research Project on Small Farm Statistics. The Bank is sponsoring an FAO inter-divisional study of small farm characteristics and development potential.
- FAO/WB East Africa/Near East Meat Study. This is a joint study of prospects for producing more meat in East Africa and marketing it in the Near East.
- Sector Work. FAO and the Bank have agreed in principle not to carry out agricultural sector studies in the same country in the same year.

B. Jointly Sponsored Committees/Institutions

FAO and the Bank, together with other institutions, meet as joint sponsors of several inter-agency groups including:

- UN Protein Advisory Group (PAG)
- Consultative Group on International Agricultural Research (CGIAR)
- Consultative Group on Food Production and Investment (CGFPI)
- Onchocerciasis (River Blindness) Control Programme

C. Informal Contacts

Numerous informal contacts between FAO and Bank staff (both at HQ and in the field) exist, are of significant value to both organizations and also frequently serve as precursors of more formal relationships. The commodity staffs of each institution generally exchange draft papers for comment and meet at commodity group consultations. Bank staff are frequently invited to, and occasionally attend, FAO technical meetings and study groups (e.g. the Pulp and Paper Study). FAO forestry staff assist regularly in EDI teaching. EDI provides training materials for FAO's project analysis training courses. Bank and FAO staff have conferred about the nascent PICASA (Programme of International Cooperation in Agricultural Sector Analysis).

- D. Field Contacts. Bank missions frequently contact FAO field staff for advice and sometimes assistance. Although there are occasional formal arrangements, contacts are usually made informally to save time and avoid the complications of "channels."

VIII. THE UNDP DIMENSION

In this section on FAO-executed UNDP-financed projects, we outline in turn:

- A. Magnitude of the task
- B. The UNDP project cycle
- C. The "investment orientation" process

A. Magnitude of the Task

FAO employs approximately 2,200 field staff to implement roughly 600 UNDP-funded large-scale technical assistance projects which cost approximately US\$100 million/year. The total value of UNDP-projects now under administration is US\$400 million. In 1974, 395 new projects (of which 138 were large-scale) were started. Of the 184 investment-oriented projects approved in the 3 year period (from 1972-74), 21 were classified by UNDP Resident Representatives as "Investment Support", 63 as "Preliminary Investment Potential" and 100 as "Investment Potential". The Bank has declared a "special interest" in approximately 30 current projects -- which entitles it, with country approval, to receive all the documentation and suggest modifications. For Bank "special interest" projects, CP is the Bank's designated "watching agent."

B. UNDP Project Cycle

The UNDP project cycle is detailed in Table 1 of Annex 7. Broadly, it is as follows:

1. FAO, through Programming Missions, assists the country to define an agricultural project pipeline
2. UNDP Resident Representatives negotiate a country programme, including agricultural projects, with Governments
3. After revision by the executing agency and finalisation in the country, the country programme is presented by UNDP to its Governing Council
4. Executing agencies are assigned implementation responsibility and prepare a Project Document for signing by the agency, Government and UNDP. (FAO receives a management commission of about 14% of the value of commitments)
5. Executing agencies recruit staff and activate the project
6. UNDP mounts a mid-term review mission
7. Project staff prepare technical and final reports

C. "Investment Orientation" Process

1. Background. From 1967 to 1970 CP organized annual UNDP, WB and FAO reviews of all FAO/UNDP projects and then undertook to follow-up those large enough to be of interest to the Bank. In 1970, UNDP established an Investment Follow-up Division at UNDP HQ and appointed Investment Officers in each Regional Bureau. At the same time, it financed 2 (later reduced to 1) Investment Follow-up officers in the FAO IC Service. FAO as Executing Agency is now responsible, through its Investment Follow-up Officer, for preparing (or arranging for an IP project to prepare) two reports -- the "IPPA" (Investment Potential Preliminary Analysis Report, normally produced in the preparatory phase of the project) and the "IPA" (Investment Potential Analysis Report, assembled towards the completion of the project). The CP services retain the responsibility of overseeing the Bank's "special interest" projects.
2. Purpose of IC Service Involvement. IC has sought, within severe staff limitations to:
 - (a) Identify those FAO/UNDP technical assistance projects of potential relevance to the investment programs and strategies of financing institutions.
 - (b) Help key FAO/UNDP projects to the methodological requirements of financing institutions
 - (c) Present IP projects to financing institutions for inclusion in their pipeline
3. Extent of Involvement. Since 1971, the IC Service has reviewed 15 Country Programs and contributed to 120 projects through:
 - 20 field missions
 - 73 desk reviews (technical, progress and final reports)
 - 42 comments on project documents
 - 19 project staff briefings
 - 9 "Task Force" meetings

BASIC REFERENCE DATA

TABLES

1. CP Mission Days by Activity as a Percentage of Total CP Mission Days for Each Region (FYs 70-74)
2. Distribution of Bank Agriculture Effort (Staff Man-Weeks) and CP Effort (Mission Days) Among Regions by Activity
3. CP-Assisted Projects Compared to all Agricultural Projects Approved by the Bank
4. Percentage Distribution of CP Mission Days by Subsector Within Regions
5. Percentage Distribution of CP Mission Days by Region Within Subsector
6. Each Region's CP Mission Days as a Percentage of World-wide CP Mission Days for Each Activity (FYs 70-74)
7. Comparison Between Bank and CP Agricultural Staff Manpower
8. Source of CP Staff Hired from 1970 through 1974
9. Comparison Between Cost of Bank and CP Man-years
10. Bank/CP Travel Cost Comparison
11. Analysis of CP Questionnaire Responses
12. Summary of Formal IC/CP - FAO Relationships
13. Summary of Formal FAO-World Bank Relationships

ACTIVITY ANALYSIS

CP MISSION DAYS* BY ACTIVITY AS A PERCENTAGE OF TOTAL CP MISSION DAYS FOR EACH REGION (FYs 70 - 74)

CP MISSION DAYS	PREP.	IDENT./RECON.	APPRAISAL	ECON./SECTOR	SUPERVISION	OTHER	ALL (ACTUAL)
All Regions 5FY	55	25	9	8	1	2	100%
74	50	34	12	2	1	2	100%
73	67	16	8	7	1	1	100%
72	57	25	6	9	2	1	100%
71	52	30	11	6	1	1	100%
70	50	22	9	16	-	3	100%
EAP 5FY	49	15	14	19	1	3	100%
74	49	26	9	6	-	10	100%
73	38	10	25	27	-	-	100%
72	45	19	16	16	3	1	100%
71	35	17	10	39	-	-	100%
70	71	-	11	18	-	-	100%
WAF 5FY	54	7	16	19	2	2	100%
74	41	5	42	12	-	-	100%
73	83	-	12	-	-	-	100%
72	29	35	23	-	14	-	100%
71	70	6	5	17	-	5	100%
70	33	-	5	54	-	3	100%
EAsia 5FY	52	34	7	5	2	1	100%
74	60	31	6	2	1	-	100%
73	41	37	3	12	2	5	100%
72	62	12	9	12	5	-	100%
71	52	36	9	-	2	-	100%
70	41	49	10	-	-	-	100%
SAsia 5FY	69	14	11	4	1	1	100%
74	69	17	13	1	1	-	100%
73	72	14	7	6	1	1	100%
72	82	-	5	11	2	-	100%
71	54	26	18	-	2	-	100%
70	53	-	26	11	-	10	100%
EMENA 5FY	59	26	7	5	-	2	100%
74	34	52	8	-	1	6	100%
73	76	14	5	4	-	2	100%
72	74	13	5	7	1	1	100%
71	46	43	11	-	-	-	100%
70	54	24	8	-	10	4	100%
LAC 5FY	45	39	6	8	-	2	100%
74	13	78	10	-	-	-	100%
73	78	12	8	2	-	-	100%
72	25	65	-	7	1	3	100%
71	56	25	9	8	2	-	100%
70	42	24	8	23	-	3	100%
							27583
							6137
							6070
							5519
							4970
							4887
							2811
							700
							461
							598
							429
							623
							1799
							442
							249
							167
							577
							355
							4878
							1343
							935
							636
							1188
							776
							5683
							1928
							1484
							1067
							899
							302
							6753
							825
							1388
							1676
							1303
							1561
							5659
							899
							1553
							1375
							563
							1269

Preparation work accounted for 55% of CP's mission days in FYs 70-74; identification/reconnaissance work, 25%. In S. Asia, 69% of CP's mission days in the 5-year period were for preparation, only 14% for identification/reconnaissance. The highest proportions of identification/reconnaissance work were for LAC (39% of the region's CP mission days) and E. Asia (34%).

HIGHLIGHTS

Usage patterns of the regions vary widely from year to year:

- LAC, for example, used 78% of its CP mission days for identification/reconnaissance and 13% for preparation in FY74, while in FY73 the proportions were reversed -- 12% and 78% respectively;
- EMENA, in FY74, used 34% for preparation, 52% for identification/reconnaissance; in FY73, 76% and 14% respectively.

WAF (which used 6% of CP's total mission days) used 42% of its share for appraisal work in FY74.

* Includes consultants and FAO staff on loan.

BRD
Table 1

ACTIVITY ANALYSIS

DISTRIBUTION OF BANK AGRICULTURE EFFORT (STAFF MAN-WEEKS) AND CP EFFORT (MISSION DAYS) AMONG REGIONS BY ACTIVITY)

	TOTAL	PREPARATION	IDENT./RECON.	APPRAISAL	ECON./SECTOR	SUPERVISION	OTHER
CP (FYs '70 - 74)							
All Regions	100%	55%=100	25%=100	97%=100	87%=100	1%=100	27%=100
EAf	10	9	6	15	25	8	17
WAF	6	6	2	11	16	13	9
EAsia	18	16	24	14	10	35	11
SAsia	21	26	11	26	12	27	10
EMENA	24	26	25	20	15	9	34
LAC	20	16	32	14	21	8	19
CP (FY'74)							
All Regions	100%	50%=100	34%=100	127%=100	27%=100	17%=100	27%=100
EAf	11	11	9	9	29	-	60
WAF	7	6	1	26	38	-	-
EAsia	22	26	20	10	23	39	-
SAsia	31	43	16	34	11	44	-
EMENA	13	9	21	9	-	17	40
LAC	15	4	34	12	-	-	-
BANK (FY'74)							
		PREAPPRAISAL					TECH. ASSISTANCE
All Regions	100%	18%=100			52%=100	117%=100	197%=100
EAf	20	22			18	26	21
WAF	13	6			17	11	10
EAsia	15	17			15	8	16
SAsia	18	15			20	24	11
EMENA	15	19			15	-	21
LAC	19	21			15	30	21

HIGHLIGHTS

Preappraisal work consumed 18% of Bank time in agriculture in FY74 and 84% of CP's mission days (50% for preparation, 34% identification/reconnaissance).

South Asia in FY74 consumed 15% of Bank agriculture preparation time but 43% of CP's mission days devoted to preparation and 16% devoted to identification/reconnaissance.

Eastern Africa in FY74 consumed 22% of Bank agriculture time devoted to preappraisal, but only 11% of CP's mission days for preparation and 9% of those for identification/reconnaissance.

Western Africa's very low CP usage in preappraisal work (6% of the total for preparation, 1% for identification/reconnaissance in FY74) reflects its low proportion of the total Bank preappraisal effort -- 6% -- and extensive use of FAC by the WAF countries.

Appraisal Effort. S. Asia has used the largest share (34% in FY74) of CP mission days devoted to appraisal and also the largest share of Bank time (20%).

Economic and Sector work consumed 11% of the Bank's effort, 2% of CP's mission days in FY74.

SUBSECTOR ANALYSIS **CP-ASSISTED PROJECTS COMPARED TO ALL AGRICULTURAL PROJECTS APPROVED BY THE BANK**

		TOTAL	CREDIT	AREA/RURAL DEVELOPMENT	FISHERIES	IRRIGATION	LIVESTOCK	INDUSTRY	PRODUCTION	FORESTRY
Bank Agriculture Projects Approved	Total	174	22	31	7	47	32	12	20	3
	FY75 thru Feb. FY76	34	3	9	1	7	6	-	6	2
	FY76	57	7	11	2	21	9	3	4	-
	FY73	47	5	5	2	11	9	6	8	1
	FY72	36	7	6	2	8	8	3	2	-
CP assisted	Total	65	6	6	6	24	16	4	1	2
	FY75 thru Feb. FY76	14	1	2	2	6	3	-	-	-
	FY76	17	2	3	2	6	2	2	1	-
	FY73	16	-	1	2	6	5	1	-	-
	FY72	16	3	-	2	6	6	1	-	-
EAF	Total	32	1	11	-	5	9	1	4	1
	FY75 thru Feb. FY76	5	-	2	-	-	1	-	1	1
	FY76	10	1	4	-	1	3	-	2	-
	FY73	10	-	3	-	3	3	1	1	-
	FY72	7	-	2	-	1	2	-	-	-
CP assisted	Total	8	-	-	-	2	4	1	-	1
	FY75 thru Feb. FY76	2	-	-	-	-	1	-	-	-
	FY76	1	-	-	-	1	1	-	-	-
	FY73	2	-	-	-	1	1	-	-	-
	FY72	3	-	-	-	1	1	-	-	-
WAF	Total	40	1	10	-	12	6	-	11	-
	FY75 thru Feb. FY76	10	-	3	-	1	1	-	5	-
	FY76	16	-	3	-	8	3	-	2	-
	FY73	6	1	4	-	1	2	-	4	-
	FY72	8	-	-	-	2	2	-	-	-
CP assisted	Total	9	-	1	-	5	2	-	1	-
	FY75 thru Feb. FY76	1	-	1	-	1	-	-	-	-
	FY76	2	-	-	-	1	-	-	-	-
	FY73	2	-	-	-	1	-	-	-	-
	FY72	4	-	-	-	2	-	-	1	-
EMENA	Total	28	6	-	4	12	3	2	-	1
	FY75 thru Feb. FY76	6	2	-	1	3	-	-	-	-
	FY76	10	1	-	1	4	2	-	-	-
	FY73	6	-	-	1	4	1	-	-	-
	FY72	6	3	-	1	1	2	-	-	-
CP assisted	Total	17	2	-	3	10	2	-	-	-
	FY75 thru Feb. FY76	3	-	-	1	3	-	-	-	-
	FY76	4	-	-	1	3	1	-	-	-
	FY73	5	-	-	1	3	1	-	-	-
	FY72	5	2	-	1	1	1	-	-	-
LAC	Total	26	6	2	1	6	8	2	1	-
	FY75 thru Feb. FY76	3	1	1	-	-	1	-	-	-
	FY76	10	4	1	-	4	2	-	-	-
	FY73	8	-	1	-	1	3	-	-	-
	FY72	5	1	-	1	1	2	2	1	-
CP assisted	Total	12	3	2	1	1	5	-	-	-
	FY75 thru Feb. FY76	3	1	1	-	-	1	-	-	-
	FY76	4	2	-	1	-	1	-	-	-
	FY73	3	-	-	-	-	2	-	-	-
	FY72	2	-	-	-	-	1	-	-	-
EAsia	Total	25	3	5	2	7	2	2	4	-
	FY75 thru Feb. FY76	3	-	2	-	1	-	-	-	-
	FY76	9	1	2	1	3	1	2	3	-
	FY73	8	1	-	-	1	1	-	1	-
	FY72	5	-	-	-	2	1	-	-	-
CP assisted	Total	7	1	-	2	1	2	1	-	-
	FY75 thru Feb. FY76	-	-	-	-	-	2	-	-	-
	FY76	2	-	-	1	-	-	1	-	-
	FY73	2	-	-	1	-	1	-	-	-
	FY72	3	1	-	-	1	1	-	-	-
SAsia	Total	23	5	3	-	5	4	5	-	1
	FY75 thru Feb. FY76	7	1	1	-	2	3	1	-	1
	FY76	6	-	2	-	1	1	-	-	-
	FY73	5	2	-	-	1	-	2	-	-
	FY72	5	-	1	-	1	-	-	-	-
CP assisted	Total	12	-	3	-	5	1	2	-	1
	FY75 thru Feb. FY76	5	-	1	-	2	1	-	-	-
	FY76	4	-	2	-	1	-	1	-	-
	FY73	2	-	-	-	1	-	1	-	-
	FY72	1	-	-	-	1	-	-	-	-

HIGHLIGHTS

37% of agriculture projects approved in the past 44 months had CP assistance:

- 61% of EMENA's
- 52% of S. Asia's
- 46% of LAC's
- 30% of E. Asia's
- 25% of EAF's
- 23% of WAF's

Subsectors:

- Fisheries 86%
- Irrigation 51%
(100% of S. Asia's,
83% of EMENA's,
14% of E. Asia's)
- Livestock 50%
- Area/rural development 19%
(100% of S. Asia's,
0% of EAF's,
0% of E. Asia's)

The proportion of Bank-approved projects which received CP-assistance has grown sharply in S. Asia and declined in W. Africa, E. Asia and E. Africa. Trends are less clear in EMENA and LAC.

SUBSECTOR ANALYSIS
PERCENTAGE DISTRIBUTION OF CP MISSION DAYS BY SUBSECTOR WITHIN REGIONS*

		TOTAL		CREDIT	AREA/RURAL DEVELOP.	FISHERIES	IRRIGATION	LIVESTOCK	INDUSTRY	PRODUCTION	FORESTRY	EDUCATION	OTHER SUBSECTOR	NON- SUBSECTOR
		CP MISSION DAYS												
ALL REGIONS	Total	17736		100%	6	27	5	18	9	2	10	8	7	7
	FY74	6137		100%	6	33	4	21	11	3	11	10	2	4
	FY73	6080		100%	4	36	8	13	6	-	8	4	10	9
	FY72	5519		100%	9	9	8	19	11	5	9	9	11	9
EA	Total	1759		100%	-	8	-	3	13	3	23	20	10	20
	FY74	700		100%	-	19	-	-	-	-	39	25	1	16
	FY73	461		100%	-	2	-	5	21	-	28	12	5	27
	FY72	598		100%	-	1	-	4	23	10	-	21	23	18
WAF	Total	858		100%	3	26	8	22	-	10	9	15	3	6
	FY74	442		100%	-	23	5	36	-	-	18	-	5	13
	FY73	249		100%	-	45	-	2	-	29	-	21	2	-
	FY72	167		100%	14	9	25	12	-	8	-	35	-	-
EA	Total	2914		100%	8	22	17	2	11	2	9	3	16	10
	FY74	1343		100%	10	43	-	4	17	-	19	2	3	2
	FY73	935		100%	2	8	36	-	4	3	-	4	27	16
	FY72	636		100%	15	-	27	-	8	5	-	5	28	12
SA	Total	4489		100%	3	15	2	23	9	1	17	13	7	5
	FY74	1928		100%	7	17	-	38	10	3	4	20	-	1
	FY73	1494		100%	-	22	7	9	12	-	21	-	22	7
	FY72	1067		100%	2	-	-	16	-	-	34	18	-	10
EMENA	Total	3889		100%	2	23	5	39	14	5	2	2	6	7
	FY74	825		100%	11	21	-	29	28	2	-	-	3	6
	FY73	1388		100%	-	45	4	43	1	-	5	-	4	7
	FY72	1676		100%	-	6	7	40	18	-	-	5	11	8
LAC	Total	3827		100%	16	56	2	8	5	-	4	3	2	4
	FY74	899		100%	3	80	-	13	3	-	1	-	-	-
	FY73	1553		100%	15	69	-	2	2	-	4	6	-	2
	FY72	1375		100%	25	26	6	11	9	-	5	2	6	10

HIGHLIGHTS

In FYs 72-74, 27% of CP mission days were in area/rural development, 18% in irrigation, 10% in forestry. Other subsectors were smaller.

- In LAC, most of the CP mission days were for area/rural development -- 56% in the 3-year period and 80% in FY74;
- In E. Asia, the largest share was for area/rural development -- 22% in the 3 years, 43% in FY74;
- EMENA's and S. Asia's largest shares were for irrigation -- 39% and 23% respectively;

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Table 4

* Includes consultants and FAO staff on loan.

SUBSECTOR ANALYSIS
PERCENTAGE DISTRIBUTION OF CP MISSION DAYS BY REGION WITHIN SUBSECTOR

	TOTAL	CREDIT	AREA/RURAL DEVELOP.	FORESTRY	IRRIGATION	LIVESTOCK	INDUSTRY	PRODUCTION	FORESTRY	EDUCATION	OTHER SUBSECTOR
ALL REGIONS TOTAL FY74 FY73 FY72	17736 6137 6080 5519	1106 373 247 488	4735 2039 2218 478	934 24 490 420	3138 1307 793 1038	1677 693 377 607	288 18 - 270	196 34 99 43	1705 680 512 513	1349 593 234 522	1301 97 619 585
%	100 100 100 100	100 100 100 100	100 100 100 100	100 100 100 100	100 100 100 100	100 100 100 100	100 100 100 100	100 100 100 100	100 100 100 100	100 100 100 100	100 100 100 100
EAF Total FY74 FY73 FY72	10 11 7 11	- - - -	3 6 - 2	- - - -	1 - 3 2	14 - 26 23	20 - - 22	- - - -	24 40 25 -	27 30 23 25	13 9 4 24
WAF Total FY74 FY73 FY72	5 7 4 3	2 - - 5	5 3 5 2	7 100 - 10	6 12 - 2	- - - -	- - - -	44 - 73 33	5 12 - -	8 - 23 11	2 25 - -
EA Total FY74 FY73 FY72	16 22 15 12	22 35 8 20	14 28 3 -	34 - 68 41	2 4 - -	19 34 10 8	- - - -	29 - 27 67	15 37 - -	6 4 16 6	36 38 41 31
SA Total FY74 FY73 FY72	25 31 25 19	13 35 - 3	14 16 15 -	11 - 22 -	33 56 17 16	23 28 49 -	73 - - 78	28 100 - -	44 10 61 71	43 66 - 37	26 - 54 -
EMENA Total FY74 FY73 FY72	22 13 23 30	8 24 - -	19 9 28 22	19 - 10 30	48 18 76 65	33 34 5 49	6 100 - -	- - - -	5 - - 15	7 - - 17	17 28 0 32
LAC Total FY74 FY73 FY72	22 15 26 25	34 7 92 72	45 35 48 74	8 - - 17	10 9 4 15	11 4 10 20	- - - -	- - - -	9 - 13 14	9 - 40 5	6 - - 14

HIGHLIGHTS

In area/rural development, the greatest share of CP mission days has consistently and by a large margin been devoted to LAC -- 45% of the total for FYs 72 - 74.

In irrigation, the pattern varies -- with EMENA having a disproportionate share (76%) in FY73 and S. Asia a disproportionate share (56%) in FY74. E. Asia's usage has been negligible.

In forestry, the third largest subsector, S. Asia used more than half in FYs 72 (71%) and 73 (61%); E. Asia (37%) and EAF (40%) were heavy users in FY74.

In education, EAF is a consistent disproportionately heavy user (27% for FYs 72 - 74); S. Asia used 66% of CP mission days in FY74, but none in the prior year.

Credit CP mission days were predominantly devoted to LAC in FYs 72 and 73 (72% and 92% respectively), but in FY74, LAC use dropped to 7%.

ACTIVITY ANALYSIS

EACH REGION'S CP MISSION DAYS AS A PERCENTAGE OF WORLD-WIDE CP MISSION DAYS FOR EACH ACTIVITY (FYs 70 - 74)

		IDENT./RECON.					ECON./SECTOR					OTHER					ALL				
ALL REGIONS	FY	70	71	72	73	74	70	71	72	73	74	70	71	72	73	74	70	71	72	73	74
	5FY	15292					6958					2538					2132				
	74	3050					2070					717					144				
	73	4092					990					146					406				
	72	3154					1351					486					309				
	71	2572					1487					529					785				
	70	2424					1060					462					146				
	%	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
EAF	5FY	9					6					15					25				
	74	11					9					9					29				
	73	4					4					24					31				
	72	8					8					28					19				
	71	6					5					8					53				
	70	18					-					14					15				
WAF	5FY	6					2					11					18				
	74	6					1					26					66				
	73	5					1					7					-				
	72	2					4					11					-				
	71	16					2					3					32				
	70	5					-					4					24				
EAsia	5FY	16					24					14					10				
	74	26					20					10					23				
	73	9					35					6					28				
	72	12					6					17					15				
	71	24					29					21					-				
	70	13					36					16					-				
SAsia	5FY	26					11					26					12				
	74	43					16					34					11				
	73	26					21					22					21				
	72	28					-					16					24				
	71	19					16					31					18				
	70	7					-					17					4				
EMENA	5FY	26					25					20					15				
	74	9					21					9					-				
	73	26					19					14					14				
	72	39					16					26					23				
	71	23					38					27					-				
	70	35					35					28					20				
LAC	5FY	16					32					14					21				
	74	4					34					12					-				
	73	30					19					26					6				
	72	11					66					19					19				
	71	12					10					10					15				
	70	22					29					21					37				

HIGHLIGHTS

S. Asia's share of CP mission days has been increasing -- 19% in FY72, 24% in '73, 31% in '74; so has E. Asia's -- 11% in '72, 15% in '73, 22% in '74. EMENA's has been decreasing -- 30% in '72, 23% in '73, 13% in '74.

In the past 5 years, a larger proportion of CP mission days in the Africa regions -- 19% in EAF and 19% in WAF -- was devoted to economic/sector work than in the other regions (in none of which the proportion exceeds 8%); EAF accounted for 25% of all CP mission days for economic/sector work, WAF accounted for 16%.

Although 50% or more of CP mission days have been devoted to preparation in each of the past five years, the four non-African regions' share of that work has fluctuated sharply:

The share of identification/reconnaissance work also has fluctuated:

	FY74	FY73	FY72
E. Asia	26%	9%	12%
S. Asia	43%	26%	28%
EMENA	9%	26%	39%
LAC	4%	30%	11%

	FY74	FY73	FY72
E.Asia	20%	35%	6%
S.Asia	16%	21%	0%
EMENA	21%	19%	16%
LAC	34%	19%	66%

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Table 6

* SINCE 1971, BANK AGRICULTURAL STAFF INCREASED BY 71%, CP BY 19%

* FAO-PROPER CONTRIBUTED ROUGHLY 8% OF CP-FUNDED MANPOWER

PROFESSIONAL AGRICULTURAL STAFF MANPOWER ^{1/}

<u>Bank</u>			<u>CP Funded</u>								FAO Total (excluding Consultants) as percent of Bank
<u>Staff</u> ^{2/}	<u>% Incr.</u>	<u>CP Staff</u> ^{3/}		<u>Consultants</u> ^{4/}		<u>FAO Staff</u> ^{4/}		<u>Total</u>			
		<u>Number</u>	<u>% Incr.</u>	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% Incr.</u>		
1971	120	-	58	-	13	17.1	5	6.6	76	-	52.5
1972	142	18.3	59	1.7	14	17.5	7	8.8	80	5.3	46.4
1973	164	15.5	63	6.8	18	20.2	8	9.0	89	11.3	43.2
1974	190	15.9	61	0	16	19.0	7	8.3	84	-5.6	35.7
End 1974	<u>205</u> ^{5/}	<u>7.9</u>	<u>69</u>	<u>13.0</u>	<u>17</u> ^{5/}	<u>18.3</u>	<u>7</u> ^{5/}	<u>7.5</u>	<u>93</u>	<u>8.1</u>	<u>37</u>
Growth over full period	<u>85</u>	<u>70.8</u>	<u>11</u>	<u>19.0</u>	<u>4</u>	<u>1.2</u>	<u>2</u>	<u>0.9</u>	<u>17</u>	<u>22.4</u>	<u>-15.5</u>

1/ Staffing figures are taken at July 1, except those for end 1974.

2/ Regional Projects and CPS; 1974 figure includes Assistant Directors.

3/ Total effective CP staff; includes WB staff on loan, excludes CP staff loaned-out.

Source: Monthly Report of FAO Team Assignments.

4/ Full-time staff equivalent; calculated over the calendar year assuming 10 man-months per year.

5/ Estimated.

* OVER THE PAST FIVE YEARS 46% OF CP RECRUITS HAVE COME FROM FAO.....

SOURCE OF CP STAFF HIRED FROM 1970 THROUGH 1974

	<u>FAO</u>	<u>Consultants</u>	<u>Other</u>	<u>Total</u>	<u>Median Age at Recruitment</u>
CY 1970	6	3	2	11	43
CY 1971	3	-	3	6	30
CY 1972	1	7	3	11	46
CY 1973	5	1	1	7	40
CY 1974	9	7	1	17	42
<u>Total:</u>	<u>24</u>	<u>18</u>	<u>10</u>	<u>52</u>	<u>41</u>
% of all Recruits	46	35	19	100	

Current median age of all staff is 46

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Table 8

AT FY74 PRICE LEVELS, CP COST THE BANK

. 36% LESS THAN BANK STAFF

. 20% LESS THAN CONSULTANTS

	<u>Cost to Bank</u>	<u>Cost to FAO</u>
<u>Bank Regional Projects Staff</u> ^{1/}	\$61,100/man-year	-
<u>CP Staff</u> ^{2/}	39,120 (75% share)	\$13,040 (25% share)
		+ <u>5,285 (overhead)</u> ^{4/}
		18,325
<u>Bank Consultants</u> ^{3/}	49,100	-

- 1/ Includes regular salary at \$22,575; other personal services (retirement, dependency allowance, staff benefits and tax reimbursements) at \$10,560; overhead (office occupancy, representation, staff hospitality and contractual services) at \$7,675; the full cost of secretaries and assistants at \$9,780; and travel at \$10,500 (P&B data).
- 2/ Total CP costs (excluding consultant fees and pro-rated consultant travel) divided by CP professional man-years; includes \$6,383/man-year for operational travel, but no allowance for physical overheads.
- 3/ Includes fee at \$38,600 per man-year, operational travel at same level as for Bank staff (\$10,500) although it is probably much higher, but the data are available; no physical or clerical overheads included (which are viewed as fixed costs); no procurement or Bank management cost included.
- 4/ Estimated value of indirect services (Personnel, Finance, Accommodation Services, etc.) provided by FAO but not charged to CP. Figure would be about \$6000 higher per man if FAO paid for rental of buildings, but these are provided by the Italian Government.

*IF CP TRAVEL WERE DONE FROM WASHINGTON BY BANK STAFF

THE TOTAL ANNUAL EXCESS COST WOULD BE ABOUT \$403,000;

OR ROUGHLY \$5,000 PER CP MAN-YEAR

Region	CP Missions ^{1/}		Excess Costs from Washington BY BANK STAFF (US\$)			
	Round Trips	Man-days on site ^{2/}	Air Fares ^{3/}	Subsistence ^{4/}	Lost Time in Transit ^{5/}	Total
East Africa	33	623	\$ 40,020	\$ 9,525	\$ 15,180	\$ 64,725
West Africa	15	305	17,680	1,625	6,900	26,205
EMENA	54	888	69,730	17,845	24,840	112,415
Latin America	52	1,000	(28,170)	7,065	(23,230)	(44,335)
East Asia and Pacific	57	1,537	41,910	14,615	(13,340)	43,185
South Asia	84	1,858	148,190	13,910	38,640	200,740
<u>TOTAL:</u>	295	6,211	289,360	64,585	48,990	402,935
Per man-year ^{6/}	3.7	77	3,595	802	609	5,005

- 1/ Based on actual missions, FY 1974 but excluding attendance at meetings, seminars, etc. Source: CP Semi-Annual Reports
- 2/ i.e. excluding travel time
- 3/ Long-term round-trip fares to capital cities, as at end 1974. Sources: WB Secretarial Guide; FAO travel office and FAO Manual.
- 4/ Including allowances for travel stopovers and rest periods. Sources: as for 3/
- 5/ To achieve the same man-days on-site, Bank man will generally spend longer in transit. Calculated as (extra days in transit) × (cost of Bank man per working day (US\$230)).
- 6/ Of total CP-funded input, i.e. CP Staff + FAO staff + consultants (87.5 m.y.) less 7 non-mission staff (gives 80.5 m.y.).

ANALYSIS OF CP QUESTIONNAIRE RESPONSES

HIGHLIGHTS

I. RESPONDENT PROFILE

1. Number of Years in CP:

More than:	0	2	5	10
but less than:	<u>2</u>	<u>5</u>	<u>10</u>	—
% of sample:	28%	26	28	20

2. Previous employment by FAO:

	<u>HQ</u>	<u>Field</u>	<u>HQ & Field</u>	<u>FAO Total</u>	<u>Consultant</u>	<u>Other</u>
% of sample	21%	24	13	58	18	24

II. SUBSTANTIVE CONTACT WITH FAO

3. Number of substantive matters (e.g., questions, issues, etc.) on which contact was made with FAO from 1 January - 31 March 1975.

<u>Contacts initiated:</u>	<u>Number per respondent</u>	<u>% of total contacts</u>
By CP staff:	6	47%
By FAO HQ staff:	3	23
By FAO field staff:	2	15
Mutually:	<u>2</u>	<u>15</u>
Total:	13	100%

4. Average time at HQ during period: 8.5 weeks

5. HQ divisions with which frequent contact has been made over the past year:

<u>Department/Programme</u>	<u>Percent of total number of mentions</u>
Agriculture	48%
Economic & Social Policy	25
Development	10
World Food Programme	7
Forestry	4
Fisheries	2
General Affairs & Information	2
Administration & Finance	<u>1</u>
	100%

- Of present CP staff, one in five has 10 years or more of CP experience; 28% less than 2 years.

- Fifty-eight percent of respondents have previously been with FAO, either at HQ, in the field or both.

- Substantive contacts average 1.5 per CP-man per week at headquarters.

- CP is the primary initiator of CP/FAO substantive contact.

- Over half of frequent contacts are with Technical Departments (Agriculture, Forestry, Fisheries), one quarter with Economic & Social Policy Department.

* Analyses are based on a sample of 53 questionnaires.

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Table 11

6. Degree and usefulness of contacts with FAO (outside IC but including field staff) during mission cycle. *

HIGHLIGHTS

Mission Phase	Contact	Degree of Contact			Usefulness of Contact		Total	
		Extensive	Moderate	Slight	Very useful or Useful	Little use or Useless	No.	%
Pre-mission	Agriculture Dept.	6	12	4	20	2	22	49
	Econ. & Soc. Policy Dept.	3	6	4	12	1	13	29
	Forestry Dept.	1	1	1	3	-	3	7
	Fisheries Dept.	-	-	1	1	-	1	2
	Development Dept.	2	2	-	4	-	4	9
	World Food Programme	-	1	1	2	-	2	4
	Total	12	22	11	42	3	45	100%
	%	27%	49	24	94	6	100%	
Field	FAO Country/Rep./SAA	11	6	2	16	3	19	40%
	UNDP Proj. Managers/staff	17	8	-	25	-	25	52
	World Food Programme Repr.	2	1	1	4	-	4	8
	Total	30	15	3	45	3	48	100%
	%	63%	31	6	94	6	100%	
Post-mission	Agriculture Dept.	8	18	4	30	-	30	65
	Econ. & Soc. Policy Dept.	1	5	2	7	1	8	17
	Forestry Dept.	1	2	1	4	-	4	9
	Fisheries Dept.	-	-	-	-	-	-	-
	Development Dept.	-	2	-	2	-	2	4
	World Food Programme	-	1	1	2	-	2	4
	Total	10	28	8	45	1	46	100%
	%	22%	61	17	97	3	100%	
Overall	Total	52	65	22	132	7	139	100%
	%	38%	47	15	95	5	100%	
	Average per mission	1.9	1.4	0.8	4.8	0.3	5.1	

* Table covers 27 missions and shows the aggregate number of contacts estimated to have been made by mission members in connection with those missions.

- During each preparation mission cycle, members had an average of 5 substantive mission-related contacts with FAO.
- Mission FAO/HQ contacts outnumber field contacts by 2:1, but each field contact is more extensive.
- Mission-FAO contacts are given a high utility rating.

7. Purpose of substantive contacts with FAO HQ or Field Staff in Rome:

	Weighted % of total
Technical Advice	28%
Country Advice	16
Data	15
Review of Documents/Reports	14
UNDP/Bilateral Projects	12
Working Groups/Seminars	6
Staff Consultant Selection	4
Policy Advice	3
Other	2
	100%

8. Mode of contact with FAO HQ or Field Staff in Rome, ranked most frequent (1) to least frequent (5):

	Weighted % of total
Informal meeting	29%
Phone	28
Formal meeting	17
By-product of social contact	13
Writing	13%
	100%

9. Estimated proportion of total working time (excluding FAO non-CP mission-related work) spent interacting with FAO/Rome:

	% of total work time	% of interaction time
Interaction intended primarily for:		
- Bank or CP benefit	4.0%	51%
- FAO benefit	1.6	21
- Mutual enefit	2.2	28
Total	7.8%	100%

HIGHLIGHTS

- In almost 60% of cases, purpose of contact is technical/country advice or data.
- Only 6% of contact (0.5% of total working time - see 9 below) concerns working groups/seminars.

- About 70% of CP/FAO contact is outside formal channels (and probably stems from FAO proximity).

- About two-thirds of interaction time is for CP benefit, one-third for FAO benefit.
- Contact time at HQ represents about 6 man-years/year for CP as a whole.

10. Non-CP FAO assignments exceeding one week in which CP staff participated in the last 12 months:

Department	No. of Assignments	Time (weeks)		Total
		Field	HQ	
Office of D.G. Development	3	3.5	2.0	5.5
Agriculture	1	4.0	6.0	10.0
Economic & Social Policy	2	3.0	2.0	5.0
Forestry	2	-	2.0	2.0
Administration	1	-	1.5	1.5
Total	1	4.0	1.0	5.0
	10	14.5	14.5	29.0

11. Work for FAO (Non-IC) during last mission:

% of missions

Yes:	11%
No:	89

III. CP USE OF FAO DOCUMENTATION

12. FAO publications received regularly:

Publications	Reading Intensity (As % of Total Responses)			
	Always	Often	Sometimes	Total
Monthly Bulletin, Production/Trade Yearbooks (ESS)	22%	19%	6%	47%
AGL Technical Reports, Publications	11	6	2	19
Commodity Review, Projections (ESC)	9	11	7	27
State of Food & Agriculture (BSP)	11	4	6	21
CERES	6	11	2	19
FAO Conference/Council Reports	4	11	2	17
FAO Library - Lists, Selected Articles	2	11	2	15
Forestry Yearbooks, Reports	7	4	2	13
AGS Publications, Reports	7	2	2	11
UNDP Mission/Tech. Reports (unspecified)	4	2	2	8
Others	11	40	4	55
Use of FAO Library by CP staff:	11%	30	49	91%

HIGHLIGHTS

- Total CP time spent on FAO assignments (29 man-weeks) is equivalent to only 1% of CP staff man-years or only 10% of FAO staff time made available to CP. (See Annex A)

- Only in a few cases do missions undertake FAO assignments

- CP staff use a wide range of FAO publications.

- Statistical publications (ESS, ESC, FO) predominate.

- 41% of respondents make extensive use of FAO library.

IV. UTILITY OF FAO HQ TO THE CP

13. Perceived value of CP's capacity to tap FAO Headquarters:

	% of Replies
Of little significance	9%
Useful but not important	15
Important	59
Vital	17

V. CP/BANK INTERACTION

14. Participation of CP Staff in Bank Missions and CP staff visits to Washington:

	During CY'74*		During CYs'72-'74*	
	Positive replies as % of total	Average per reply	Positive replies as % of total	Average per reply
Appraisal missions where CP				
a. was involved in preparation	12%	1.0	31%	1.8
b. was not involved	6%	1.0	15%	1.8
c. Overall:	18%	1.0	46%	1.8
Supervision missions	9%	1.0	12%	1.3
Bank economic/sector review missions	9%	1.3	27%	1.6
Other Bank-led missions (i.e. identification, reconnaissance, preparation)	18%	1.5	38%	2.2
Visits to Bank Headquarters:	62%	2.0	100%	4.3
Number of CP missions during the period	100%	3.4	100%	9.1

* For each period, 1st column shows the percentage of respondents who had been on at least one of the missions/visits specified, as a percentage of the total number of respondents; 2nd column shows the average number of missions/visits by those respondents included in the first column.

HIGHLIGHTS

- Over three quarters of CP staff maintain that their capacity to tap FAO/HQ is important or vital.
- Less than one CP man in five went on an appraisal mission in CY 1974, less than one in ten on a supervision mission.
- Only 54% of CP staff were involved in any kind of Bank-led mission over the same period.
- Only 12% of operational staff who have been in CP for over 3 years have been on a supervision mission, almost two thirds have not been on any Bank-led reconnaissance, identification or appraisal missions.
- Almost 40% of respondents did not visit Bank HQ in CY 1974, but those with more than 3 years in CP average nearly 1.5 visits/year — almost once per 2 missions.

15. Perceived value of participation in Bank-led missions:

CP staff desire for occasional participation in:

	<u>% of total</u>
- Supervision missions	87%
- Appraisal missions	74
- Sector review missions	60

16. Receipt of relevant Bank documentation:

<u>Document</u>	<u>As % of those who want document</u>				<u>"Want" as % of replies</u>
	<u>Always</u>	<u>Often</u>	<u>Seldom</u>	<u>Never</u>	
Economic reports	44%	33%	15%	8%	91%
Sector studies	39	41	12	8	92
Appraisal reports	45	29	18	8	92
Supervision reports	5	17	52	26	87
Issues papers/ decision memoranda	7	17	30	46	87
Policy papers/ guidelines	8	27	49	16	92
Central projects memoranda	2	9	33	56	87
Working papers	-	<u>10</u>	<u>38</u>	<u>52</u>	79%
Overall	17%	20%	33%	30%	

VI. CHARACTERISTICS OF CP PREPARATION MISSIONS *

17. Identification missions preceding last completed CP preparation:

	<u>Replies as % of total</u>
CP-led reconnaissance/identification mission	53%
Bank-led reconnaissance/identification mission	22
Joint reconnaissance/identification mission	16
None of the above	<u>9</u>
	100%

* Information based on responses of 27 mission leaders concerning their most recent preparation mission.

HIGHLIGHTS

- Nearly 9 out of 10 staff want to participate in supervision missions, three-quarters in appraisal missions
- Overall, 63% of CP staff seldom or never receive Bank documentation they want;
- There is a strong unsatisfied CP demand for Supervision Reports and Issues Papers, as well as for Policy Papers and CPS memoranda.
- About 70% of the reputed missions were preceded by reconnaissance/identification with CP involvement.

18. Mission Leader/Bank dialogue prior to first CP mission on project:

	As % of "yes" replies
Yes: 96%	
in Washington	50
in Rome	19
in field	35
by phone	19
by correspondence other than routine terms of reference clearance	35%

19. Staff composition of missions:

	Total	CP	FAO	Bank	Consultants
Average no. per mission	5.0	3.0	0.6	0.1	1.3

20. Lapsed-time and man-weeks by phase of mission cycle:

	weeks lapsed		Mission Member man-weeks	
	Average	% of total	Average	% of total
Mission preparation in Rome	2.2	11%	4.5	9%
Field work (including Washington)	4.6	23%	18.3	35%
Report writing and CP review (i.e. up to release to Bank)	8.1	40%	24.0	47%
Sub-total	14.9	74%	46.8	91%
Clearance and revision (i.e. from release to Bank to release to country)	5.3	26%	4.8	9%
Total	20.2	100%	51.6	100%

HIGHLIGHTS

- Almost invariably CP mission leaders had dialogue with the Bank before the first CP mission; half of all dialogue took place in Washington. (Further analysis of this data shows that dialogue was 'person-to-person' in 58% of cases).
- The average preparation mission consisted of 5 persons, of which 3 were CP staff.
- Typical CP preparation mission cycle is 5 months in all, with Yellow Covers completed in under 4 months; lapsed time for clearance through Bank and revision of Yellow Covers is equivalent to about 60% of CP report-writing and review time. (Compare to appraisal lapse time of 48 weeks, applied time of 61 weeks. Source: Bank project timetables and time reporting system).
- About one third of total mission manpower resources is used in the field, two thirds at HQ.

SUMMARY OF FORMAL IC/CP - FAO RELATIONSHIPS

LINKAGE	SPONSORING FAO DIVISION	IC/CP ROLE
FAO/UNDP Projects	AGO/DDF	Active: investment orientation
IC/Fisheries Joint Group	FI	Active: project orientation
IC/Forestry Joint Group	FO	Recently founded
International Scheme for Coordination of Dairy Development (ISCDD)	AGL	Contributory: briefing, debriefing, reports review
International Meat Development Scheme (IMDS)	AGL	Contributory: briefing, debriefing, reports review
Inter-Divisional Working Group on Rural Development (IDWG-RD)	ESH	Participatory: meetings, documents review, occasional drafting
Inter-Divisional Working Group on Agri- cultural Research (IDWG-AR)	DDD	Participatory: meetings
Inter-Divisional Working Group on Fertilizers (IDWG-F)	AGL	New group
Inter-Divisional Working Group for the Consultative Group for Food Production and Investment (IDWG-CGFPI)	DDC	Active: IC Director is Chairman and IC Senior Adviser, Secretary
Working Party on FAO Development Research Centre	ESP	Participatory: meetings
FAO/CARIPLO Agricultural Credit Study	AGS	Active: review and preparation of papers
FAO/UNDP Pulp and Paper Study	FOI	Active: meetings and review of papers

SUMMARY OF FORMAL FAO - WORLD BANK RELATIONSHIPS

LINKAGE	PURPOSE	CP INVOLVEMENT
A. Direct Linkages		
1. FAO/WB Cooperative Research Project on Small Farm Statistics	Study on small farming systems (statistics, agro-meteorology, land capability, farm management). (Financed by \$120,000 WB grant)	limited
2. FAO/WB East Africa/Near East Meat Study	Joint supply and demand study	active but limited
3. Commodities Programme	FAO reviews Bank reports with commodity implications. Exchange of data	none
4. Programme of International Cooperation in Agricultural Sector Analysis (PICASA)	Development of agricultural sector analysis methodology (Bank and FAO preliminary discussions)	limited
B. Co-Sponsorship Linkages		
1. UN Protein Advisory Group (PAG)	Planning and data for nutritional work by FAO, WHO and WB	none
2. Consultative Group on International Agricultural Research (CGIAR)	Promotion, establishment and operation of agricultural research centres (FAO provides secretariat for technical advisory committee)	very limited
3. Consultative Group on Food Production and Investment (CGFPI)	Assessment of needs and priorities for food production, and promotion of investment	active in FAO
4. Onchocerciasis Control Programme	Control of river blindness and subsequent resettlement of affected areas	limited in FAO

CLOSE - OUT SHEET

This file is closed as of Dec. 31, 1977.

For further correspondence, please see 1978/80 files.

RECORDS MANAGEMENT SECTION

LI-FAO
FAO/IBRD COOP
PROGRAM

UP
Mrs. Olive Rae Peterson, Chief, Documents Acquisition
and Control Section

November 7, 1977

Vittorio Masoni, IRD

FAO/IBRD Cooperative Programme: Change of Director

The new Director of FAO/IBRD Cooperative Programme is
Mr. Cedric Fernando. Please note and make the necessary change
on the Reports Desk Manual, page 2-30. Thank you.

VMasoni:az

Class of Service: **TELEX**

Date: **OCTOBER 19, 1977**

Telex No.:

Originators Ext: **5320**

12

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*✓ LI - FAO/IBRD Cooperative Program
cc THAILAND -*

0 **START
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CITY/COUNTRY

MESSAGE
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**END
OF
TEXT**

HC **BOOK OF TWO**
64286
FOODAGRI, JONES
ROME, ITALY

INTBAFRAD, VAN DER HEIJDEN
BANGKOK, THAILAND

788-2817

H 797

dx 1200

NOT TO BE TRANSMITTED

SUBJECT:

DRAFTED BY:

CLEARANCES AND COPY DISTRIBUTION:

cc: Ms. Murphy
G. Luhman

AUTHORIZED BY (Name and Signature):

Mr. Marius Veraart

DEPARTMENT:

Agr. & Rural Dev. Dept.

SECTION BELOW FOR USE OF CABLE SECTION

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Class of Service: **TELEX**Date: **OCTOBER 19, 1977**

Telex No.:

Originators Ext: **5320**

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0 START
HERE

1 TO

CITY/COUNTRY

MESSAGE
NO.:

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END
OF
TEXT

THAILAND NORTHERN RURAL DEVELOPMENT PROJECT. WE FULLY AGREE WITH
RECOMMENDATION RMB CONTAINED CABLE OCT. 14 THAT CP SEND FULL PREP-
ARATION MISSION ASAP TO COMPLETE PROJECT PREPARATION, BASED ON
REQUEST FROM MINISTRY OF AGRICULTURE IN LETTER OF SEPT. 14 FOR
FURTHER ASSISTANCE PREPARATION, DISCUSSIONS MARTINUSEN AND LUHMAN
WITH THAI OFFICIALS SEPT. 19-30, SUBSEQUENT DISCUSSIONS RMB AND
CONCERNED AGENCIES AS INDICATED OCT. 14 CABLE, AND PROGRESS PREP-
ARATION BY LDD AND HTD TO DATE. BY END SEPT. LDD HAD COMPLETED
SURVEY OF PHYSICAL CHARACTERISTICS OF POSSIBLE SITES AND HAD ABOUT
ONE MONTH'S SOCIO-ECONOMIC SURVEY WORK REMAINING. HTD HAD COM-
PLETED SURVEY WORK. OUGHTON EXPECTED ASSIST LDD AND HTD ANALYZE
DATA AND PREPARE REPORTS FROM BEGINNING OCT. RE ISSUES RAISED
YOURLET SEPT. 2 WE FEEL THAT, CONCERNING UPLAND COMPONENT, LETTER
FROM MINISTRY OF AGRICULTURE INDICATES SUPPORT FOR PROJECT, RFD
INTEREST SUGGESTS IMPROVED COOPERATION FROM THIS AGENCY, AND NESDB
POSITION REFLECTS DECISION NOT TO IMPEDE PROJECT PREPARATION.
WE ARE NOT AWARE OF ANY DECISION ON LDD FUNCTIONS, BUT THIS AND
OTHER ORGANIZATIONAL QUESTIONS WILL HAVE TO BE WORKED OUT DURING
COURSE OF PREPARATION AND APPRAISAL. WE DO NOT SEE POSSIBILITY
RESOLUTION THESE QUESTIONS WHILE GOVERNMENT LANDS REORGANIZATION
IN PROGRESS AND DO NOT BELIEVE PREPARATION SHOULD BE DELAYED ON
/c

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SUBJECT:

DRAFTED BY:

CLEARANCES AND COPY DISTRIBUTION:

cc: Ms. Murphy
G. Luhman

AUTHORIZED BY (Name and Signature):

Mr. Marius Verbaart

DEPARTMENT:

Agr. & Rural Dev. Dept.

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Class of Service: **TELEX**Date: **OCTOBER 19, 1977**

Telex No.:

Originators Ext: **5320**

12

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0 START
HERE
1 TO

THIS ACCOUNT. CONCERNING HIGHLAND COMPONENT, WE FEEL THAT THESE
ISSUES ALSO WILL HAVE TO BE RESOLVED DURING PREPARATION AND

CITY/COUNTRY

MESSAGE
NO.:

APPRAISAL. A SPECIFIC DECISION ON PWD RESPONSIBILITY FOR HIGHLAND
AGRICULTURAL DEVELOPMENT AND AN ASSURANCE ON RECLASSIFICATION OF
VALLEY BOTTOMS ARE UNLIKELY TO BE FORTH COMING AT THIS STAGE. RFD
APPEARS TO HAVE SOME INTEREST IN PROJECT AS WHOLE AND MAY BE WILLING
CONSIDER USEFUL ROLE IN BOTH COMPONENTS BUT NEEDS HELP IN PREP-
ARATION. HTD WILL INCLUDE ANALYSIS OF WATER USE AND RIGHTS IN RE-
PORT, BUT THIS MATTER ALSO WILL REQUIRE FURTHER ATTENTION DURING
PREPARATION AND APPRAISAL. WE RECOGNIZE THAT POPPY PRODUCTION
BY PROJECT BENEFICIARIES WILL CONTINUE, ALTHOUGH PROBABLY NOT ON
DEVELOPED LAND. THE QUESTION OF ABANDONMENT CANNOT BE ANSWERED
IN ADVANCE, BUT SELECTION OF SITES WITH SUBSTANTIAL POPULATION
PRESSURE PRESUMABLY RAISES THE PROBABILITY OF PERMANENT SETTLEMENT.
WE AGREE THAT THESE ISSUES YOU RAISED ON BOTH COMPONENTS ARE IM-
PORTANT, BUT WE BELIEVE THAT PREPARATION SHOULD PROCEED WHILE
SOLUTIONS ARE SOUGHT, AS LONG AS THE AGENCIES INVOLVED WISH TO
PROCEED. THEREFORE WE HOPE CP WILL AGREE TO SEND A FINAL PREP-
ARATION MISSION AS SOON AS IT CAN BE ORGANIZED. PLEASE ADVISE.
REGARDS VERAART.

21 END
OF
TEXT
22

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SUBJECT:

DRAFTED BY:

CLEARANCES AND COPY DISTRIBUTION:

CC: Ms. Murphy
G. Luhman

AUTHORIZED BY (Name and Signature):

Mr. Marius Veraart

DEPARTMENT:

Agr. & Rural Dev. Dept.

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ORGANISATION DES NATIONS UNIES POUR
L'ALIMENTATION ET L'AGRICULTURE



ORGANIZACION DE LAS NACIONES UNIDAS
PARA LA AGRICULTURA Y LA ALIMENTACION

FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS

DDC REGISTRY

In Reply please mention our reference
and date of this letter

Via delle Terme di Caracalla, 00100 - ROME

Cables: FOODAGRI ROME

Telex: 61181 FOODAGRI

Telephone: 5797

Ref. BK 3/10

SEP. - 2 1977

Letter No. 53213

Dear Mr. Veraart,

Please find enclosed 25 copies of the Mission Schedule
for September 1977 for Services I and II, plus two
~~copies of the Individual Travel Schedule for Service I.~~

Yours sincerely,

G. F. Granieri

G. F. Granieri
Programme Coordination Officer
FAO/World Bank Cooperative Programme

Mr. M. Veraart
Planning Officer/FAO Coordinator
Agriculture and Rural Development Dept., CPS
World Bank
1818 H Street, N.W.
Washington DC 20433

Date Received	9/2
Div. Log No.	241
Acknowledge by (date)	
Action by (date)	
Original sent to	
W. A. Files (date)	

FAO/WORLD BANK COOPERATIVE PROGRAMME - SERVICE II (AFRICA, ASIA AND FAR EAST)

SCHEDULE OF MISSIONS, SEPT. 1977 - FEBRUARY 1978 *

SEPTEMBER 1977

Page 1

1. EAST AFRICA

Country	Project	Respons- ibility	Type of Mission (Activity Code)	Composition	Timing and Duration in Field	Location and Duration of Report Writing	Remarks
KENYA 2KENAF01	Fisheries	CP	PREID	Muller-Praefcke Kristjonsson (FAO) Tang (FAO)	20 June 3-4 wks	Rome 3-4 wks	Capoluongo (WB) to join mission for final week in field
	- ditto -	CP	PREPN	- ditto -	Oct/Nov. ?		Mission subject to WB reaction to report of first visit
MADAGASCAR 2MAGADO2	Morandava II	CP	PREID	Economist Agronomist Engineer	Dec/Jan. ?		Awaiting WB confirmation
	Forestry I	WB	SPN	McFarlane (Serv. I)	15 Oct. 2 wks	Wash. 2 wks	
TANZANIA	Education III	WB	Completion Report	Beal	Jan.'78 2 wks	Nairobi 2 wks	

E&OE

* Including missions writing reports as of 1 Sept. 1977.

SEPTEMBER 1977

Page 2

II. WEST AFRICA

CAMEROUN 3CAMADO4	Rural Dev.	CP/WB	PREID	Cole	30 May 2 wks	Wash. 3 wks	
	- ditto -	CP	PREPN	<u>Cole</u> Adeniyi Bright (c) de Fays (c) Research Spec. (c) Forester	31 Oct. 3-4 wks	Rome 6 wks	
	- ditto -			<u>Cole</u>	Jan ?		
CONGO	Forestry	CP/WB	PREPN	Gorse (WB) Melhuish (FAO)	28 Nov. 3 days		
LIBERIA	Forestry I	WB	APR	Zurbrugg (Serv. I)	15 Sept. 2 wks	Wash.	
MALI 3WANA	Sahel Afforestation	CP	PREPN	<u>Delon</u> Grut (Serv. I) Forester Bright (c)	20 Nov. 3 wks	Rome 4 wks	Timing may have to slip because of Niger commitment.
NIGER 3NIGATO1	Sahel Afforestation	CP	PREPN	<u>Baudelaire</u> Grut Forester	3 Oct. 3 wks	Rome 4 wks	Smeyers to partici- pate for first week. Gorse (WB) for last two weeks
SENEGAL 3SENAFO1	Fisheries	WB/CP	PREPN	Bourgois	4-8 July		Mission led by de Raet (WB)
	- ditto -	CP	PREPN	<u>Bourgois</u>	1 August 1 wk	Rome 1 wk	Discussions with INTECSA (see BTO dated 28.7.77)
UPPER VOLTA 3UPVA	Sahel Afforestation	CP	PREPN	Grut Forester	Feb. '78		Smeyers to partici- pate for 1 week

UPPER VOLTA (cont'd.)	Niena Dionkele	CP	PREID	Smeyers	1 Oct. 3 days	Rome	Stop-over in conjunction with Niger mission
ZAIRE	Industrial Sector Study	WB					
	(a) Forestry			Melhuish (FAO)?	25 Sept. 2 wks	Wash. 2 wks	
	(b) Sugar			Fenn Sugar Spec.	3 wks	Rome 3 wks	
	Forestry	WB	Sector Review	?	Jan. '78		
SOFIDE		CP	SPN	Delon	25 Oct. 1 wk		Tentative timing agreed with FAO

=====

III. EAST ASIA AND PACIFIC

INDONESIA 7INSAP13	Transmigration	CP	Recce	Macartney	20 Sept.	Rome	Jones also participating
	- ditto -	CP	PREPN	Macartney	?	Rome	Timing, etc. subject to outcome of September mission
	Rubber Replanting	CP	PREID	<u>Brookson</u> Williams (FAO) Weatherhogg (c)	3 Sept. 4 wks	Rome 6 wks	Brookson to stop-over Bangladesh on return route to Rome
	- ditto -		PREPN	<u>Brookson</u> Weatherhogg	Dec. 2 wks	Rome 3 wks	
	Livestock	CP	Sector Review	<u>Groenewold</u> Otte (FAO) Almond (c) Chew (c)	18 Sept. 5-6 wks	Rome 6 wks	
	- ditto -		PREPN	<u>Groenewold</u> Almond Chew	1st qtr. '78		Mission composition subject outcome of Sector Review
LAO	Agri. Dev. II	WB/CP	PREID	Delon	1st qtr. '78		Awaiting Government confirmation
PAPUA NEW GUINEA	Agri. Dev. VI	CP	PREID	<u>Muller-Praefcke</u> Williams (FAO) Sugar Spec.	Jan. '78		
THAILAND 7THLACOI	Credit	WB/CP	PREID	Smeyers Crossing	30 May 4 wks	Rome 3 wks	
	- ditto -		PREPN	- ditto -	31 Oct. 3 wks	Rome	Crossing until 17 Nov. prior to home leave

THAILAND (cont'd.)	Northern Area Development	CP	PREPN	<u>Masterton</u> Guinard Oughton (FAO) Kidane	9 May 3 wks	Rome 3 wks	Masterton to visit Wash. 18 July for discussions on progress of preparation
	- ditto -	CP	PREPN	<u>Masterton</u> Kidane Agri. Eng./ Soil Conserv. Specialist	?	Rome 4 wks	Allen also to participate for 10 days but mission return subject to outcome issues papers now under preparation
	Coconut Rehabilitation	CP	PREPN	<u>Macartney</u> Economist	?	Rome 3 wks	Awaiting action Resident Mission (WB) regarding Government acceptance
VIETNAM 7VNMA01	Irrigation	WB	PREPN	Delon	27 Aug. 3 wks	Wash. 3 wks	Mission led by Golan (WB)

IV. SOUTH ASIASEPTEMBER 1977
Page 6

BANGLADESH 8BANADO8	Sugar	WB/CP	Recce	<u>de Brichambaut</u> de Nuce (c)	22 July - 12 August	Coconut specialist to participate for 10 days only, followed by report writing Paris. Brookson to stop- over en route from Indonesia	
	Forestry	CP	PREID	Zurbrugg (Serv. I)	5 Dec. 2 wks	Subject to discuss- ions Spears (WB) with Gov't in Oct.	
BURMA 8BUAATO3	Forestry	WB	SPN	Zurbrugg	15 Oct. 3 wks		
INDIA	DPAP	WB	SPN	Groenewold	15 Aug. 2 wks		
	Fisheries	WB	Sub-Sector Study	Tang (FAO)	Jan.'78 4 wks	Wash. 4 wks	
8INDA126	CAD Haryana II	CP	PREPN	<u>Campbell</u> Moir Dequin	20 June - 6 July	Rome 2 wks	Preparation to be completed by mid- October. Campbell to visit Wash. 8-10 August
	CAD Karnataka	WB	PREPN	Baudelaire	22 Aug. 2 wks		
	CAD Punjab U.P.	CP	PREPN	<u>Campbell</u> Moir Dequin Branscheid Silvestri	19 Sept. - 8 Oct.	Rome 4 wks	
	CAD Maharashtra	WB/CP	PREID	Campbell	12-19 Sept.		

INDIA (cont'd.) 8INDA126	Maharashtra Component	WB/CP	PREID	<u>Campbell</u>	20 Nov. 2 wks		
	CAD U.P.	CP	PREPN	Moir Dequin Wyatt Baudelaire	13 Nov.-- 3 Dec.	Rome 4 wks	
NEPAL 8NEPAD01	Rural Dev. II	CP	PREPN	<u>Siméon</u> Sugimura Cittati (c) Jones (c)	10 Nov. 3-4 wks		
8NEPAT02	Forestry	WB/CP	Sub-Sector Survey	Zurbrugg Devitt (FAO)	12 Nov. 3 wks		Zurbrugg to partici- pate for 2 weeks only
PAKISTAN 8PAKAR02	Extension and Agri.Dev. (Punjab)	CP	PREPN	<u>Spinks</u> Yates (c) Rayner (c)	1 August 2-3 wks	Rome 3 wks	Yates participating one week only
	- ditto -	WB	APR	Cotton Research Spec.	13 Sept.		
	- ditto - (NWFP)	CP	PREID	<u>Spinks</u> Rayner (c)	14 Aug. 1 wk	Rome	Preliminary discuss- ions with Government
	Agri. Dev. (Baluchistan)	CP	PREID	?	?		Subject to prelimi- nary discussions with Government
	Dairy (Sind)	CP	PREID	?	?		- ditto -
SRI LANKA	Rainfed Agri. (N.E.)	CP	PREID	<u>Hocombe</u> Goseco	26 Sept. 3-4 wks	Rome 4 wks	Allen to participate after Thailand visit
	- ditto -	CP	PREPN	<u>Hocombe</u> Goseco Agronomist	Jan/Feb. 1978	Rome 4-6 wks	

FORM NO. 27
(11-75)

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: MR. JOSEPH SWIDERSKI

DATE: JULY 11, 1977

FAO

ORIGINATOR'S EXT.: 6651

COUNTRY: ROME

CLASS OF
SERVICE: TELEX 64286

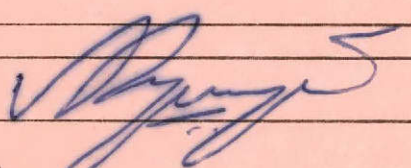
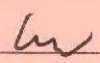
CABLE NO. & TEXT:

64287

UNDERSTAND FROM MR. DEWEY THAT YOU ARE PLANNING TO VISIT WASHINGTON
SOMETIME END OF THIS MONTH. WE WOULD BE HAPPY TO MEET WITH YOU ON
JULY 28 MORNING AT 1000 HOURS IN MY OFFICE. HOPE TIMING IS CONVENIENT
FOR YOU. PLEASE CONFIRM. REGARDS.

NAYAR
INTBAFRAD

NOT TO BE TRANSMITTED

REFERENCE: FAO Cooperative	AUTHORIZED BY (Name): Sivaram P. Nayar
DRAFTED BY: SNayar:mgm	DEPARTMENT: Industrial Projects
CLEARANCES AND COPY DISTRIBUTION: cc: Messrs. Dewey, Oberdorfer, Becher, Walstedt, Dehejia (IFC)	SIGNATURE (Of individual authorized to approve): 
SECTION BELOW FOR USE OF CABLE SECTION	
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☒ BRD
☐ DA
☐ FC
☐ ID

WORLD BANK / IFC
 OUTGOING MESSAGE FORM
 (TELEGRAM/CABLE/TELEX)

FORM NO. 10
(11-10)

DATE: JULY 11, 1977

TO: MR. JOSEPH SWIDERSKI

ORIGINATOR'S EXT: 6551

FAO

CLASS OF SERVICE: TELETYPE
 61585

COUNTRY: ROMANIA

CABLE NO. & TEXT:

UNDERSTAND FROM MR. DEWEY THAT YOU ARE PLANNING TO VISIT WASHINGTON
 SOMETIME END OF THIS MONTH. WE WOULD BE HAPPY TO MEET WITH YOU ON
 JULY 28 MORNING AT 1000 HOURS IN MY OFFICE. HOPE TIMING IS CONVENIENT
 FOR YOU. PLEASE CONFIRM. REGARDS.

MAYAR
 INTERFAD

DISPATCHED

JUL 11 10 35 PM 1977
 COMMUNICATIONS
 SECTION

NOT TO BE TRANSMITTED

AUTHORIZED BY (Name):

Silvian P. Mayar

DEPARTMENT:

Industrial Projects

SIGNATURE (or individual authorized to approve)

FAO Cooperative

Mayar: wgm

BLANKS AND COPY DISTRIBUTION

cc: Messrs. Dewey, Oberdorfer, Becker, Walstedt, Denejia (IFC)

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INTSAPHA WASH DC

L1-FAO/IBRD Routine

64287 FOODAGRI

INCOMING TELEX From Rome

sd

ZCZC

VERAART (Telex NO.)

N June 14 77

Distribution:

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Agric & Rur l Dev.

ONE FORESTY SEMINAR SCHMITHUSEN FAO FORESTRY DEPARTMENT ALSO
ARRIVING WASHINGTON SYNDAY NINETEEN JUNE STO PLEASE BOOK PARK
CENTRAL HOTEL AND CONFIRM
TWO COULD YOU ARRANGE APPOINTMENT FOR WATZINGER ASSISTANT
DIRECTOR GENERAL FISHERIES DEPARTMENT WITH CHRISTOFFERSEN
STOP WATZINGER IN WASHINGTON 29 JUNE TO 3 JULY INCLUSIVE
THREE BRAZIL AGRICULTURAL EXTENSION FOR APODACA TA BEING
PROCESSED

ABUSHARR

INTBAFRA WASH DCTO

INTBAFRA WASH DC

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

LI-FAO/IBRD

L/R

☐ IBRD
☐ IDA
☐ IFC
☐ ICSID

390-122512

TO: UNDEVPRO

DATE: JUNE ¹⁰9, 1977

BUENOS AIRES

ORIGINATOR'S EXT.: 5320

COUNTRY: ARGENTINA

CLASS OF
SERVICE: *LT*

CABLE NO. & TEXT:

FOR HASSID, FAO/CP FROM ABUSHARR STOP RAMASUBBU AND EYE AGREE ALL YOUR
PROPOSALS

CORAGGIO
VERAART

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

Mr. Marius Veraart

DRAFTED BY:

DEPARTMENT:

Ag. & Rural Dev. Dept.

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Ramasubbu, Abu Sharr

SIGNATURE (Of individual authorized to approve):

Marius Veraart

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CHECKED FOR DISPATCH:

cc: Messrs. [illegible] and [illegible]
[illegible] and [illegible]

CHECKED FOR DISPATCH

VS. & KATZ DEL. DEPT.

DEPARTMENT

Mr. Martin Delaney

APPROVED BY [illegible]

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DISPATCHED

JUN 10 7 38 AM 1977
COMMUNICATIONS
SECTION

ARRIVAL
CONVULSION

PROFESSOR

FOR MESSRS. [illegible] FROM [illegible] STOP [illegible] AND [illegible] WITH [illegible]

CABLE NO. 2-1234

COMMUNICATE [illegible]

SERVICE: [illegible]
CLASS OF [illegible]

BUENOS AIRES

ORIGINATOR: EXLT 2350

FOR IMPERIAL

DATE: JUNE 9, 1977

(TELEGRAM/CABLE/TELEX)

OUTGOING MESSAGE FORM

WORLD BANK REC

380-123215

6/1/77
 Lva phatd into report problem to WC BANK / INTERNATIONAL FINANCE CORPORATION
 phat Di Ch. to inform of problem
 on Daigne
 LI - FAO/IBRD Cooperative Program
 10
 OFFICE MEMORANDUM

TO: Distribution

DATE: June 2, 1977

FROM: G. Le Moigne, Acting Assistant Director, Projects EMENA

SUBJECT: FAO/IBRD Cooperative Program - Semi-Annual Review

Rec'd 6/3
 Not much
 notice has
 6/7 m tgs!

1. The semi-annual review of the work program of the FAO/IBRD CP in support of the EMENA Region will be held in Room A-720 on June 7, 1977. Messrs. Huyser and Abu Sharr will be representing the CP. During the review we will cover the CP's work program for FY78. In view of the shaky condition of the project pipeline, the major focus will be on preparation activities although CP support for supervision, appraisal and sector missions will also be covered. There will also be an opportunity to discuss with CP and Education Projects staff those agricultural projects involving considerable training and educational components.

2. The format of the meeting will be the same as that followed in previous reviews, i.e., a country by country review. The timetable will be as follows:

10:00 a.m. - 12:00 noon - Country Programs Department II

10:00 - 10:20 a.m.	Division 2A: Cyprus, Greece, Israel, Oman, Turkey
10:20 - 10:45 a.m.	Division 2B: Algeria, Libya, Malta, Tunisia
10:45 - 11:00 a.m.	Break
11:00 - 11:30 a.m.	Division 2C: Iraq, Jordan, Lebanon, Morocco, Syria

2:00 p.m. - 4:00 p.m. - Country Programs Department I

2:00 - 2:45 p.m.	P. Blay Division 1A: Egypt, Bahrain, Kuwait, Qatar, Saudi Arabia, UAE
2:45 - 3:15 p.m.	Moine / O. R. Bai Division 1B: Iran, Portugal, Yemen PDR, Yemen AR
3:15 - 3:30 p.m.	N. Anderson / G. Kaili? Division 1C: Ireland, Spain, Yugoslavia
3:30 - 4:00 p.m.	S. Jichi / Imann Division 1D: Afghanistan, Finland, Iceland, Romania

General Session for Policy Matters and Miscellaneous

4:00 - 4:30 p.m.	Agenda will include in particular a discussion of a draft paper on Fisheries Projects in EMENA.
------------------	---

3. Agriculture Projects Division Chiefs will prepare (for June 6, 1977) discussion worksheets as in the past for CP supported activities in their respective Divisions. Programs Division Chiefs are invited to send representatives to the respective country sessions.

alc
 G. Le Moigne
 6/6/5 pm

Distribution

- 2 -

June 2, 1977

4. For background information I have attached a copy of the latest FAO/IBRD CP Forward Mission Schedule for the Programs Division Chiefs.

not attached to this cc...

Attachment

Distribution:

Messrs. Pollan, Fish, El Darwish, Jones, Lachman, Finzi, Veraart, Huyser,
Abu Sharr
Agriculture and Education Division Chiefs, Projects EMENA
Directors and Division Chiefs, Country Programs Departments I and II, EMENA

GLEMoigne:ak

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

Llc

TO: FOODAGRI

DATE: JUNE 1, 1977

ROME

ORIGINATOR'S EXT.: 61457

COUNTRY: ITALY

CLASS OF
SERVICE: 64286/89
TELEX NO. 62127

CABLE NO. & TEXT:

FOR ROCHE RECEIVED YOUR TELEX RE COST VARIANCE JAN.-JUNE STOP
PLEASE SEND COPIES FAO/WB CP ALLOTMENT LEDGERS AS OF MAY 31,
1977 TO ARRIVE NOT LATER THAN JUNE 21 STOP ALSO CABLE BY
LATEST JUNE 23 BANK'S SHARE FOR JUNE 1977 COMMITMENTS BY
TRAVEL COMMA CONSULTANTS FEES AND PERSONAL SERVICES COST

JONES

INTBAFRAD

SECTION
COMMUNICATIONS

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

STANLEY J. PERCH

DRAFTED BY:

DEPARTMENT:

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WORLD BANK / IFC
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 (TELEGRAM/CABLE/TELEX)

FORM NO. 37
(3-75)

DATE: JUNE 1, 1977

ORIGINATOR'S EXT: 61457

CLASS OF
SERVICE

TELEX NO. 62457

TO: FOODAGRI

ROME

COUNTRY: ITALY

CABLE NO. & TEXT

FOR WGNH RECEIVED YOUR TELEX RE COST VARIANCE JAN.-JUNE STOP
 PLEASE SEND COPIES FAC/WB CP ALLOCATION LEDGERS AS OF MAY 31.
 1977 TO ARRIVE NOT LATER THAN JUNE 21 STOP ALSO CABLE BY
 LATEST JUNE 23 BANK'S SHARE FOR JUNE 1977 COMMITMENTS BY
 TRAVEL COMMA CONSULTANTS FEES AND PERSONAL SERVICES COST

JONES

INT/BARRAD

COMMUNICATIONS
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JUN 1 7 24 PM 1977

STANLEY J. PERCH

DEPARTMENT

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(TELEGRAM/CABLE/TELEX)

L1-FAO/IBRD Routine

L/C

☐ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: HUYSER
FOODAGRI
ROME

DATE: MAY 31, 1977

ORIGINATOR'S EXT.: 5320

COUNTRY: ITALY

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT: # 95

ONE BURMA PADDYLAND DEVELOPMENT II STOP KINDLY TELEX STATUS PREPARATION AND
TIMETABLE COMPLETION PREPARATION REPORT

TWO ECUADOR STORAGE FOR ABUSHARR STOP HAVE NOT YET RECEIVED REPORT OR WORKING
PAPERS STOP PLEASE ADVISE ADDRESS YOU WISH FOUR COPIES SENT

THREE WOULD ~~M~~ APPRECIATE RECEIVING COPY FINAL REPORT AND TECHNICAL PAPERS IF
AVAILABLE OF FAO/UNDP PROJECT INDONESIA INS 72-006 UPPER SOLO WATERSHED
MANAGEMENT

FOUR TURKEY LIVESTOCK IV REURCAB 115 WOULD APPRECIATE COPY REPORT

~~REGARDS~~
~~VERAART~~

FIVE PLEASE CONFIRM THAT GUCKIAN VISIT TO WASHINGTON FEBRUARY 12 TO 26 WAS FOR
PURPOSES OF WRITING PDRY REPORT AS INDICATED YOUR MONTHLY ASSIGNMENT SINCE WE
ARE CONFUSED THIS END

REGARDS
VERAART

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

Mr. Marius Veraart

DRAFTED BY:

DEPARTMENT:

Ag. & Rural Dev. Dept.

CLEARANCES AND COPY DISTRIBUTION:

SIGNATURE (Of individual authorized to approve):

(1) - cc: Messrs. Naylor, Hunting, Tadros

(3) - cc: Mr. Lindahl

(4) - cc: Mr. ffrench-Mullen

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LC

Class of Service: **TELEX**Date: **APRIL 8, 1977**

Telex No.:

Originators Ext: **2393**

68509-68304

LI - FAO/IBRD Coop. Prog.

0 START
HERE

1 TO

JOHN S. SPEARSCITY/
COUNTRY**C/O FAO/IBRD, VIA DELLE TERME DI CARACALLA**MESSAGE
NO.:**00100 ROME, ITALY**

4

FURTHER OUR CABLE JAN 10 AND YOUR COMMUNICATIONS REGARDING

5

CHECK LIT 336.528. AMOUNT STILL NOT CREDITED OUR ACCOUNT.

6

BANCA D'ITALIA INFORMS CHECK NOT IN CONFORMITY WITH ITALIAN

7

REGULATIONS AND MATTER SUBMITTED TO UFFICIO ITALIANO DEI

8

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9

FOR HOLDING UP CREDIT. APPRECIATE YOUR CLEARING UP MATTER.

10

CASHIER'S DIVISION, INTBAFRAD

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END
OF
TEXT

22

NOT TO BE TRANSMITTED

SUBJECT:

DRAFTED BY:

mjh

CLEARANCES AND COPY DISTRIBUTION:

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L TOPOLSKY

DEPARTMENT:

TREASURER'S

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APR 8 10 31 PM 1977

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sd

March 2 77

Distribution:

Mrs Feldstein E610

INTBAFRAD

WASHINGTON

FAO /F 3652

FOR FELDSTEIN JANUARY WB SHARE

6761X EP 1116	EF 50 EC 147	ET 267	EM 6	EZ 1586
6761C EC 8	ET 4 EM 4	EZ 16		
6762X EP 1.251	EF 68 EC 98	ET 158	EM 8	EZ 1583
6762C EF 8	EC 20 ET 60	EM 2	EZ 90	
6771X SP 69	SG 46 YP 5.75	YF 0.19	YC 0.97	
EP 223	ET 6 EZ 229	YS 6.91	YG 3.83	
6771C EP 1450	EC 30 ET 82	EZ 1.562		

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61219 FOODAGRI.....

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1977 MAR -2 PM 2:55

Mr. Mrs. Feldstein E610

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FAO/F 3653

FOR FELDSTEIN DECEMBER 78 SHARE

6752 EP 1284 EF 24 EC 89 ET 177 EM 4 EZ 1578

6752X EF 5 EC 40 ET 42 EM 1 EZ 88

6761X EP 1116 EF 50 EC 147 ET 267 EM 6 EZ 1566

6761C EC 8 ET 4 EM 4 EZ 16

6762X SP 70 SG 46 YP 5.83 YF 0.25 YC 0.77 YS 6.85

YG 3.83 EP 1.251 EF 68 EC 98 ET 158 EM 8 EZ 1563

6762C EF 8 EC 20 ET 60 EM 2 EZ 90

ROCHE ROME+

WORLD BANK WSH

INCOMING TELEX

LT-FAO Coop Prog-
no

WORLD BANK WSH

From: Rome - Feb. 17, 1977

61181 FOODAGRI

(telex no.)

17 FEB 17 PM 1:22

Distribution

Mr. Voorhoeve

FAOB6426 FOR VOORHOEVE REYRTEL 16/E MEETING 1-4 MARCH

HOPE BANK CAN BE REPRESENTED STOP AGENDA PROVIDES

FOR DISCUSSION OBJECTIVES METHODOLOGIES ETC OF

ONGOING/PROPOSED GLOBAL PERSPECTIVE STUDIES OF

AGRICULTURE AND EXCHANGE VIEWS ON SCOPE FOR

COOPERATION STOP FOLLOWING ORGANIZATIONS WILL BE

REPRESENTED FAO IIASA DUTCH GROUP LEONTIEF TEAM

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O'HAGAN

FOODAGRI"

WORLD BANK WSH

61181 FOODAGRI.....

INCOMING CABLE

U-FAO/IBRD Coop.
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Central Files

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URWT HL PHMA 054

MANILA 54/53 15 1957

Distribution:

Mrs. Boskey

Feb. 15 77

LT

INTBAFRAD

WASHINGTONDC

RECORDS AND
COMMUNICATIONS

1977 FEB 16 AM 7:37

FOR BOSKEY GEORGE GWYER WAS INVITED BY JONES OF FAO COOPERATIVE
PROGRAM TO PARTICIPATE IN FAO/CP IDENTIFICATION. PREPARATION MISSION
TO INDONESIA SCHEDULED FEBRUARY 21 STOP APPARENTLY CABLE CLEARED
BY SOMEONE IN BANK STOP APPRECIATE PRIMO CAUSE JONES WITHDRAW
INVITATION SECUNDO TRY INQUIRE WHO CLEARED CABLE STOP INCIDENT
EMBARASSING REGARDS

RAPHAELI

COLL LT INTBAFRAD WASHINGTONDC FAO FAO/CP WQ RPT 21

THE WORLD BANK

ROUTING SLIP

DATE:

Jan 26, 1977

NAME

ROOM NO.

Mr. Kopp

APPROPRIATE DISPOSITION

NOTE AND RETURN

APPROVAL

NOTE AND SEND ON

CLEARANCE

PER OUR CONVERSATION

COMMENT

PER YOUR REQUEST

FOR ACTION

PREPARE REPLY

INFORMATION

RECOMMENDATION

INITIAL

SIGNATURE

NOTE AND FILE

URGENT

REMARKS:

FAO Cooperative Program

Attached are the
 points we want to
 discuss at the
 forthcoming meetings.

FROM: A. WASAY

ROOM NO.:

EXTENSION:

Jan. 26, 77

AGENDA

PORTUGAL - FAO/CP Program Review -- February 2, 1977

Items to be discussed:

Agricultural Credit (79S)

The preparation mission staffed by FAO/CP is scheduled to arrive in Portugal February 13. Since the mission will be preceded by a visit of the Consultant, Mr. Romero-Chavez, on February 8, the suggestion has been made that Mr. von Oppenfeld and one of the FAO/CP mission members arrive earlier than February 14. Since at the last CP program review, the February 14 mission was agreed; the only question that now requires confirmation is the sending in advance of one mission member with Mr. von Oppenfeld.

Irrigation (80S)

At the last program review it was agreed that an identification/preparation mission staffed by the CP would arrive in Portugal in April. The date of this mission should be confirmed.

Livestock (79)

Discussions have been held on sending a CP preparation mission to Lisbon in October 1977. If possible arrangements to send this mission should be confirmed.

AGENDA

Yemen Arab Republic (YAR)
FAO/CP Program Review
February 2, 1977

Items to be discussed:

Basic Economic Mission to YAR

FAO is to provide an agricultural economist to participate in the mission. This should be confirmed.

Fisheries (80)

Preparation work now underway--should inquire status and see if any additional mission would be necessary.

AGENDA

People's Democratic Republic of Yemen (PDRY) FAO/CP Program Review February 2, 1977

Items to be discussed:

Wadi Tuban Agricultural Development (78)

A project preparation mission staffed by FAO/CP visited PDRY in December 1976 and is now back in Rome putting together a report. We should inquire about the status of the report and when it would be available. A delay in the completion and receipt of the report would also adversely affect our processing schedule.

Fisheries II (79S)

A project identification mission staffed by both the Bank and FAO/CP is presently in the field but would, however, have completed their work by the time the review meeting takes place. No particular issues to be discussed. However, should we learn of any new developments on the mission's return, we would raise them at the meeting.

Wadi Beihan

At the last review meeting, FAO had indicated that they might look into the potential for an agricultural development project in this Wadi. We should check on the status as our lending program envisages a Third Highway project (FY80S) which would link the Wadi to an existing highway going to Aden.

C. FICE MEMORANDUM

TO: Mr. David W.M. Haynes

DATE: January 27, 1977

FROM: Hans-Eberhard Köpp, Acting Director, EMENA I

SUBJECT: FAO/IBRD Cooperative Program - Half Yearly Review

1. In response to your memo of January 18, following is a list of items which we want to discuss with the CP:

A. Afghanistan

- a) Rural Development Project - Status of the report of the FAO CP mission which visited Afghanistan October 1976.
- b) Agricultural Development Bank - Status of selection of consultants for AMSCO.

B. Egypt

Future agriculture work in Egypt (Sohag Minufiya and Fruit & Vegetables II projects).

C. Portugal

- a) Agricultural Credit - Confirmation of preparation mission.
- b) Irrigation - Confirmation of identification/preparation mission.
- c) Livestock - Status of arrangements to send a CP preparation mission in October 1977.

D. YAR

- a) Basic Economic Mission to YAR - Confirmation that FAO is to provide an agricultural economist to participate in the mission.
- b) Fisheries - Status of preparation work.

E. PDRY

- a) Wadi Tuban Agricultural Development - Status of preparation mission report.
- b) Fisheries II - Status of identification mission now in field which will have returned by the time the review takes place.
- c) Status of an agricultural development project in Wadi Beihan.

F. Yugoslavia -

- a) Macedonia Irrigation - Status of preparation of the agricultural aspects of the project.
- b) Bosnia Rural Development - Status of preparation mission.
- c) Sava Multipurpose - Status of preparation mission.

2. In connection to Egypt discussions, the Division would like to schedule the meeting for late afternoon (after 3:30 p.m.).

cc: Messrs. Eschenberg, Moini, Kaji, Noon

LEMoreau:sap

WORLD BANK / IFC
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(TELEGRAM/CABLE/TELEX)

LI - FAO/IBRD
Coop Prog
IBRD
IDA
IFC
ICSID
42684

TO: UNDEVPRO

DATE: JANUARY 26, 1977

ANKARA

ORIGINATOR'S EXT.: 5320

COUNTRY: TURKEY

CLASS OF SERVICE: *tele*

CABLE NO. & TEXT:

FOR BONO, FAO/WORLD BANK COOPERATIVE PROGRAM MISSION STOP SECOND YUGOSLAVIA
CREDIT PROJECT PROVISIONALLY INCLUDES FOLLOWING COMPONENTS FOR BOSNIA STOP
TOTAL PROJECT COSTS IN MILLION DOLLARS STOP FOR PRIVATE SECTOR ONE LIVESTOCK
15.75 CONSISTING DAIRY FARMS 9.25 CATTLE FATTENING 4.5 PIG FATTENING 2.0
TWO FRUIT VINEYARDS AND VEGETABLES 6.0 FOR SOCIAL SECTOR PROCESSING PLANTS
16.5

REGARDS SNELSON

SECTION
COMMUNICATIONS

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

Mr. Marius Veraart

DRAFTED BY:

KE Snelson:cms

DEPARTMENT:

Ag. & Rural Dev. Dept.

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Snelson

SIGNATURE (Of individual authorized to approve):

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☐ IFC
☐ ICSIO

WORLD BANK / IFC
 OUTGOING MESSAGE FORM
 (TELEGRAM/CABLE/TELEX)

FORM NO. 22
(11-70)

112684

TO: UNDEVPRO
 COUNTRY: TURKEY
 CABLE NO. & TEXT: FOR BONO, TAO/WORLD BANK COOPERATIVE PROGRAM MISSION STOP SECOND YUGOSLAVIA
 CLASS OF SERVICE: *tel*
 ORIGINATOR'S EXT: 5230
 DATE: JANUARY 26, 1977

CREDIT PROJECT PROVISIONALLY INCLUDES FOLLOWING COMPONENTS FOR BOSNIA STOP
 TOTAL PROJECT COSTS IN MILLION DOLLARS STOP FOR PRIVATE SECTOR ONE LIVESTOCK
 15.75 CONSISTING DAIRY FARMS 9.25 CATTLE FATTENING 4.5 PIG FATTENING 2.0
 TWO FRUIT VINEYARDS AND VEGETABLES 6.0 FOR SOCIAL SECTOR PROCESSING PLANTS
 16.5
 REGARDS SNEILSON

COMMUNICATIONS SECTION
 TRANSMITTED
 AUTHORIZED BY (Name): Mr. Martin Vetsart
 DEPARTMENT: Ag. & Rural Dev. Dept.
 SIGNED (Signature):
 CHECKED FOR DISPATCH: *[Signature]*
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 cc: Mr. Sneilson
 DISPATCHED
 DRAFTED BY: Kesselson:cms
 REFERENCE: Jan 26 9 30 PM 1977

ROUTING SLIP

DATE:

January 25, 1977

NAME

ROOM NO.

Mr. Moreau

C702

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NOTE AND RETURN

APPROVAL

NOTE AND SEND ON

CLEARANCE

PER OUR CONVERSATION

COMMENT

PER YOUR REQUEST

FOR ACTION

PREPARE REPLY

INFORMATION

RECOMMENDATION

INITIAL

SIGNATURE

NOTE AND FILE

URGENT

REMARKS:

I /IBRD CP Operational Program
- Half Yearly Review

Please find attached Mr. Ijichi's note on this subject. The items proposed in the note may not fall into the category of special items, but we would like to confirm that the proposed items are on the agenda for discussions.

FROM:

Nicholas W. Noon

ROOM NO.:

C711

EXTENSION:

4523

OFFICE MEMORANDUM

TO: Mr. N.W. Noon, Acting Division Chief, CPDI, ID, DATE: January 25, 1977
FROM: John S. Ijichi *JS* EMENA Region.
SUBJECT: FAO/IBRD CP Operational Program - Half Yearly Review

Concerning Mr. Moreau's memo of January 21 on the above subject, I would like to include the following items to be included in the agenda:

Afghanistan

1. Rural Development Project - Status of the report of the FAO CP mission which visited Afghanistan October 1976.
2. Agricultural Development Bank - Status of selection of consultants for AMSCO.

JSIjichi:bs

LM -

Mr. Blay has to be in the meeting
but will be held in a seminar until
3:30. Could Egypt come up late p.m.?

Would like a private meeting with
Mr. Abu Sharr. Is it possible to
arrange one?

S

FORM NO. 80

(1-76)

THE WORLD BANK

DATE

MESSAGES

TIME

TO

FROM

DEPT./OFFICE

PHONE

EXTENSION

☐ CALLED

☐ CAME TO SEE YOU

☐ RETURNED YOUR CALL

☐ CALL BACK

☐ WILL CALL AGAIN

☐ REQUESTS APPOINTMENT

☐ URGENT

REMARKS

RECEIVED BY

OFFICE MEMORANDUM

TO: Messrs. Eschenberg, Aiyer, Kaji, Noon

DATE: January 21, 1977FROM: Lucien E. Moreau *LM*SUBJECT: FAO/IBRD CP Operational Program - Half Yearly Review

The next FAO/IBRD CP review is scheduled for February 1-4, 1977. The EMENA meetings will take place on February 2, 1977 in Room A-720.

Would you please send to Mr. Köpp by c.o.b. Tuesday, January 25, any special items that you would like to include in the agenda.

cc: Mr. Köpp

LEMoreau:sap

HS name to include.
~~FK~~ " ~~FK~~
~~PB~~

1/24 ph. let me know by noon
 Tuesday if you have
 anything to be raised

① Could Egypt
 be kept. or since
 I'll be in seminar
 up to 330?

③

Not for agenda, since it'll come ^{up} in the country discussion.
 ② Progress on Egypt projects. I'd suggest a private meeting with Abu Sharo, Bill, you, me, & ff-17 or his people to ~~discuss~~ discuss what's coming out of Shag. Minufija work.

③

OFFICE MEMORANDUM

EK/LM
to follow up

TO: Distribution

DATE: January 18, 1977

FROM: D. W. M. Haynes *DH*

SUBJECT: FAO/IBRD CP Operational Program - Half Yearly Review
Preliminary Notice

The next review is scheduled for February 1-4, 1977.
The EMENA meetings will take place on February 2, 1977 in Room A-720.

Would you please let me know by January 26, 1977 c.o.b.
if you have any special items that you would like to include in the
Agenda.

Distribution: Messrs. Knox, Finzi, Bart, Paijmans, Lachman, Vereart
All Projects Division Chiefs, EMENA ✓

DHaynes:ak

LI - FAO/IBRD
Coop. Prog.

OFFICE MEMORANDUM

TO: Files

DATE: November 19, 1976

FROM: D. S. Ballantine *DSB*SUBJECT: Meeting with Mr. Jan Huyser of FAO, November 11, 1976

I met briefly with Mr. Jan Huyser, Director of the FAO Cooperative Program team, Mr. Veraart, and several other FAO staff to discuss the contribution to our work in project related training for agriculture which might be made by the Bank/FAO Cooperative Program. Mr. Huyser recognized in principle the rising importance of training in agricultural projects. He seemed to feel that much of the formal or institutional agricultural education might be dealt with by Unesco, and also pointed out that Mr. Lesire, one of his three team members for agricultural education/training, was currently in India learning the approach of the Bank's agricultural extension guru, Mr. Benor. He thought that one training expert in the CP program ought to be able to sensitize and guide the functional specialists sufficiently to meet the need. I disagreed with his view on the ground that adequate attention to training programs required more functional knowledge than any one person could have for all the specialities covered by the Cooperative Program. I did not feel, however, that I had persuaded Mr. Huyser.

cc: Mr. Yudelman
Mr. Veraart

DSB/h1

ROUTING SLIP		DATE Nov 9	
NAME		ROOM NO.	
Mr. Paijmans			
W. Moreau			
pl. handle			
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
REMARKS URGENT in particular Proj. 401 representation at the <u>Gal</u> Session if need be we can cancel the Disch. mtg. ✓			
FROM R. Frank		ROOM NO.	EXTENSION

WORLD BANK GROUP

ROUTING SLIP		DATE 11/9/76	
NAME		ROOM NO.	
Mr. Kipp, Acting Director			
URGENT			
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
REMARKS			
FROM R. Franke		ROOM NO. A712	EXTENSION 4728

W. Moreau

11/14/76

If anything important
or interesting surfaced at the
Ged session pl. let me know,
J

ABSENT

W. Kobb: present, D. Moreau

11/14/76

OFFICE MEMORANDUM

→ file

TO: Distribution

FROM: Richard Frank, Acting Assistant Director, Projects EMENA

SUBJECT: FAO/IBRD Cooperative Program - Semi-Annual Review

DATE: November 8, 1976

1. The semi-annual review of the work program of the FAO/IBRD CP in support of the EMENA Region will be held in Room E-754 on November 11, 1976. Messrs. Huyser and Abu Sharr will be representing the CP. During the review we will cover the CP's work program for the remainder of FY77. In view of the shaky condition of the project pipeline, the major focus will be on preparation activities although CP support for supervision, appraisal and sector missions will also be covered. There will also be an opportunity to discuss with CP and Education Projects staff those agricultural projects involving considerable training and educational components.

2. The format of the meeting will be the same as that followed in previous reviews, i.e., a country by country review. The timetable will be as follows:

10:00 a.m. - 12:00 noon - Country Programs Department I

DOVLY
HER Day
Original Loh
gishi

10:00 - 10:20 a.m.	Division 1C: Ireland, Spain, Yugoslavia
10:20 - 10:45 a.m.	Division 1A: Egypt, Bahrain, Kuwait, Qatar, Saudi Arabia, United Arab Emirates
10:45 - 11:00 a.m.	Break
11:00 - 11:30 a.m.	Division 1B: Yemen AR, Yemen PDR, Iran, Portugal
11:30 a.m. - 12:00 noon	Division 1D: Afghanistan, Iceland, Finland, Romania

2:00 p.m. - 4:00 p.m. - Country Programs Department II

2:00 - 2:45 p.m.	Division 2A: Cyprus, Greece, Oman, Turkey, Israel
2:45 - 3:15 p.m.	Division 2B: Algeria, Tunisia, Libya, Malta
3:15 - 3:30 p.m.	Break
3:30 - 4:00 p.m.	Division 2C: Jordan, Morocco, Syria, Iraq, Lebanon

General Session for Policy Matters and Miscellaneous

4:00 - 4:30 p.m.	Items. Specific Agenda to be determined on November 11 and could include educational and training aspects of agriculture projects.
------------------	--

I went to general session this time - 11/11/76

November 8, 1976

3. Agriculture Projects Division Chiefs will prepare discussion worksheets as in the past for CP supported activities in their respective Divisions. Programs Division Chiefs are invited to send representatives to the respective country sessions.

4. For background information I have attached a copy of the latest FAO/IBRD CP Forward Mission Schedule for the Programs Division Chiefs.) ?

Attachment

Distribution

Messrs. Knox, Fish, El Darwish, Jones, Lachman, Finzi, Veraart, Huyser, Abu Sharr
Agricultural and Education Division Chiefs, Projects EMENA
Directors and Division Chiefs, Country Programs Departments I and II, EMENA

RFrank:ak

WORLD BANK / IFC
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(TELEGRAM/CABLE/TELEX)

2 I - FAO / IBRD Cmp
Prog
WV

☐ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: ANZDEC

DATE: October 22, 1976

AUCKLAND

ORIGINATOR'S EXT.: 3691

COUNTRY: NEW ZEALAND

CLASS OF TELEX 791
SERVICE: NEW ZEALAND 2694

CABLE NO. & TEXT:

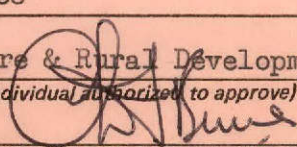
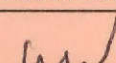
~~WORK~~

FOR DAVID IVES SOMALI GOVERNMENT HAVE NOW AGREED THAT BAY AREA
FEASIBILITY STUDY BE DONE BY IBRD/FAO COOPERATIVE PROGRAM STOP
AM LIKELY TO HAVE VACANCY FOR EXPERIENCED AGRICULTURAL ECONOMIST
AROUND JANUARY 1977, PLEASE SEND CV OF PERSON WE DISCUSSED
REGARDS

COLIN BRUCE

INTBAFRAD

NOT TO BE TRANSMITTED

REFERENCE:	AUTHORIZED BY (Name): Colin Bruce
DRAFTED BY:	DEPARTMENT: Agriculture & Rural Development
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- ☐ ICRD
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- ☐ IDA
- ☐ IBRD

WWT

DATE: October 25, 1978

ORIGINATOR'S EXT: 3091

791

CLASS OF SERVICE: NEW ZEALAND 2691
TELEX

TO: AMSTEC

AUCKLAND

COUNTRY: NEW ZEALAND

CABLE NO. & TEXT:

REMI

FOR DAVID EVES SOMALI GOVERNMENT HAVE NOW AGREED THAT BAY AREA
FEASIBILITY STUDY BE DONE BY ITRD/FAO COOPERATIVE PROGRAM STOP
AM INTEREST TO HAVE VACANCY FOR EXPERIENCED AGRICULTURAL ECONOMIST
AROUND JANUARY 1979, PLEASE SEND CV OF PERSON WE DISCUSSED

RECORDS

COLIN BRICE

INTERFARM

NOT TO BE
COMMUNICATIONS
OCT 27 3 57 PM 1978

REFERENCE	Colin Brice
DRAFTED BY	Department of Agriculture & Fisheries Development
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LI - FAO / IFC
Coop

☐ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: FOODAGRI

DATE: AUGUST 31, 1976

QUITO

ORIGINATOR'S EXT.: 5320

COUNTRY: ECUADOR

CLASS OF
SERVICE: **IBF/ITT**

CABLE NO. & TEXT:

FOR CASTELLI FROM SNELSON FAO/WORLD BANK COOPERATIVE PROGRAM STOP GRATEFUL
YOU ENQUIRE AVAILABILITY JACQUES MARTINOD FORMERLY DIRECTOR INERHI FOR
CONSULTANCY WITH CP MISSION TO BRAZIL LOWER SAO FRANCISCO PROJECT ABOUT
OCTOBER 17 FOR TWO OR THREE WEEKS STOP HIS ADDRESS APARTADO 79 QUITO
PRIVATE TELEPHONE 241483 STOP PLEASE CABLE RESPONSE TO FOODAGRI ROME FOR
ABUSHARR AND POUCH HIS CV SOONEST

REGARDS

SNELSON
FAO

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

Mr. Marius Veraart

DRAFTED BY:

KSnelson:cms

DEPARTMENT:

Ag. & Rural Dev. Dept.

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(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: **FAO**

DATE: **May 20, 1976**

ROME

ORIGINATOR'S EXT.: **6525**

COUNTRY: **ITALY**

CLASS OF
SERVICE: **TELEX** **LC**

CABLE NO. & TEXT:

FOR SARGENT FORESTRY DEPARTMENT.

**AA IDB CANNOT RELEASE SIMONS HONDURAS REPORT AS IT WAS DONE FOR
CLIENT CODEFOR IN HONDURAS. YOU MAY BE ABLE TO GET DIRECT
FROM THEM. SR. REYES IS GENERAL MANAGER.**

**BB IDB FINAL REPORT INVESTMENT OPPORTUNITIES AGRICULTURAL SECTOR
TRINIDAD/TOBAGO IS NOT YET COMPLETE.**

REGARDS

**EWING
INTBAFRAD**

NOT TO BE TRANSMITTED

REFERENCE: **FAO/IBRD COOP PROGRAMMES**

AUTHORIZED BY (Name):

A. Ewing

DRAFTED BY:
AEwing:tqr

DEPARTMENT:

Industrial Projects

CLEARANCES AND COPY DISTRIBUTION:
cc: Messrs. Dewey, Tarnawiecki

SIGNATURE (Of individual authorized to approve):

SECTION BELOW FOR USE OF CABLE SECTION

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☐ 1FC
☐ 1G210

WORLD BANK / IFC
 OUTGOING MESSAGE FORM
 (TELEGRAM/CABLE/TELEX)

FORM NO. 20
(11-72)

DATE: May 20, 1976

TO: FAO

ORIGINATOR'S EXT: 6525

ROME

CLASS OF SERVICE: TELIX

COUNTRY: ITALY

CABLE NO. & TEXT:

FOR SARCENT HONESTRY DEPARTMENT.
 AA IDB CANNOT RELEASE SIMONS HONDURAS REPORT AS IT WAS DONE FOR
 GELINT CODEBOOK IN HONDURAS. YOU MAY BE ABLE TO GET DIRECT
 FROM THEM. SR. KEYS IS GENERAL MANAGER.
 BU IDB FINAL REPORT INVESTMENT OPPORTUNITIES AGRICULTURAL SECTOR
 TRINIDAD/TORAGO IS NOT YET COMPLETE.

REGARDS

EWING
 INTBARRAD

MAY 20 11 06 PM 1976
 COMMUNICATIONS
 SECTION

NOT TO BE TRANSMITTED

PACIFIED COOP PROGRAMMES

A. Ewing

Industrial Projects

AWing:trp

cc: Messrs. Dewey, Tarnawski

440098 WORLDBANK

61181 FOODAGRI

FAO (Telex No.)

FROM: ROME, R

INCOMING TELETYPE

DISTRIBUTION:

Industrial Projects

RECEIVED

1976 MAY 19 PM 2:45

COMMUNICATIONS
SECTION

FAOB 17365 FOR EWING INDUSTRIAL PROJECTS DIVISION III

MOST GRATEFUL YOUR ASSISTANCE OBTAIN ONE COPY AAA) SIMONDS

REPORT ON HONDURAS AND BBB) IDB FINAL REPORT INVESTMENT OP-

PORTUNITIES AGRICULTURAL SECTOR TRINIDAD/TOBACO FOR URGENT

USE PPPIDP CARIBBEAN BASIN STUDY STOP IF AVAILABLE SEND DIRECT

TO SIMULA JAAKKO POYRY HELSINKI STOP REGARDS=

SARGENT+

OFFICE MEMORANDUM

file

TO: Messrs. Asfour, de Lusignan, Kaji, Köpp

DATE: April 1, 1976

FROM: Pierre Biraben

P.B.

SUBJECT: FAO/CP Half-Yearly Review

With reference to paragraph 2 of Mr. Haynes' memo of March 31, CP I divisions will be invited to the 10 am meeting on the basis of their involvement in sector work program.

With reference to paragraph 3 of the same memo, this will be cancelled as the review of individual projects will be done in divisional meetings.

PBiraben:sap

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(Telex No.)

Agric. & Rural Dev.

(UNABLE REACH PARIS NUMBER SENDING DIRECT)

FROM: FAO, ROME

15 MAR 19 08 15 47

COMMUNICATIONS
SECTION

VERAART

NO 69

ONE SUDAN FISH GRATEFUL YOU SEND SOONEST ONE SET SUDAN ROAD
TRANSPORT STUDY PREPARED BY FRENCH CONSULTANT BCEOA

TWO SENEGAL FISHING WHARF PROJECT DAKAR REURCAB 10 MARCH PRIMO
BOURGOIS HAS JOINED BANK MISSION PARIS TO DISCUSS SCET SOUNED
REPORT SECUNDO GUCKIAN AUBRAY JOINING MISSION DAKAR 22 MARCH
TERMS OF REFERENCE DRAFTED AS SUGGESTED YOURCAB

JONES +

C I - FAO / IBK
Copy Page.

January 28, 1976

Mr. J. C. Cole,
FAO/World Bank Cooperative Program,
Food and Agriculture Organization,
United Nations,

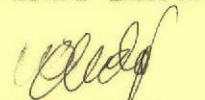
Via Delle Terme di Caracalla
00100 - Rome
Italy

Dear John,

Thank you very much for the CP preparation guidelines. They are most interesting and should help me become more organized. You will certainly be seeing us in Orissa if you are still there when we arrive about March 1st. Please find enclosed the instruction manual and input sheets for our project program. I have found the data set excellent for listing budget data in a logical way apart from its connection with the program. It looks a bit frightening but is really quite simple to use after the agony of the first time around. Examples of print-out are given in the Instruction Manual. The system is being improved upon so that it can be used for batch processing as well as time-sharing. This program is excellent for basic budgeting and interacting with cropping patterns and their consequences but is inadequate for handling perennial crops, animal husbandry and complete investment schedules. Our shop is working on a more comprehensive alternative.

We shall meet somewhere south of Calcutta.

Yours sincerely,


Bill Cuddihy

WCuddihy:oh

Enclosure

INTERNATIONAL DEVELOPMENT
ASSOCIATIONINTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL FINANCE
CORPORATION

L-FAO

OUTGOING WIRE

TO: FOODAGRI

DATE: JANUARY 19, 1976

ROME

CLASS OF
SERVICE: TELEX

LK

COUNTRY: ITALY

(EXT 3641)

TEXT:
Cable No.:

ATTENTION OFFICE DIRECTOR-GENERAL. PLEASED TO INFORM
YOU THAT BANK WILL BE REPRESENTED BY MR. GERHARD THIEBACH
ECONOMIST COMMODITIES AND EXPORT PROJECTIONS DIVISION AT
TWELFTH SESSION OF LATIN AMERICAN FORESTRY COMMISSION IN
HAVANA CUBA FROM FEBRUARY TWO TO SEVEN. BANK WOULD
APPRECIATE ASSISTANCE IN HOTEL ACCOMMODATION FOR THIEBACH.
PLEASE CABLE THIEBACH INTBAFRAD, WASHINGTON, CONFIRMATION
AND NAME OF HOTEL. REGARDS.

BURNEY

INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME M.A. Burney

DEPT. International Relations

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Thiebach, Messerly

For Use By Communications Section

Checked for Dispatch:

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

OUTGOING WIRE

TO:

HOCHTITZ

DATE: JANUARY 19, 1976

CLASS OF
SERVICE

TELEX

TELEX

COUNTRY:

GERMANY

(EXT 3641)

TEXT:
Cable No.

ATTENTION: CHIEF DIRECTOR-GENERAL. REWARDED TO INTER-
YOU THAT BANK WILL BE REPRESENTED BY MR. GERMANY THROUGH
ECONOMIC COOPERATION AND EXPORT PROJECTIONS DIVISION AT
TWELFTH SESSION OF LATIN AMERICAN FORESTRY COMMISSION IN
HAVANA GUEA YOUNG FEBRUARY TWO TO SEVEN. BANK WOULD
APPRECIATE ASSISTANCE IN HOTEL ACCOMMODATION FOR THIRTEEN.
PLEASE CABLE THIRTEEN LINDENBERG, WASHINGTON, CONFIRMATION
AND NAME OF HOTEL. REGARDS.

ROSEY

INTERNATIONAL

NOT TO BE TRANSMITTED

AUTHORIZED BY:

ARRANGES AND COPY DISTRIBUTION

SECTION
COMMUNICATIONS

W. A. HENRY
Hochtitz, Germany

JAN 19 7 16 PM 1976

W. A. HENRY

International Relations

DISPATCHED

SIGNATURE OF INDIVIDUAL AUTHORIZED TO AFF

SIGNATURE

REFERENCE

For Use by Communications Section

ORIGINAL (File Copy)

IMPORTANT: See Secretariat Guide for preparing form

Checked for Dispatch

LI - FAD

Mr. R. Picciotto, Asst. Director, ASPDR.

January 6, 1976

William H. Spall, Chief, ASPAD

FAO/Bankers Program

As requested by you I have the following comments on the summary record of the last FAO/Bankers Program meeting sent to us under cover of Mr. Huyser's memorandum of December 16, 1975. The following references are to the page numbers of the summary record (copy attached) unless otherwise stated:

Page 2
of the
covering
memorandum
of December
11, 1976

FAO studies on forest industries and fisheries in Asia.

I would like to know whether the studies being undertaken for the Asian Development Bank in Nepal and Burma (forestry) and Pakistan, Bangladesh and Burma (fisheries) in any way duplicate what we are doing.

Page 6 para 27

It would be interesting to know the TORs for the proposed working group on seeds industry and research and training in view of proposals particularly for India.

Page 8 para 38

I find this paragraph on the Agricultural Finance Corporation of India (AFC) somewhat misleading. I am not aware that AFC has a direct line of credit from the World Bank.

Pages 10 and 11 -
paras 40 through
47

I find the emphasis on fisheries development somewhat extraordinary. FAO has 100 professionals at HQ and between 300 and 400 in the field and the inference is that these are available to assist the Bankers Program. In fact (para 47) assistance has already been given in preparing three fisheries projects. What I find extraordinary is that FAO/CP have had the greatest difficulty in staffing one mission for us in India and that was wrongly staffed in any event. Cannot FAO/CP call upon all this FAO expertise if the Bankers Program can?

Page 10 para 46

I would like to know what the fishery task force is doing in India. Is it duplicating our efforts?

Page 11 para 49

We have recently decided not to go in for fishery projects in Pakistan at this stage.

Page 11 para 50 Fruit and vegetable processing in Pakistan could be of interest to us. Again cannot FAO/CP draw upon this expertise? When I raised the possibility of fruit and vegetable projects in India with FAO/CP it was indicated that they had very little expertise in that line.

Page 12 para 57 What is the mission to India (New Indian fisheries), planned for the first half of 1976, going to do? FAO/CP has not yet provided us with the preparation report for three states which will probably be all that the GOI Department of Fisheries can handle at one time.

Page 13 para 60 It is interesting to note that in future sponsoring Banks will be called upon to pay the cost of preparation missions.

WHSball:je

OFFICE MEMORANDUM

To: See distribution below

From: J.P. Huyser
Director, FAC

Subject: FAC/Bankers Programme

Date: 16 December 1975

Mr. Picciotto
Mr. Smith
Anything of interest here?
Q

Attached for your information is a copy of the latest newsletter sent out to members of the FAC/Bankers Programme, together with the summary record of the Programme's October General Committee meeting.

In the summary record I would draw your attention in particular to the Chairman's statement (paragraphs 5-8) and to the newly-appointed membership of the Executive Committee (para. 4). Paragraphs 48-60 give an idea of the type of projects worked on by the Programme over the last few months.

BK 54/1
MC/tgs

Distribution

Director-General
Deputy Director-General
Mr. Mensah, RAFR, Accra
Dr. Nour, RNEA, Cairo
Dr. Umali, RAFE, Bangkok
Mr. Moral-Lopez, RLAT, Santiago
Mr. Kimmel, LNCR, Washington
Mr. Weitz, LUNC, New York
Mr. Bildesheim, REUR, Rome
Dr. Bommer, AEG, AG
Dr. King, AEG, FO
Dr. Cjela, AEG, ES
Mr. Popper, AEG, FI
Mr. West, AEG, AF
Mr. Yriart, AEG, ED
Dr. Albani, AGP
Mr. Aribisala, AGE
Mr. Aziz, ESC
Mr. Benaissa, GH
Mr. Bhattacharjee, EEP
Mr. Friedrich, EDI
Mr. Ganzin, ESN
Mr. Hartmans, AGO
Dr. Jasiorowski, AGA
Mr. Olsen, DDF
Mr. Kasehara, FIR
Mr. Kötter, ESH
Mr. Nehemiah, ODG
Dr. Saouma, AGL
Mr. Steinlin, FOR
Mr. Vakomies, FCI
Mr. Watzinger, FII
Mr. Walton, IAA
Mr. Appleyard, FII
Mr. Madiman, AGE
Mr. Mahaja, DDE
Mr. Dall, FFH

Mr. Simons, EDI, New York
Mr. Veraart, World Bank, Washington
Mr. Gomez, FAC Rep., Brazil
Mr. Tauber, " " , Colombia
Mr. Al-Jaff, " " , Egypt
Mr. Van den Ameele, FAC Rep., Gambia
Mr. Moreithi, " " , Ghana
Mr. Mitchell, " " , Central America
Mr. Denton-Thompson, FAC Rep., Indonesia
Mr. Badra, " " , Morocco
Mr. Geuting, " " , Pakistan
Mr. Scaillet, " " , Peru
Mr. McCullech, " " , Philippines
FAC Country Rep., Saudi Arabia
Mr. Coombes, " " , Sierra Leone
FAC Country Rep., Tanzania
Mr. Schütz, " " , Thailand
Mr. Pierre, " " , Uganda
Mr. Behrendt, " " , Venezuela
Mr. Ramirez-Boettner, UNDP, Brazil
Mr. Cliden-López, UNDP, Colombia
Mr. Linner, UNDP, Egypt
Mr. Béliard, UNDP, Gambia
Mr. Feliciano, UNDP, Ghana
UNDP Rep., Greece
Mr. García, UNDP Rep., Indonesia
Mr. Kamberg, UNDP Rep., Morocco
Mr. Painter, UNDP Rep., Nicaragua
Mr. Jansson, UNDP Rep., Pakistan
Mr. Labbens, UNDP Rep., Peru
Mr. Bergstrom, UNDP Rep., Philippines
Mr. Succar, UNDP Rep., Saudi Arabia
Mr. Harper, UNDP Rep., Sierra Leone
Mr. Grisogono, UNDP Rep., Tanzania
Mr. Power, UNDP Rep., Thailand
Mr. Apeadu, UNDP Rep., Uganda
Mr. Albornoz, UNDP Rep., Venezuela
Mr. Renart, UNDP Rep., Yugoslavia



FAO/BANKERS PROGRAMME
PROGRAMME FAO/BANQUES
PROGRAMA FAO/BANCA

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Via delle Terme di Caracalla, 00100 - ROME

Cables FOODAGRI ROME

Telex 61181 FOODAGRI

Telephone 5797

Ref: BK 54/1

11 December 1975

Dear

I enclose the summary record of the last FAO/Bankers Programme meeting. If you would like extra copies, please let me know. I hope you received the minutes of the Business Meeting which were sent to you on 27 October.

The FAO/Bankers Programme report on grain and sugar storage in the Philippines for the Philippine National Bank is nearly completed. The projects involved call for investments in medium and large scale storage and handling facilities, mainly for rice and sugar. You may have read in the newspapers recently that the present Philippines rice crop is being stored in makeshift facilities including schools and churches, thus pointing to the importance of the project we are developing with the PNB.

Concerning sugar, additional capacity is required to secure an extra domestic market buffer stock and to enable greater holding flexibility in the free market conditions faced by the Philippines for sugar exports. Storage, handling and processing facilities for copra and tobacco were also investigated by the mission but storage/handling investments for these crops appear less urgent.

The Bankers Programme mission to Venezuela and Colombia, invited by the Corporación Andina de Fomento to appraise the Zulia sugar project, will be in the field from January 20 for three to four weeks. The project proposal is a relatively large one, involving not only sugar development and milling but also by-product processing facilities. Our mission will of course be cooperating closely with Centrales Azucareros of Venezuela and COFIAGRO-Agrozulia of Colombia. We have this month

had a special sugar irrigation consultant working in the Zulia project area to firm up water supply, land development and related cost estimates before the mission's arrival. The project proposal was developed by Tate & Lyle (U.K.) and Arthur D. Little (U.S.A.) for the CAF and the two national agencies mentioned above.

A Bankers Programme reconnaissance mission has been invited by the Banco de la Nación to visit Peru early next year. The mission will cooperate with the Corporación Financiera de Desarrollo (COFIDE) and other development institutions in the country. Potential projects will be discussed in sugar, forestry and the rationalization of fishing operations.

The Central Bank of Nicaragua has requested a mission to help identify a project for cacao development. The project will probably be similar to the Nicaragua palma oil project which the Bankers Programme prepared early this year in that it would involve both a planting programme and a commercial processing element. Cacao production is being given priority by the Government which is anxious to diversify its export crops.

We are closely following studies being undertaken in FAO on investment possibilities in forest industries and fisheries in Asia.

A special consultant is collaborating with the FAO Forestry Department in a desk study of potential projects in forest industries - logging, saw milling, plywood and particle board, etc. - covering a number of Asian countries. Countries include Indonesia, Malaysia, Nepal, Burma, Papua and New Guinea, Solomon Islands and Fiji. This study is primarily for the Asian Development Bank, but it will also point up associated investment opportunities of potential interest to the Bankers Programme. The idea is to produce a pipeline of priority projects for future lending support. Based on the infrastructure which would be provided by the Asian Bank, project possibilities of interest to the Bankers Programme can be expected to result.

A similar exercise is being carried out in collaboration with FAO's Fisheries Department, covering Fiji, Korea, Pakistan, Bangladesh, Indonesia and probably Burma.

Results of these studies - in the form of briefs for discussion - will be ready in early January. If you are interested in receiving copies, please let me know. At the same time, if you or your clients are considering or working on specific projects in these sectors, please let us know so that we can consider incorporating them in our programme of work.

At the FAO Conference last month a new Director-General, Dr. Edouard Saouma, was appointed. Dr. Saouma, aged 49, at present Director of the FAO Land and Water Development Division and Chairman of the Interdepartmental Working Group on Natural Resources and the Human Environment, will become FAO's sixth Director-General and the second from a developing country. Before joining FAO in 1962, Dr. Saouma held a number of senior positions with Lebanese agricultural academic and research institutions and with the Lebanese government. From 1955 to 1962 he participated in all sessions of the FAO Conference and Council as delegate of Lebanon. On 13 October 1970 he was nominated Minister of Agriculture of Lebanon.

I enclose a photocopy of an interview Dr. Saouma gave to "Le Monde" recently which gives an idea of the direction in which he feels the FAO should be developing.

We hope to arrange a meeting with Dr. Saouma with the members of the Executive Committee in February.

I have to tell you the sad news which we received by telex today of the death after a short illness of Charles R. Beddows, Senior Vice President, Bankers Trust Company. Charlie Beddows will always be remembered at FAO for his services to the United Nations and to developing countries through his long chairmanship of the FAO/Bankers Programme.

With all good wishes for Christmas and the New Year from all of us at the Investment Centre,

Yours sincerely,

Michael Carroll
Liaison Officer
FAO/Bankers Programme

FAO/BANKERS PROGRAMME MEETING

Rome, 13-14 October 1975

SUMMARY RECORD

1. Mr. G.J.B. Green (Deputy General Manager, Barclays Bank International, Chairman FAO/Bankers Programme), opened the meeting which was attended by representatives of 27 of the 40 member banks, and 7 observers. Members attending for the first time included Cassa di Risparmio delle Provincie Lombarde (CARIPLO), The Arab Investment Company, Lazard Frères, Manufacturers National Bank of Detroit, Philippine National Bank, Uganda Cooperative Development Bank, Industrial Finance Corporation of Thailand and the Investment Bank of Ghana. Observers included the Bank of New South Wales, the Overseas Private Investment Corporation, U.S.A.; the Agricultural Finance Corporation, India; the Gambia Central Bank, the Bank of Thailand, and UNIDO.
2. During the meeting, participants heard a statement by Mr. J.P. Huyser, Director, Investment Centre, on recent international and UN developments relating to food and agriculture; a talk by Prof. Edith Penroze, London University, on "Aid, Oil Money and Foreign Investment in Agriculture", and a statement by Dr. L. Deserti, Chairman, FAO/Industry Cooperative Programme. After introductory statements by new member banks' representatives and observers, a talk was given on investment possibilities in commercial fisheries by Mr. W.P. Appleyard, Chief, FAO Fisheries Industries Development Service. In this summary record, reference is first made to these items. An account is then given of FAO/Bankers Programme present and future project activities.
3. In the course of the meeting, members also attended the opening session of the World Conference on Credit for Farmers in Developing Countries.
4. During the FAO/Bankers Programme Business Meeting, minutes of which are circulated to members separately, an Executive Committee was elected, consisting of the following members:

Members of the Executive Committee

<u>Bank</u>	<u>Country</u>	<u>Representative</u>
National Investment Bank	Ghana	J.S. Addo, Managing Director
The Arab Investment Company	Saudi Arabia	A.A. El Rufaie, Manager
Wells Fargo Bank	U.S.A.	H. Parish III, Managing Director
Banque nationale pour le développement économique	Morocco	C. Kerdoudi, Managing Director
Banco do Brasil	Brazil	G. Linhares, Director
Cassa di Risparmio delle Provincie Lombarde	Italy	F. Tambussi, Manager

Ex-Officio Members

Barclays Bank International	U.K.	G.J.B. Green, Deputy General Manager
Investment Bank	Greece	D.S. Kotsonis, Deputy General Manager

Chairman's Opening Statement

5. In his statement opening the meeting, Mr. G.J.B. Green, noting that this was his first meeting as Chairman of the Programme, outlined the direction in which he felt the Programme was moving. The objective of the Programme had always been to make a real contribution towards increasing the flow of investment to the agriculture of developing countries. The means by which the Programme set out to achieve this aim was to use the technical expertise of FAO's Investment Centre to assist national development banks and other financing institutions in developing countries to formulate and appraise viable, self-sustaining projects.

6. In the last two years, a significant number of such projects had been prepared, had been financed by the national development institutions themselves, and were now being implemented. Thus the results were immediately seen by the developing countries. The consequent growing number of requests to the Programme from national development banks of the third world for technical assistance in project formulation constituted the main theme of the Programme's work and was the basis for its future growth.

7. Turning to the other financing institutions which were members of the Programme - the internationally-oriented commercial banks based in industrialized countries - the Chairman said that these banks appreciated the Programme as a forum in which they could become acquainted with the major problems involved in agricultural development and so gain a deeper understanding of these problems. At the same time their membership of the Programme also demonstrated their willingness to make a positive contribution, in their capacity as lending institutions, to the Programme's investment project work. It was Mr. Green's hope that during the two years of his chairmanship, a number of priority agricultural projects could be identified in support of which the international banks as a group could syndicate and raise substantial loans for developing country agriculture.

8. The increasing demand from national development banks for project formulation assistance had now reached a point where it could not be satisfied by the human and financial resources within the Investment Centre that could be made available for FAO/Bankers Programme work. An important objective over the next two years must therefore be to set the Programme on a firmer financial basis. Discussion of possible solutions to this problem would be taking place during the meeting, and especially at the Business Meeting.

Food and Agriculture: Recent International Developments - Statement by Mr. J.P. Huyser, Director, Investment Centre

9. Summarizing recent developments in the international field relating to food and agriculture, Mr. Huyser said that there were now signs that problems of food and agricultural development were beginning to receive priority attention internationally and particularly in the United Nations. The world food situation had been dramatically brought to the attention of ordinary people throughout the world by the grain deals between the U.S.A., Canada and the U.S.S.R. At the same time there was increasing recognition that development in many of the poorest countries was contingent upon prior development of the rural sector. This feeling had been demonstrated by the recent special session of the UN where instead of the usual confrontation that had been expected, there had been a willingness to talk and to negotiate. Food and agriculture had been in the lime-light and would probably remain there.

10. Another result of the UN special session was a step forward towards the creation of the International Fund for Agricultural Development (IFAD). Although there were still many uncertainties surrounding the Fund's future, a clearer outline of its possible shape and composition was reached by a working group of government delegates which Mr. Huyser attended a few weeks ago. It was planned that membership of IFAD would be composed of three groups of countries: developed donor countries (mainly U.S.A. and European countries), developing donor countries (basically CPEC countries), and developing recipient countries. All three groups would be represented on the Executive Board. With a funding level set at \$1 billion to start with, the main emphasis of the Fund would be concessionary lending, though a small grant element would also be included. Besides IFAD, there were other possibilities of further resources for food and agriculture arising out of follow-up of the World Food Conference, such as the World Food Council and the Consultative Group on Food Production and Investment; however, it was too early to say much about these at present.

Talk by Prof. Edith Penrose, School of Oriental and African Studies, London University and Director, Commonwealth Development Corporation:
Some Comments on Aid, Oil Money and Foreign Investment in Agriculture

11. Decisions taken in October-December of 1973 on the price of oil marked a fundamental change of a long-term nature in the world economy. This was not necessarily because oil was supposed to be running out, but simply because it brought energy and the possession of energy resources into a new perspective which was probably irreversible. The very large increase in oil prices brought loud cries of pain from the importing countries and fears were expressed of monetary instability and international crisis.

12. There was much talk about the importance of, and remedies for, the problem of recycling surplus oil revenues. Proposals were made for reducing the consumption of oil and reliance on oil in the large industrial countries. New impetus was given to finding new sources of energy. In fact, few countries had done much in that connection since the war.

13. The increase in oil prices brought with it the expected economic effect of reducing oil consumption, coupled with a world recession. However, the relation between oil prices and both recession and inflation was difficult to discern - although there probably was some relationship. Paradoxically, the cries on behalf of the third world were loudest from the United States and they, together with other rich countries, did a great deal of complaining on behalf of the less developed countries.

14. Oddly enough, the less-developed countries did not make much noise on the international scene about the oil-price rise. Prof. Penrose saw two reasons for this. First, for many of them, CPEC had only done what they themselves would like to do with their own raw materials. Indeed, there was for a short time a great deal of discussion about the possibility of other "OPECs" for other commodities, particularly the possibility of some of these being financed by oil money. Prof. Penrose doubted, however, that this would happen.

15. The second reason why the developing countries did not complain too loudly was the human response: "if you can't beat them, join them". The industrialized countries' record for aid and development had not been impressive. The outcome of the UN Development Decade, as was well known, had been equally unimpressive. In the view of the LDCs, there was perhaps a better prospect for getting assistance and funds from oil-exporting countries, provided of course they were not put off by criticism.

16. There had of course been some re-thinking about development strategy for LDCs as a result of the latest increase in the price of oil. This, however, had been developing since at least 1970, and in fact the shift in attitude had gone quite far. It had meant the abandonment of a great deal of the thinking characteristic of the 1950s and early 1960s, where such factors as capital output ratios, savings ratios and so forth formed the basis of recommendations about development policies and took up many pages in academic texts.

17. The reconsideration of the nature of development had led to a greater understanding of the role of agriculture and of the rural sector. Many people had preached this for a long time. In 1967 and 1968, when Prof. Penrose was in Baghdad and had told her students this, they had replied that this was just an imperialist fantasy. Such a view had been extremely common among decision-makers in the less-developed world generally, and it had also been widespread in the developed world.

18. One of the most difficult things to bring about was agricultural change, or transformation as it was popularly called. Without attempting to deal comprehensively with this problem, Prof. Penrose pointed out that there had been emphasis on the formation of autonomous and semi-autonomous banks, agencies, companies and so on which could manage agricultural change. Creating such institutions required a considerable input of thought, time and scarce personnel. This was not necessarily a subsidized activity, in the sense that education is everywhere subsidized; the groups formed must be well structured, since their economic and financial success was easily tracked. Management for such institutions - i.e. those created by Governments to promote agricultural transformation - was as scarce or scarcer a factor than actual funds for projects.

19. To the extent that the kind of development needs referred to could be satisfied by the input of external resources, straight aid could deal with the problem. It would seem that the main problem for a group of interested bankers was in securing development effects from the projects they finance. Those institutions which were not actually development banks, for instance the Commonwealth Development Corporation, must find ways and means of investing profitably for development, and of designing viable development projects that both promote development and have an acceptable rate of return.

20. There was a great deal to be done; the money was often available but bankable projects were difficult to find. The Commonwealth Development Corporation now intended to invest in rural development on a large scale, with priorities aiming at the poorest countries and the poorest people in those countries. This was necessary for development but might not enhance bankability.

21. Prof. Penrose then went on to discuss the usefulness of joint ventures and technology transfers for rural development. This was followed by a discussion, the main points of which are noted as follows.

22. It was generally agreed that the main constraint to development was not so much the availability of money to finance projects, but the lack of bankable projects themselves, and above all the lack of management skills. However, it was not enough to import management from more developed countries. It was not normally the job of banks to provide management, but development banks often had to do this. In developing countries every bank should learn to perform this function of development banks.

23. Infrastructure development in backward areas was essential, and this could be provided from concessionary funds such as OPEC, the World Bank and multilateral agencies. A regional economic approach, rather than a country approach, was sometimes appropriate. But not only management was required. The appropriate organization was needed. It was not just a question of providing loans to farmers: credit must be converted to agro-services. Depending on the human resources of a development bank, it should at least provide advisory services. Perhaps management should be included in a project and financing for it obtained from international agencies. Multinational corporations had the skills available to provide management, but should not be allowed to operate without controls - which could perhaps be provided by development banks.

24. The political environment of a country as a whole had also to be considered. Management capability tended to gravitate towards those countries which had the background of resources, security and psychological attitudes towards accepting investment and the costs of providing management. Countries, both developed and developing, were often their own worst enemies; they must be allowed to make their own decisions, and sometimes mistakes. There was a danger that availability of money could lead to implementation of projects which were not really self-sustaining and which should never have been started. The role of both development and commercial banks was crucial here and a new approach to development, which included not only the provision of finance but also other essential inputs, was required.

Statement by Dr. L. Deserti, Chairman, FAO/Industry Cooperative Programme (ICP)

25. Dr. Deserti believed that the rapid growth of the Bankers Programme was indicative of the increased interest today in investment in agriculture and agro-industry in developing countries. The Bankers Programme and ICP each had crucial roles in the development process, especially since the World Food Conference which defined technical and social fields in which strength in both financial and managerial matters could be put to the most effective use.

26. A pattern was emerging whereby Governments were showing a preference for a tripartite arrangement in which they retained ownership while negotiating project financing from one source, such as the Bankers Programme, and management from another, such as ICP. The UN system could assist in putting together these three components. ICP at present was not as project-oriented as the Bankers Programme, tending till now to be in the wider field of harmonizing government planning with action by foreign industry. However, ICP was aware of the need for detailed studies at project level, and hoped to collaborate with the Bankers Programme in this field.

27. In the ICP programme of work for 1975/76, ICP working groups would continue to assist FAO. Through the Pesticides Working Group, agro-industry was able to make a positive contribution to the ad hoc Government consultation on pesticides in agriculture and public health at FAO in April. Joint task forces

on animal health and food loss prevention had come into operation in response to resolutions of the World Food Conference, and also to study price stabilization of dairy products for developing countries and food packaging for emergencies. Working groups on seeds industry and research and training are being considered, and more recently, one on commodity marketing and stabilization has been envisaged, at the request of the Director-General of FAO, to establish closer relations between companies involved in trade and commerce and FAO.

Introductory Statements by New Members and Observers

(a) Members

28. Cassa di Risparmio delle Provincie Lombarde (CARIPLO), Italy (Mr. F. Tambussi). CARIPLO was well known as the world's largest savings bank, with services covering the entire range of banking operations. As a result of its activities over recent years, it had also become known for its assistance to developing countries. CARIPLO was involved in every type of action to promote and mobilize savings in Africa: training of local staff, providing help in setting up savings banks and technical assistance to those already established. The bank acted as a link between credit institutions in Africa and international institutions such as the UN, and in particular with the Economic Commission for Africa, FAO, the World Bank and the International Savings Bank Institute. CARIPLO, jointly with FAO, was sponsor to the World Conference on Credit for Farmers in Developing Countries being held at FAO at the same time as the present FAO/Bankers Programme meeting.

29. Lazard Frères, France (Mr. H. de Pourtalès). Lazard was a merchant bank specializing in Eurocurrency lending and in the promotion and coordination of export projects in a variety of countries throughout the world. The bank also acted as adviser to governments, and in particular was one of three investment banks advising the Indonesian Government in its finance and project activities. Lazard had been active in many agricultural projects, for example palm oil and grain storage, and hoped by joining the Bankers Programme to learn from FAO's experience in agricultural project work and to contribute to the needs of the developing countries, in line with their priorities.

30. Manufacturers National Bank of Detroit, U.S.A. (Mr. C. Sanders). As a regional bank based in Michigan, Manufacturers National supported agricultural projects in developing countries through its commodity financing activities. Internationally, the bank had been involved in raising funds in different parts of the world through a consortium bank based in London, Atlantic International - a recent operation had involved raising \$15 million for the largest fertilizer organization in Central America. The bank's recent expansion in lending to the United States agricultural sector had stimulated the bank's interest in agricultural lending internationally.

31. Philippine National Bank (Mr. M. Soliven). Essentially a commercial bank, the Philippine National Bank was the largest in the country. The bank's resources represented more than 35% of the combined resources of the commercial banking system which in turn represented 55% of those of the entire financial community in the Philippines. The PNB had been closely involved in agriculture since its founding 59 years ago: about one-third of its resources went to the agricultural sector, and about two-thirds to agri-business. A successful small farmer programme initiated two years ago had now produced

large increases in production of rice and maize; the problem was now proper handling and storage of these products. It was for this reason that the bank had called upon the Investment Centre for assistance in a major project which it was hoped would be implemented with Bankers Programme guidance in the near future.

32. Industrial Finance Corporation of Thailand (Mr. Waree Bhongsvej). IFCT was a Government-supported development bank set up in 1959 with the principal objective of assisting the establishment or expansion of private industrial enterprises. Thirty-five percent of projects financed were agro-industry related. Priority was given to projects using locally-available resources as the main part of their raw material input. IFCT worked closely with the Government in developing the agricultural sector, not only for production but also on the marketing side; and through the provision of credit it was attempting to institute a more formal agri-business sector. IFCT was also cooperating in a State land reform programme. Under the Bankers Programme IFCT had worked with the Investment Centre on a successful oil palm project in southern Thailand, and hoped for further Bankers Programme cooperation in other projects.

33. The Arab Investment Company, Saudi Arabia (Mr. A. El Rufaie). The AIC was a newcomer to the development arena. Its capital was being increased to \$500 million and it was envisaged that all countries in the Arab region would participate. The AIC cooperated closely with the Kuwait Fund, the Arab Fund, the Islamic Bank and other regional development institutions; often the projects which it financed were based upon the infrastructure provided by these institutions. Projects supported by the AIC were those accorded priority in a country's development programme, and must be commercially viable. The AIC was looking forward to help from the FAO/Bankers Programme in the preparation of feasibility studies.

34. The Uganda Cooperative Development Bank (Mr. P. Bukumunhe). The Bank was set up in 1964, to create funds for the cooperative movement, but it was not until 1971 that the bank became an effective instrument in agricultural financing. About 70% of operations were in agriculture and agro-industries, with recent lending for sugar cane, maize, cotton ginneries and cotton-based projects. The bank wished to improve the quality and quantity of its services, and hoped to benefit from association with the FAO/Bankers Programme.

35. National Investment Bank, Ghana (Mr. E. Ofori). The bank was the country's main financial development institution, providing mainly long-term though also short-term loans to industrial, agricultural and commercial enterprises. Priority was given to projects providing raw materials for local industry and for import substitution, mainly for food production, seeds production, food processing, mining, saw milling, forest industries such as pulp and paper, and production of cotton, rice, oil palm, rubber. The bank had recently established a company to undertake land ploughing and harvesting at a reasonable cost to farmers, and had also assisted in establishing a seeds project and a fertilizer plant.

(b) Observers

36. Bank of New South Wales, Australia (Mr. J. Green). The bank was closely connected with food and agriculture, and 500 of its 1,300 branches serviced credit needs of farmers for crops and livestock throughout Australia. The bank also operated in New Zealand, Fiji, Papua & New Guinea and in the Pacific islands. By arrangement with the Reserve Bank it offered long-term financing under the Farm Development Fund for farm improvements and consolidation.
37. Overseas Private Investment Corporation (Mr. P. McCallum). With its main objective to promote the role of the U.S. private sector in the international development process, OPIC had in recent months become particularly interested in the food cycle industries. OPIC had two basic programmes: political risk insurance, and project financing. The latter was carried out by direct loans and also through U.S. Government guarantee to an eligible U.S. lending institution which in turn would support a project in a developing country. OPIC gave priority to projects in countries where per caput incomes were \$450 or less, and was prepared to finance projects in high-risk countries. OPIC was interested in finding suitable projects and hoped to link some of its activities in this field with the Bankers Programme.
38. Agricultural Finance Corporation, India (Mr. G. Ghose). AFC objectives were to help nationalized and other banks to formulate bankable projects in backward areas. An affiliate of the Reserve Bank of India, it also had a direct line of credit from the World Bank. AFC was also consultant to the Asian Development Bank. With its own expert staff for identification, appraisal, implementation and monitoring of projects all over India, AFC was involved in every aspect of agricultural financing. It was hoped that the AFC and the Bankers Programme could cooperate in project formulation, and that the Government would soon clear the Corporation's request to become a full member of the Programme.
39. UNIDO (Mr. U. Loeser). Under the UNIDO/Banks Programme, technical assistance had been given to a number of banks being set up in developing countries. The Programme's recently expanded activities included annual meetings in various world capitals which provided business contacts for of all types. The most recent meeting, in Caracas, was attended by 250 banks of all types, including banks from Eastern Europe. Two-thirds of the banks attending were from developing countries. The Programme also had an information exchange scheme for industrial projects. The UNIDO Programme recognized the potential of agro-industry and wished to have close cooperation with the FAO/Bankers Programme.

Talk by Mr. W.P. Appleyard, Chief, Fishery Industries Development Service, FAO, on Fisheries Investment Possibilities

40. Thirty-five years ago the fishing industry was not an attractive investment area for bankers. But this period had seen tremendous changes in the industry, from the kind of people who ran it, to the way it was run. New processing methods, such as freezing, had arrived. Major companies built fleets of ships and supported them with distribution systems and processing factories. In the 1950s and 1960s a new group of people had taken an interest in the fishing industry. Nobody would have thought 30 years ago that UNILEVER would own the biggest fishing fleet in Germany, that Imperial Tobacco Co. of Britain would own the biggest food organization outside of Unilever, that General Mills would be operating fishing fleets in the Cameroons, or that Union Carbide of India would be taking a major role in the shrimp industry there.

41. The fishing industry was now more respectable and responsible. It was better capitalized, more professionally managed and better able to withstand the ebbs and flows of fortune that haunts industries which have to hunt for their product. Also, people now realised the need for food and the potential of the seas. The pre-1939 world fishing industry caught about 20 million tons of fish a year; the figure was now 60-70 million tons a year, with conservative estimates of being able to catch another 30 million tons. How commercial is it to catch that additional tonnage? Where is it, what are the operating costs? Some of it was quite accessible, for example in the Arabian Sea, and greater results could be expected from the Bay of Bengal. Of the existing catch, 25 million tons (rather more than one-third) was converted into fishmeal for indirect human consumption, i.e. animal feed. Other sources of wastage were in the world shrimp industry - for every 1 ton of shrimp, 3-4 tons of trash fish were caught which had no convenient use. These provided indications of areas for further investment. How could existing activities be done better?

42. In developed as well as developing countries, most fishery activities could be carried out more efficiently with better investment. Also, world aquaculture production was about 5 million tons, of which 2-3 million tons were from mainland China. There were opportunities to expand this rapidly and it was hoped that the total would double in 5-7 years. Aquaculture was not necessarily a large-scale investment; much of it was carried out by the equivalent of the small farmer. There was also a large potential for increasing production from inland waters and lakes, particularly in Africa. In the Antarctic, there was a 50-100 million ton resource of krill, a small crustacea 1/4 to 1/2 an inch long. This was the traditional food of whales, but as whales became fewer, this tremendous resource remained unexploited. Many nations were now studying means of capturing the krill and converting it into food. There were also possibilities of producing fish meal for human as opposed to animal consumption.

43. What was the FAO Fisheries Department doing about all this? FAO Regular Programme activities were concentrating more and more on the commercial aspects of fisheries. In the 1950s, FAO was concerned with where the fish was, in the 1960s with what could be done with it, and would it pay. The 1970s was the period of doing something about it. The Department has been helped by oil companies having money to inject into fisheries of the Gulf countries of the Arabian Sea and the Gulf of Oman. The Department was

developing more expertise on joint ventures in the broadest sense: the marrying of technology, finance, establishing objectives agreeable to both parties. Many ventures had failed because of different management philosophies, dividend requirements, cultural attitudes and difficulties of communication. The Fisheries Department tried to act as an honest broker. It had written guidelines for joint ventures, particularly for W. African and Indian Ocean countries, to help attract interested parties. In the next biennium, it would be organizing more courses on management of fishery enterprises and their planning.

44. The Department had 100 professionals at Headquarters and between 300 and 400 in the field. In 1974, Fisheries' share of FAO field programmes had almost doubled, and was now about 20%. One reason for this was that fisheries programmes lend themselves to regionalization, which was not so easy for agriculture or forestry. Regional "umbrella" projects in operation for W. Africa, W. Caribbean, Indian Ocean, S. China Sea and the Pacific Islands had served to identify new national projects, many of which were investment-oriented.

45. Another reason was that the Law of the Sea Conference was likely to result in a 200-mile economic zone, and many countries were faced with the challenge and responsibility of taking maximum advantage of this for their own benefit. They wanted foreigners to go away, or pay realistic licence fees, or enter into joint ventures with a local company, or perhaps they wanted to develop through the private sector or parastatal bodies fishing companies, processing companies, etc. to take advantage of the new zone. This had resulted in many requests for FAO's advice. In contrast, some countries with big fleets would no longer be able to fish in traditional waters and would have to relocate and diversify their investment.

46. The Fisheries Department had two relationships with the Investment Centre, the formal one laid down by international bureaucracy, and an informal one with Fisheries staff in daily touch with members of the Investment Centre. Mr. Appleyard hoped that ways could be developed to bring investment opportunities to the notice of the Bankers Programme. One possibility was the joint Fisheries/Investment Centre groups which set up task forces which so far covered Turkey, India, Somalia, Greece, Morocco and Tanzania and were at present working on Venezuela, Guinea, and the Azores. These task forces had resulted from private and official mission information that more investment in these fisheries was justified. The joint group could perhaps arrange to distribute to members of the Bankers Programme task force reports on those countries of interest.

47. The Fisheries Department was available for advice and information, and had given help with the three fishery projects already prepared for members of the Bankers Programme. FAO regional projects should lead to more bankable sub-projects. In recent months, during the course of various meetings, Mr. Appleyard had noticed that there was a special place for the Bankers Programme because of the speed with which the Programme could act. International funding agencies by nature of their constitution had to take a circuitous route to provide investment, which was often very frustrating to the recipient country. Through the Bankers Programme, finance could be mobilized more rapidly.

Recent Project Work

48. Reports were given by Investment Centre staff (Mr. D. Forbes-Watt, Senior Officer, FAO/Bankers Programme, and FAO Investment Centre project analysts Messrs. R. Harris, E. Quicke, R. Schürmann) on recent Bankers Programme project work:

49. Pakistan: Commercial Fisheries. The project, based in Karachi, would produce about 100 tons of frozen shrimp for export, 500 tons of fishmeal for export or local consumption. Total cost of the project is estimated at US\$ 1.6 million equivalent, with US\$ 0.9 million required in foreign exchange. A second stage is planned with additional investment costs of US\$ 0.7 million. The project would be run by the National Agriculture Ltd., a fully-owned subsidiary of the National Bank of Pakistan, or a private company set up under N.A.L., probably in a joint venture with a foreign partner. Project sponsor, National Bank of Pakistan.

50. Pakistan: Fruit and Vegetable Processing. The project would establish a plant near Peshawar to process 10,000 tons of fruit per year. The plant would also include a can-making line and an animal feed mill to utilize wastes. Fruit and vegetables would be supplied by about 1,250 growers in nearby producing areas. Purchasing centres with storage facilities set up at key points would buy fruit directly from the farmers and ensure a regular flow of raw material to the plant. Total costs of the project are estimated at US\$ 1.5 million, including about 60% in foreign exchange. The project would be carried out by a private company, with the National Agriculture Ltd. taking an equity holding. Project sponsor: National Bank of Pakistan.

51. Indonesia: Fisheries. Based at Kupong, the project would involve the purchase, in a first phase, of 8 trawlers of 200 GRT and 2 carrier vessels of 300 GRT, the total being increased to 24 trawlers and 6 carrier vessels at full development stage. The vessels would operate in the Timor and Arafura seas and would catch about 8,200 tons of fish in Phase I and 28,400 tons at full development. The fish would be sold primarily on the Djakarta market through a comprehensive retail marketing chain to be established under the project. Total project costs are estimated at US\$ 15 million for Phase I with a further US\$ 27 million for full development. The project would be run by A.P.T. (Persero Terbatas), a limited liability company which would be established by the Government, possibly with the participation of private enterprise in ownership and operation. Project sponsor: Bank Bumi Daya.

52. Philippines: Grain Storage. Under the project, the Philippine National Bank, through its fully-owned subsidiary the National Industrial Development Corporation, would acquire 80-100 warehouses, including rice mills and maize driers, in areas where the PNB is heavily involved in crop financing. About half the warehouses would be built, the remainder leased. Project costs are estimated at US\$ 6-7 million. Project sponsor: Philippine National Bank.

53. Nicaragua: Oil Palm. The proposed project, about 50 km down river from San Carlos, comprises about 3,000 hectares of oil palm estate in conjunction with an 18-ton-per-hour processing facility. Annual production would reach about 12,000 tons of palm oil and 2,000 tons of kernels. Estimated costs amount to about US\$ 11 million, with about 50% in foreign exchange. Project sponsor: Central Bank of Nicaragua.

54. The Gambia: Lime Processing. The project would establish and operate a factory to extract lime juice and essential oil from fresh limes produced in an area near Banjul. Supply would come both from existing plantings and lime trees to be planted by farmers over about 600 acres under a linked scheme backed by a credit programme by the Gambia Commercial and Development Bank. The project would receive technical assistance from a commercial company to be formed by Gambian interests, including the GCDB and possibly foreign investors. Total costs of the project are estimated at US\$ 1.35 million. Sponsor: Gambia Commercial and Development Bank.

55. Morocco: Tomato Processing. Based upon irrigation infrastructure to be provided by World Bank financing, the project would establish a tomato paste factory producing 6,000-7,000 tons per year in the Doukkala region. Fresh tomatoes would be supplied by 1,000-2,000 small and medium size growers. Costs of the project total US\$ 3.1 million with a foreign exchange component of US\$ 1.9 million. The project would be operated by a new company with the probable participation of a number of private interests, the Banque nationale de développement économique, State development agencies and possibly IFC and/or other foreign participants. Project sponsor: National Development Bank of Morocco.

56. Arab Republic of Egypt: Citrus and Tomato Processing. The project would establish a factory at Edko near Alexandria to process citrus fruits and tomatoes from surrounding growers. Project costs are estimated at about US\$ 5.3 million, all of it in foreign currency. The project would be owned and operated by a new company, Edko Food Industries, to be formed under Egyptian Free Zone legislation, with the possible participation of IFC and an international food company. Project sponsors: the Arab African Bank and the Arab International Bank.

Future Programme and Scope of Activity

57. Mr. D. Forbes-Watt, Senior Officer for the FAC/Bankers Programme, introduced the discussion. More requests from national development banks for project identification and preparation were being received than could be met from the available staff and financial resources of the Investment Centre. However, it was planned to keep up the Programme's project activity to 14-15 missions for 1976, about the same level as last year. Missions were planned for the first half of 1976 to Nicaragua (cacao identification), Brazil (small farmer development and settlement), Peru (general reconnaissance), Venezuela (Zulia sugar project), Philippines (grain storage preparation), India (New India fisheries), Indonesia (forestry and general reconnaissance) and Egypt (dairy). Other possibilities included Korea (general identification), Sierra Leone (finalization of rice project), Kenya (sugar and other projects), Ghana (general identification), Uganda (general identification), Morocco (fisheries and North-East) and possibly Oman (fisheries).

58. Missions were expensive. Identification missions cost US\$ 20,000 - 25,000. Preparation missions averaged US\$ 45,000, but if very detailed feasibility studies were required could cost up to US\$ 70,000 - 80,000.

59. Mr. J.P. Huyser, Director, FAC Investment Centre, explained that unless additional funds could be found, the Programme would soon find itself in difficulties. So far identification missions for national development banks had been financed out of general Investment Centre and Regional Consultants funds.

This expenditure was justified as seed money for further project preparation. However, as the programmes of cooperation with regional banks became more active, there would be less of this money available. FAC had many demands on its Regular Programme budget and had to set its priorities carefully. Governments tended to avoid giving money to non-governmental programmes which they felt should be able to finance themselves. The FAC Investment Centre provided the basic infrastructure for the Bankers Programme's work. Unless other sources of funds could be found it would be better to restrict membership rather than disappoint new members. It was important to sustain the quality of the Programme's work, but quality was not achieved cheaply.

60. A discussion followed in which it was generally agreed that sponsoring banks should pay for half the cost of preparation missions, and the balance on financing of the project. Identification missions, which clarified the concept and definition of a project, would be paid by the FAC Investment Centre. This, together with the question of the structure of the Bankers Programme and the organizational changes which its recent rapid growth now made necessary, would be discussed at the Business Meeting.

FAC/BANKERS PROGRAMME MEETING

Rome, 13-14 October 1975

LIST OF PARTICIPANTS

Member Bank

Represented by

Agricultural Development Bank, Pakistan

Mr. F. ABBASI, Executive Director

American Express International

Mr. R. MASON, Vice President, London

Banca Commerciale Italiana, Italy

Mr. P. CORVI

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Mr. G. PACCAPELO

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Mr. G. BRANCALEONE, Deputy Manager,
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Banco do Brasil

Mr. L. DE MIRANDA, Rome Office

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Mr. J. SILVIN, Vice President, Paris

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Mr. C. KERDOUDI, Director, Casablanca

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Mr. C. HEATH, Agricultural Development
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Mr. P. VAN CAMPEN, Director

Mr. G. BRANDE, Managing Director,
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Mr. H. de FOURTALES, Partner
Mr. J-P. SALTIEL

Manufacturers National Bank of Detroit
U.S.A.

Mr. C. SANDERS, Managing Director
Atlantic International Bank, London

National Development Bank, Sierra Leone

Mr. A. TEJAN, Managing Director
Mr. S. DEEN

National Investment Bank, Ghana

Mr. E. OFORI, Director of Operations
(Northern Section)

National Westminster Bank, U.K.

Mr. R. CHURCHWARD, Chairman,
Creditwest, Milan

Norinvest, Norway
Philippine National Bank
The Arab Investment Company

The Gambia Commercial and
Development Bank
Uganda Cooperative Development Bank
Wells Fargo Bank, U.S.A.

Observers

Agricultural Finance Corporation, India
Bank of New South Wales, Australia
Bank of Thailand

Industry Cooperative Programme
Overseas Private Investment
Corporation (OPIC), U.S.A.
The Gambia Central Bank
UNIDO

Mr. F. MOTZFELDT
Mr. M. SCLIVEN, Vice President
Mr. A. EL RUFAYE, Project Manager
Mr. M. AL MUBAIREEK
Mr. A. FYE, Development Manager
Mr. P. BUKUMUNHE, Deputy General Man.
Mr. H. PARISH, Managing Director, London

Mr. G. GHOUSE, Managing Director
Mr. J. GREEN, Frankfurt Representative
Ms. U. HATASICH, Asst. Dir. Dep. Econ. Res.
Ms. K. CHUTIMA
Mr. L. DESERTI, Chairman
Mr. P. McCALLUM, Acting Vice
President, Finance
Mr. M. BAJO
Mr. U. LOESER, Industrial Financing
and Investment Promotion Section

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: FOODAGRI

ROME

DATE: DECEMBER 24, 1975

CLASS OF
SERVICE: LT
2331

COUNTRY: ITALY

TEXT:
Cable No.:

FOR ROCHE YOUR FAO/F19224 RE COST VARIANCE COOPERATIVE PROGRAM PLEASE
CONFIRM BY CABLE DOLLARS 220,000 IS FOR JULY - DECEMBER PERIOD AND IF
SO PROVIDE SUMMARY REASONS WHY VARIANCE HAS MORE THAN DOUBLED IN SECOND
HALF 1975. REGARDS

JONES

INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME THOMAS MITCHELL

DEPT. CONTROLLER'S

SIGNATURE *Thomas Mitchell*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: RJones/plm

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Mr. Lewis, P & B

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Monroe, B. J.

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DATE

COMMUNICATIONS

1975 DEC 27 PM 3:00

NAME

JAMES WILSON

COMMUNICATIONS SECTION

Mr. Jones, J. B.

Mr. DeLoach, J. B. & Mr. Tavel

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JOHN

NOTE: 1975

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1001

COMMITTEE

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NOTE

TO

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SERVICE

CLASS OF

DATE

5331

10

DECEMBER 27, 1975

OUTGOING MAIL

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COMPARISON

INTERNATIONAL FINANCE

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Li - FAO/IBRD Coop. Pr.
INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: FOODAGRI

ROME

DATE: DECEMBER 19, 1975

CLASS OF
SERVICE:

COUNTRY: ITALY

TEXT:
Cable No.:

FOR ROCHE PLEASE CABLE BY LATEST DECEMBER 23 ESTIMATED TOTAL STAFF
COST VARIANCE FOR 1975 ON COOPERATIVE PROGRAM

JONES

INTBAFRAD

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AUTHORIZED BY:

THOMAS MITCHELL

NAME

DEPT.

CONTROLLER'S

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

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CC: Mr. M. Veraart, Ag. & Rural Dev. Dept

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INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
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INTERNATIONAL FINANCE
CORPORATION

Li-FAO/IBRD
Cooperative Progr.

OUTGOING WIRE

TO: FOODAGRI
ROME

DATE: December 16, 1975

CLASS OF
SERVICE: TELEX ~~61181~~ LC

COUNTRY: ITALY

TEXT:
Cable No.: FOR BONTE FRIEDHEIM

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HOPE POSITIVE REPLY FROM DAHOMEYAN GOVERNMENT SOON STOP

MENSAH
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY: Moise C. Mensah

NAME Vice Chairman, Executive Secretary,
CGFPI

DEPT.

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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Letter No. 64

December 9, 1975

Mr. Erich Becker-Boost
Director, UNIDO/IBRD Cooperative Program Unit
Office of the Executive Director
P.O. Box 707, A-1011
Vienna, Austria.

Dear Erich:

As indicated in my telex today, enclosed is a copy of the August 8, 1975 report of the joint Bank/FAO task force on Cooperation between FAO and the World Bank. I am also enclosing a copy of a summary of a discussion on the study at a CPS meeting on November 12.

The August 8 draft of the report is in effect the final version. Its recommendations have been accepted by Bank management and are in the process of being carried out.

You may find this report particularly relevant to the Bahrain project identification exercise, which is to be discussed with you by Chris Pratt in Vienna on December 22-23.

Best regards.

Sincerely,

George Kalmanoff
Deputy Director
Industrial Projects Department

Encl.

cc: Messrs. Fuchs, Dewey, Peter Richardson

yk.
GKalmanoff:vlb

L I - FAO/IBK
Conf. Prog

Mr. E.H. Chittleburgh, Training Adviser, EDPDR

December 5, 1975

Bernard M. Woods

Report on Co-operation between FAO and the World Bank

Despite their very intensive study of the role of the Co-operative Program, the authors apparently do not feel that the "human resource constraint" warrants increasing the CP training/education establishment above its present 5% of total establishment (see Annex 8 Table 1).

This is at variance with their own recommendations for an increased emphasis on training : Annex 1 Attachment 1 pp.3.

Annex 4 Attachment 4. Recommendations
in section C - particularly Nos.4 and 5.

As this is a "discussion draft" would it be appropriate for us to offer an opinion on the sort of training personnel we feel CP should employ.

B.M.Woods/jdg

B.M.W.

ORGANISATION DES NATIONS UNIES POUR
L'ALIMENTATION ET L'AGRICULTURE



ORGANIZACION DE LAS NACIONES UNIDAS
PARA LA AGRICULTURA Y LA ALIMENTACION

FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS

61181

Via delle Terme di Caracalla, 00100 - ROME

Cables: FOODAGRI ROME

Telex: 61181 FOODAGRI

Telephone: 5797

Ref. G/X/ESC-720

27 November 1975

COMMITTEE ON COMMODITY PROBLEMS (CCP)

Invitation to the Tenth Session
of the Intergovernmental Group on Hard Fibres

Nairobi, Kenya, 9-14 February 1976

Reply requested by 5 January 1976

The Director-General of the Food and Agriculture Organization of the United Nations has the honour to invite attendance at the Tenth Session of the Intergovernmental Group on Hard Fibres which will be held in Nairobi, from 9 to 14 February 1976, at the kind invitation of the Government of Kenya.

The Session is being convened under the Regular Programme of the Organization as approved by the FAO Conference. It is open to all FAO Member Nations and to observers.

The Session will be conducted in English, French and Spanish.

... The Provisional Agenda and Notes are enclosed. Further documentation will be forwarded as soon as available.

The Director-General would appreciate receiving by 5 January 1976 the names, official titles and addresses of the representatives designated to attend.

As will be noted from the Provisional Agenda informal meetings of research scientists are also scheduled during the Session. These will be conducted in English. Governments and organizations may wish to include in their delegations scientists involved in hard fibres research.

NRC

Rec'd in IRD
12/9/75

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The President
World Bank
WASHINGTON

RECEIVED

1975 DEC -9 AM 5:55

COMMUNICATIONS
SECTION

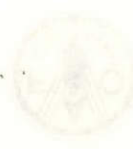
12/11/75

TO: DIRECTOR, FBI
FROM: SAC, NEW YORK
SUBJECT: [Illegible]

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12/11/75
12/11/75
12/11/75

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	FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS	CCP:HF 76/1 November 1975
	ORGANISATION DES NATIONS UNIES POUR L'ALIMENTATION ET L'AGRICULTURE	
	ORGANIZACION DE LAS NACIONES UNIDAS PARA LA AGRICULTURA Y LA ALIMENTACION	

COMMITTEE ON COMMODITY PROBLEMS

INTERGOVERNMENTAL GROUP ON HARD FIBRES

Tenth Session

Nairobi, 9-14 February 1976

PROVISIONAL AGENDA

- A. Administrative Matters**
 - I. Election of Chairman and Vice-Chairman
 - II. Adoption of Provisional Agenda
- B. Review of the Current Situation**
 - III. Sisal and Henequen: Current Situation and Impact of Synthetics
 - IV. Abaca: Current Situation and Medium-Term Objectives
 - V. Coir Fibre
 - VI. Coir Yarn and Products
- C. Intergovernmental Action**
 - VII. Informal Arrangements on Sisal and Henequen for 1976
 - VIII. Indicative Price Arrangements for Sisal and Henequen Harvest Twine
 - IX. Medium-Term Objectives for Sisal and Henequen
 - X. UNCTAD Integrated Programme for Commodities
- D. Research and Promotion**
 - XI. Research and Promotion Project Items
 - (a) Programme of Work of the Advisory Working Party on Hard Fibres Research
 - (b) TAC/CGIAR Decisions on Research Priorities for Agricultural Raw Materials
 - (c) Regional Coir Research Institute
 - (d) UNCTAD/GATT ITC Coir Promotion Survey, including Transfer of Technology
- E. Closing of the Session**
 - XII. Date and Place of the Eleventh Session
 - XIII. Any Other Business
 - XIV. Adoption of the Report of the Tenth Session

AGENDA NOTES

The Tenth Session of the Intergovernmental Group on Hard Fibres will open at 9.00 hours in the Kenyatta Conference Centre, Nairobi, Kenya, on Monday 9 February 1976. The countries producing sisal and henequen will meet informally during the late morning and, if necessary, afternoon of Monday 9 February; provision has also been made for informal meetings between abaca producing and consuming countries on Tuesday morning. The Tenth Session will also include an informal meeting of sisal and henequen research scientists on 9-11 February 1976. For more details, see the provisional timetable at the end of this agenda.

A. Administrative Matters

Item I. Election of the Chairman and Vice-Chairman

The meeting should elect a Chairman and two Vice-Chairmen, one for abaca and one for coir. At its Ninth Session the Group elected Mr. C.J.A. Parade (Madagascar) as Chairman, Mr. R. Karunakaran (India) as Vice-Chairman for coir and Governor C.Z. Lanuza (Philippines) as Vice-Chairman for abaca.

Item II. Adoption of Provisional Agenda

B. Review of the Current Situation

Item III. Sisal and Henequen: Current Situation and Impact of Synthetics

Delegates are invited to present statements on the current sisal and henequen situation, and prospective supplies and requirements in 1976. As a background the Secretariat will table a summary of the statistical situation, drawn from the latest replies to the questionnaires and other available data. On the basis of this information, the Group can examine the development of the market since July 1975 and prepare estimates of the possible level of world export availabilities and import requirements in 1976.

It has been decided that statements reviewing the outlook for synthetics be prepared for each session so that this matter may be kept under the closest review. In this connection the Secretariat hopes to table for the meeting's consideration a brief assessment of the competitive price situation of synthetic and sisal harvest twines manufactured in importing and producing countries, as requested in paragraph 19 of the Report of the Ninth Session.

Item IV. Abaca: Current Situation and Medium-Term Objectives

The Group may wish to review the current abaca situation and the outlook for synthetic competition in the abaca market, and make such recommendations as are felt appropriate. In addition, the Secretariat will table a summary of the statistical situation to assist the Group's review.

At recent sessions of the Group, the delegation of the Philippines has reiterated its country's strong interest in ensuring an orderly development of the world market for abaca particularly by means of adjusting output to changes in the

proportions of the various grades of abaca required and by searching for a stable price level that would be mutually acceptable to both exporting and importing countries.

The results of the revised questionnaire sent to the main end-users of abaca in the principal importing countries on the volume of the various grades of abaca required over the next few years, so as to enable the Philippines to better plan its current crash programme, could not be examined by the Ninth Session as only a few replies had been received due to the short time available. A final report will be presented to the Session based on further replies to the questionnaire and a statistical analysis of the Philippine exports by grades during the past five years will be tabled as requested in paragraph 31 of the Ninth Session's report.

In the view of the Ninth Session the only other currently feasible means of achieving stability were those which would keep farmers interested in maintaining adequate levels of production and in guaranteeing sufficient supplies. As a consequence it encouraged trade circles to intensify forward contracting for abaca. The Session may wish to review the degree of forward purchasing which has taken place as a result and what additional measures the Government of the Philippines has taken to assist abaca farmers.

Item V. Coir Fibre

Delegates are invited to present statements on the current coir fibre situation and outlook in their countries. In addition the Secretariat will table a summary of the statistical situation to assist the Group's review. The Group may also wish to discuss possibilities for increasing consumption of coir fibre and measures for revitalizing the coir fibre market envisaged at the Ninth Session, including reduction of prices for mattress fibre, improvement of cleanliness and quality and stimulation of home consumption in producing countries.

Item VI. Coir Yarn and Coir Products

Delegates are invited to present statements on the current and expected future coir yarn situation in their countries, and on the outlook for synthetic competition in the coir yarn market. In addition the Secretariat will table a summary of the statistical situation to assist the Group's review. The Group may also wish to examine possibilities for increasing consumption of coir yarn and coir products, including product development and definition of standards (new designs, minimum sizes of doormats, etc.) and quality improvement of yarn.

C. Intergovernmental Action

Item VII. Informal Arrangements on Sisal and Henequen for 1976

In the light of its assessment of current prospects for sisal and henequen, the Group may wish to re-examine the situation with regard to export quotas and a possible indicative target price for 1976. It will be recalled that:

- (i) the Ninth Session agreed on a reduction of the global and national quotas by 20 percent for 1975 as follows subject to review by the producing countries at the Tenth Session:

	<u>Quotas for 1975</u>	<u>Quotas prior to Ninth Session</u>
	(. tons)	
Tanzania	148 000	185 000
Brazil	124 000	155 000
Mexico	68 800	86 000
Angola	43 000	81 000
Mozambique	21 800	
Kenya	40 000	50 000
Madagascar	20 000	25 000
Haiti	15 200	19 000
Other countries <u>a/</u>	23 200	29 000
	<u>504 000</u>	<u>630 000</u>

a/ China, Cuba, South Africa and Venezuela.

- (ii) no indicative price range could be agreed upon, producing countries holding the view that prices below \$500 + \$75 per metric ton for East African Rejects (UG) c.i.f. Europe would be unremunerative, while consuming countries suggested that any price significantly above \$300 would accelerate inroads by synthetics.

Item VIII. Indicative Price Arrangements on Sisal and Henequen Harvest Twine

The Group expressed its wish at the Ninth Session to continue discussions at the Tenth Session on the possible extension of the current informal arrangement to an indicative price range for sisal and henequen harvest twine. The discussion may be assisted by the Secretariat's assessment of comparative manufacturing costs of polypropylene and sisal harvest twines in importing and producing countries requested at the Ninth Session (see Item III above).

Item IX. Medium-term Objectives for Sisal and Henequen

In pursuance of the Group's repeated wish to examine means for stabilizing the sisal market in the medium term, a number of countries felt at the Ninth Session that a move towards a more formal agreement would be a more effective assurance that measures agreed by the Group would be implemented. However, it may be recalled that other countries thought that they had not sufficiently studied the practical problems and implications of such a move. In order to assist the Group to further discuss this matter if required, document CCP:HF 75/6 on Pricing Policy for Hard Fibres is again placed before it under this agenda item.

Item X. UNCTAD Integrated Programme for Commodities

The Group was informed of UNCTAD's new integrated approach to commodity problems at its Ninth Session. The representative of UNCTAD may wish to report on the progress made under this programme since July 1975, as well as the prospects for the forthcoming UNCTAD IV in May 1976.

D. Research and Promotion

Item XI. Research and Promotion Project Items

(a) Programme of Work of the Advisory Working Party on Hard Fibres Research

An informal meeting of research scientists will be held simultaneously during the first three days of the Tenth Session. The Group will be informed of the deliberations of this meeting.

The Sixth Session of the Advisory Working Party on Hard Fibres Research held 30 June - 2 July 1975 adopted a number of recommendations for future action which were endorsed by the Group (see paras. 54 and 55 of the Report of the Ninth Session). A progress report will be given on this programme of work.

(b) TAC/CGIAR Decisions on Research Priorities for Agricultural Raw Materials

The Group may wish to note the progress of the action being undertaken by various international agencies to interest the Technical Advisory Committee (TAC) in the need to finance research for non-food commodities. It will be recalled that the Tropical Products Institute prepared an independent consultant study on priorities for research as between various raw materials. The Group will be informed of the reaction of TAC and the Consultative Group for International Agricultural Research to the TPI's recommendations regarding sisal and henequen.

(c) Regional Coir Institute

The UNDP/UNIDO/FAO Feasibility Study Team for the establishment of the above Institute will have completed its work by the time of the Tenth Session. The Group will be informed of the Team's findings relevant to the Group's work.

(d) UNCTAD/GATT ITC Coir Promotion Survey, including Transfer of Technology

It may be recalled that Volumes II and III of the Coir Promotion Survey (CCP:HF 75/20 and 75/21) had been discussed at the Ninth Session (see paras. 61 and 62 of its Report). The Group may now wish to discuss the findings of Volume I of the UNCTAD/GATT ITC Coir Promotion Survey, and the progress of the further studies on marketing and freight requested at the Eighth and Ninth Sessions.

E. Closing of the Session

Item XII. Date and Place of the Eleventh Session

The Group may wish to consider the most appropriate time and place for the Eleventh Session.

Item XIII. Any Other Business

Item XIV. Adoption of the Report of the Tenth Session

PROVISIONAL TIMETABLE

Sunday, 8 February	evening	Welcoming cocktail party and registration of delegates
Monday, 9 February	morning	Items I, II and - informal meeting of sisal and henequen producing countries; - informal meeting of research scientists
	afternoon	- informal meeting of sisal and henequen producing countries; - informal meeting of abaca producing and consuming countries - informal meeting of research scientists
Tuesday, 10 February	morning	Items III, IV and - informal meeting of coir producing and consuming countries - informal meeting of research scientists
	afternoon	Items IV (cont.), V, VI and informal meeting of research scientists
Wednesday, 11 February	morning	Items VII, VIII and informal meeting of research scientists
	afternoon	Items VIII (cont.), IX, X and informal meeting of research scientists
Thursday, 12 February	morning	Items XI, XII and XIII
	afternoon	Excursion to Nairobi National Park
Friday, 13 February	all day	Excursion to sisal production, research and processing units
Saturday, 14 February	morning	Item XIV and Closing of the Session

To enable the Host Government to welcome delegates on arrival at Nairobi airport, facilitate passport and customs procedures, and arrange for transport to hotels, delegations are requested to supply the following information as soon as possible to:

Mr. D.T. Wanjuki
Deputy Permanent Secretary
Ministry of Agriculture
Kilimo House, Cathedral Road
(P.O. Box 30028)
NAIROBI, Kenya.

- =====
1. Names: _____
Official title: _____
Address: _____

2. Flight Number and date and time of arrival: _____

3. Hotel accommodation (please indicate first and second choices and whether single or double room required):

Less than one kilometre to Conference Centre:

☐	Hotel Intercontinental	Shs. 256.00
☐	Hilton Hotel	Shs. 216.00
☐	Sixeighty Hotel	Shs. 145.40
☐	Hotel Ambassadeur	Shs. 117.00
☐	New Avenue Hotel	Shs. 99.45
☐	Brunners Hotel	Shs. 95.00

One to two kilometres to Conference Centre

☐	Norfolk Hotel	Shs. 231.00
☐	Heron Court Hotel	Shs. 180.00
☐	Panafric Hotel	Shs. 168.35
☐	Milimani Hotel	Shs. 146.40
☐	Hotel Boulevard	Shs. 115.00

[N.B. The above prices for single rooms were quoted in early September 1975 and are subject to change.]

OFFICE MEMORANDUM

TO: Department Directors and Projects Advisory
Staff in Central Projects Staff

FROM: A. Israel, Office of the V.P., Projects Staff //

DATE: November 18, 1975SUBJECT: Items of Interest at November 12 Meeting of Directors and Advisers

PRESENT: Messrs. Baum, van der Tak, Hultin, Jaycox, Kalmanoff, Kanagaratnam,
Kearns, Richardson, Rovani, Tolbert, Yudelman, Carmignani, Finne,
Israel, Lithgow, Raizen, Ray and Weiss.

United Givers' Fund

Mr. Baum reminded the participants about the importance of contributing to this Fund, but stressed that staff participation is on a voluntary basis, and that management has no knowledge of staff members' contributions.

The FAO/IBRD Cooperative Program

Messrs. Kearns and Richardson from the Organization Planning Department summarized the results of a joint study of cooperation between FAO and the World Bank. They principally discussed the FAO/WB Cooperative Program (CP). The original purpose of the Program was to pool the two agencies' interests and comparative advantages, the Bank's management capabilities and investment orientation and FAO's expertise in agricultural matters. The study was carried out partly because there were doubts in both agencies as to whether they were getting the full range of possible benefits. The Program is part of the general cooperative relationship that is essential among UN agencies. At present, about half of Bank projects in this field are being prepared by the Cooperative Program.

The study recommended that more should be done to base project preparation on a series of visits to a particular country with a local project team doing most of the work, as a way of assuring not only that good projects were prepared but also that the borrower had a clear understanding of the project and a commitment to it. This approach would require better, earlier planning of pre-appraisal activities and the study suggested a system for doing it. The system is now beginning to be implemented in the agriculture sector but probably is appropriate for other sectors too.

The study also recommended changes in procedures for operational coordination. The present Bank clearance of CP preparation reports would be discontinued, but before writing the report CP would submit for Bank comment a "preparation issues paper". Also, a "project definition report" would summarize the characteristics of the proposed project and main issues in lieu of the present, rather cumbersome, project identification reports. The study also made several recommendations designed to improve the Program's internal management and to improve the linkage between the CP and the rest of FAO.

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MP OM/VD BS MR
EA GL NH EK
FILE 1 Project Mtg. Min.
FAO/IBRD
DISCARD

Department Directors and Projects Advisory
Staff in Central Projects Staff

November 18, 1975

Mr. Yudelman added that his Department had suggested the study in view of the key role the CP plays and of the important changes that had occurred in both organizations since its creation. He found the study valuable in spite of some doubts on a few points and what may be an underestimation of the practical difficulties of pre-appraisal planning. He thought that the changes proposed would help to improve performance. The study should also serve to clarify the sovereign role played by both agencies in the Program.

In the ensuing discussion, the issue was raised of the resident missions, particularly the two regional ones in Africa, as alternatives to the Program. It was indicated that the resident missions do use the Program for specialized activities (e.g. fishing and forestry). In the course of the discussion, it was also pointed out that the cooperative programs with UNESCO (education) and WHO (water supply) have many problems in common with the WB/FAO Program.

As a general matter, the Program has resulted in a relatively inexpensive and adequate way for the Bank to profit from FAO's agricultural expertise. The studies' recommendations have Mr. Knapp's broad approval and are in the process of being implemented under Mr. Yudelman's direction. Implementation of some recommendations also is proceeding in Rome, although certain proposals will require the attention of FAO's new Director General.

Annual Performance Review

Mr. Jaycox expressed his dissatisfaction, which was then supported by most other participants, about the lack of flexibility for granting merit increases above the standard in this year's personnel evaluation. He wondered whether the present system is an improvement over those applied in previous years. There was agreement that pay incentives were becoming relatively less important at the Bank and that, at least at the professional level, the possibility of other incentives should be studied. The alternative of an annual bonus to reward unusually good performance was also raised. Mr. Baum recalled the difficulties that the Bank has had in devising a reasonable incentive system within its budgetary constraints. He added that Personnel is always open to suggestions on how to improve the system.

Department Directors and Projects Advisory
Staff in Central Projects Staff

November 18, 1975

Christmas Party

Mr. Baum confirmed that the CPS Departmental Christmas parties will take place simultaneously on Thursday, December 18, although it is still unclear in which part of the Bank premises each of the parties will be held.

DISTRIBUTION: Messrs. Ballantine, Fuchs, Jaycox, Kanagaratnam, Lejeune, Rovani, Tolbert, Yudelman, van der Tak, King, Carmignani, Israel, Lee, Lithgow, Raizen, Ray and Weiss.

cc: Messrs. Knapp, Baum, Bell, Chadenet, Chaufournier, W. Clark, Husain, Krieger, Stern, Wapenhans, Weiner, Alter, Gabriel, Gordon, Kearns, Richardson, Burmester, Finne, Golladay, Koch-Weser, Overby, Tixhon.

AIIsrael:lic

LI-FAC/IBRD COOP. PROC.

OUTGOING WIRE

TO: HUYSER
FOODAGRI

DATE: NOVEMBER 13, 1975

CLASS OF
SERVICE: TELEX *Ra*
(ext. 5320)

COUNTRY: ITALY

TEXT: #222
Cable No.:

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TO BEGIN WORK ON THIRD STOP WILL POUCH FOR TOMORROW STOP CIDA REPORT HAS
BEEN POUCHED FROM CANADA TO WASHINGTON STOP IF NOT RECEIVED BEFORE DEPARTURE
WE CAN OBTAIN COPY FROM HIGH COMMISSION DACCA

TWO CHILE RURAL DEVELOPMENT STOP RE BTO WOULD APPRECIATE IF REPORT COULD ELABORATE
WHY APPROACH SELECTED IS INTEGRATED EFFORT INCLUDING SEVERAL ITEMS TO DEVELOP
AND FINANCE IN TWO OR THREE REGIONS RATHER THAN SELECT TWO OR THREE PRIORITY
ITEMS TO DEVELOP AND FINANCE COVERING MORE REGIONS

THREE FOR BROOKSON RESERVATION AT WATERGATE IMPOSSIBLE BUT CONFIRMED AT THE GUEST
QUARTERS 801 NEW HAMPSHIRE AVENUE FROM NOVEMBER 16

DARNELL

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Mr. George F. Darnell
Assistant Director

DEPT. Ag. & Rural Development Dept., GPS

SIGNATURE *[Signature]*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: *hrv*

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- (2) - cc: Messrs. Goffin, Nelson
- (3) - cc: Mr. Forno

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Checked for Dispatch: *[Signature]*

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FAO/IBRD Cooperative Program

OFFICE MEMORANDUM

TO: All Agriculture Staff

DATE: October 21, 1975

FROM: M. Yudelman, Dir., Agric. and Rural Dev. Department

SUBJECT: Report of the Study of Coordination Between FAO and the World Bank

Attached for your information is the report of the Joint Task Force on Cooperation Between FAO and the World Bank. Many of you contributed to the study through interviews.

As there is substantial consensus on most of the recommendations, implementation has already begun, both in the Bank and FAO. You will be notified as the various procedural modifications are introduced.

The full report with annexes has been distributed to all agriculture division chiefs and assistant directors should you wish fuller detail on the background, the reasoning and the particulars of recommended changes.

Attachment

COOPERATION BETWEEN FAO AND THE WORLD BANK

REPORT OF THE JOINT TASK FORCE
TO THE
JOINT STEERING COMMITTEE

JOINT FAO/WB/CP TASK FORCE

J. C. Peter Richardson (Chairman), OPD, Bank
Andrew MacMillan, FAO/WB-CP
Michael Walker, AFM, FAO
James Brown, EA Projects, Bank
Henk Groen, OPD, Bank

DISCUSSION DRAFT

August 8, 1975

COOPERATION BETWEEN FAO AND THE WORLD BANK
REPORT OF THE JOINT TASK FORCE TO THE JOINT STEERING COMMITTEE

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COOPERATION BETWEEN FAO AND THE WORLD BANK

Report of the Joint Task Force to the Joint Steering Committee

INTRODUCTION

1. Approximately ten years after creation of the FAO/WB Cooperative Program (CP), FAO and the World Bank agreed to conduct a joint study of their relationships, with particular attention to the CP. The study was not the result of any crisis in relationships; nor, in fact, has any such crisis been discovered. Rather, both the Bank and FAO had undergone re-organization and both had decided to attach increased emphasis and urgency to their shared priority objective of accelerating agricultural development in the developing countries. This study has been an effort to evaluate the patterns of FAO/Bank cooperation in order to determine what measures, if any, might enhance FAO's and the Bank's combined capacity to pursue the objectives they share.

2. A Joint Task Force conducted the study in the first half of 1975. This report is a summary of the task force's findings and recommendations.* They are based on interviews with more than 300 people in Rome and Washington,** extensive quantitative analyses of activities, costs and -- to the extent possible -- performance indicators, reviews of approximately 20 project files, a questionnaire to CP staff and two days of comment on the task force's detailed progress report by a twelve-man "Joint Steering Committee."*** Since the Steering Committee's progress review, informal meetings with individual committee members have provided further invaluable guidance.

* Detailed supporting annexes have been prepared for directly affected managers.

** Including interviews of all available Bank agriculture mission leaders, division chiefs, and assistant directors, all available professional staff and key administrative staff in the CP, and 75 FAO executives not in the CP.

*** The members of the Steering Committee are:

Mr. J. Kearns (Chairman), Director WB Organization Planning Department;
Mr. J. Huyser (Vice-Chairman), Director, FAO Investment Center;
Mr. M. Yudelman, Director, WB Agriculture and Rural Development Department;
Mr. M. Hoffman, Director, WB International Relations Department;
Mr. D. Haynes, WB Regional Assistant Projects Director, EMENA;
Mr. R. Picciotto, WB Regional Assistant Projects Director, S. Asia;
Mr. H. Casati, Chief, CP Service I;
Mr. A. Jones, Chief, CP Service II;
Mr. J. Cohen de Govia, Director, FAO Management Services Division;
Mr. H. Quaix, Chief, FAO Development Research and Training Service;
Mr. J. Abbott, Chief, FAO Marketing and Credit Service;
Mr. M. Veraart, WB/CP Coordinator

3. The key questions we (as task force members) sought to answer were:

- (a) How can CP's efficiency and usefulness to the Bank and FAO be improved? How, consistent with its long-term institutional needs, can CP be made more responsive to the needs of the individual Bank managers who compete for its services? How can it be made more useful to FAO?
- (b) Given the inherent strengths and weaknesses of FAO, the Bank and CP, what is the best role for CP to play vis-a-vis the parent organizations and developing countries?
- (c) What are the principal features of successful preappraisal work in agriculture? What implications do they have for preappraisal procedures, practices and the role and performance of CP?
- (d) To the extent that the Bank and FAO have common concerns beyond CP, are the two organizations coordinating adequately?

4. We have particularly sought to focus on the first question, for many non-CP FAO managers tend to feel FAO does not get its money's worth from the CP, while many pressured Bank managers -- frustrated by their individual inability directly to control CP resources -- hesitate to rely on CP and can see advantages to having CP staff located in their own divisions in Washington.

SUMMARY

5. In our view -- based on broad areas of agreement among those interviewed -- the CP has brought to preparation assistance an investment expertise that the rest of FAO normally lacks, a detailed awareness of Bank requirements that most consultants lack, a depth of technical expertise often not found in individual Bank divisions and some significant advantages that derive from its separateness from the Bank. In helping countries prepare agricultural projects suitable for Bank financing, the CP has rendered a vital service -- usually of excellent technical and good overall quality -- at less cost to either the Bank or FAO than would have been possible through other means.

6. Radical changes are not required, but both the Bank and CP have significant room for improvement. The CP needs to manage itself more systematically, deliberately and visibly in order to enhance the willingness of Bank managers to delegate to it much of the task of filling their rapidly expanding pipelines. In addition to a firmer management style and some relatively minor structural adjustments, the CP needs to institute accurate time reporting, project timetables, and -- for maximum sustained effectiveness -- concerted measures to keep its staff au courant with Bank and FAO thinking.

7. On its side, the Bank needs to be more systematic and deliberate in planning and monitoring preappraisal work. To improve preparation quality as well as the efficiency of Bank/CP coordination, the Bank needs to focus earlier in its work cycle on the likely problems of identification and preparation. It also needs to streamline the present procedures for Bank/CP operational collaboration and to increase the routine flow to CP of relevant documents and information.

8. Lastly, both CP and the Bank need to adopt attitudes and methods of control that are consistent with a strengthened CP capability to link the extensive skill resources of FAO -- which has approximately 3,000 agricultural specialists (compared to a Bank total of less than 300) -- with the broad investment know-how and financial resources of the Bank.

9. With minimum cost to Bank-related work and some benefits in a broadened CP ability to tap the FAO resource, the CP is now uniquely positioned to provide valuable -- perhaps indispensable -- assistance to the rest of FAO as it seeks to achieve the greater degree of investment impact it appears to desire. Any significant enhancement of FAO's potentially great impact in this respect would yield important long-term benefits to the developing countries in their vital efforts to prepare agricultural projects suitable for international financing.

* * * *

10. In the following, after briefly outlining the present context of increased urgency in agriculture, we provide some basic data -- much of which has been developed during the study as an essential background for understanding the problem. Then, we discuss in turn:

- Approaches to preparation work
- Bank/CP operating procedures
- CP/FAO relationships
- CP/Bank relationships
- Direct FAO/Bank relationships
- The UNDP dimension
- CP management
- Overall impact

11. We do not have a definitive recommendation on whether to change the Basic FAO/WB CP Agreement. The agreement has served its purposes adequately and we see no net benefit in -- or management necessity for -- changing it now. It is conceivable, however, that the agencies' legal staffs might find it necessary to amend the agreement because of our recommendations concerning the "contract."

THE PRESENT CONTEXT OF GROWING URGENCY

12. Over the past decade, the Bank has greatly intensified its activities to promote agricultural and rural development. This emphasis is continuing, as is the broadening in scope of Bank agricultural lending. From 1975 through 1979, the Bank intends to lend roughly \$7,000 million for over 400 agricultural and rural development projects which will result in a total investment of roughly \$15,000 million.

13. Judging by interviews with most of its senior executives, FAO -- while continuing its concern for building an "intellectual infrastructure" in agriculture through research, technical assistance and informational activities -- has greatly increased its desire to bring about results with direct development impact including, as a high priority, productive investment.

14. The increased world-wide urgency of agricultural assistance and the desire to enhance donor capacities to act in concert in providing it have been underlined recently by the creation in 1971 of the Consultative Group for International Agricultural Research (CGIAR) and, in the past year, by the World Food Conference and subsequent creation of the Consultative Group for Food Production and Investment (CGFPI), the World Food Council and the International Fund for Agricultural Development.* There seems now to be almost universal recognition that the welfare of most of the world's people in the coming decade will be vitally affected by the success of efforts presently being intensified to accelerate the growth of agricultural and rural productivity.

15. Close Bank/FAO collaboration in working towards these objectives is indispensable and CP's role in that collaboration is central. The Bank needs an efficient, productive CP to help fill its expanding projects pipeline; FAO needs convenient access to CP's concentrated investment expertise. Our study has been a review of current Bank/FAO collaboration and of the possible need and means for improving it.

BASIC FACTS

16. Before presenting our conclusions and recommendations, we outline some basic facts necessary to an understanding of the FAO/WB relationship and the FAO/WB Cooperative Programme.

Structure

17. The FAO/WB Cooperative Programme (CP) is the major part of FAO's Investment Center (IC) and shares with it a common director who reports to FAO's Assistant Director General for Development. (The IC's 10 non-CP positions are in what is called its "Central Office" which is headed by a "Coordinator" and does preparation assistance work similar to CP's for IDB, AsDB, AfDB, some bilateral agencies and a "Bankers' Programme.") The CP has, in addition to a 50% share of the Director, a Deputy Director, two Services -- each with a Chief and an unfilled Deputy Chief position -- and a Program Coordination and Administration Office.** The latter provides service to the whole IC. Also, a Senior Agricultural Adviser, Senior Adviser (50% financed by CP) and an Editor report to the Director.

Size

18. At the end of 1974, the CP comprised 75 of the FAO Investment Center's 85 authorized professional positions. From July 1, 1971, through December 1974, CP's on-board staff grew by 19% (to 69), while Bank agricultural staff grew by

* Because of their newness and continuing rapid evolution, our study has not encompassed these three new entities.

** One Service serves Latin America (LAC) and Europe, the Middle East and North Africa (EMENA); the other East Africa (EAF), West Africa (WAF), S. Asia and E. Asia and the Pacific (EA&P).

roughly 70% (to 205). In the past 5 years, 46% of CP's recruitments have been from the ranks of FAO. In the next few years, the non-CP part of the Investment Center will be -- in proportionate terms -- its fastest growing element, as the regional institutions, OPEC lenders and members of the Bankers' Programme already plan to increase sharply their use of the IC. The CP, however, is also likely to grow, as the World Bank continues to expand its activities in agriculture.

Activity

19. In FY'74, 84% of CP's mission days (an indicator of expended effort) were devoted to preappraisal work, compared to 18% of the Bank's agriculture time. From FYs 72-74, EMENA, S. Asia and LAC each used more than 20% of CP's time, E. Asia 16%, EAF 10% and WAF 5%. South Asia's usage is growing most rapidly. Of the 164 agriculture projects approved by the Bank's Board from July 1972 through February 1975, CP had assisted in the preparation of 65 or 37% -- 61% of EMENA's, 52% of S. Asia's and 46% of LAC's. Their proportionate involvement was greatest in fisheries (86%), irrigation (51%) and livestock (50%). These percentages understate CP's impact on new projects, as the base includes repeater projects and those prepared through "piggy-backing."

Costs

20. Because of overhead costs assumed by FAO, the Bank's share of CP costs is less than the Bank/FAO 75%/25% cost-sharing agreement would suggest. At FY'74 price levels, a man-year of CP staff time cost the Bank \$39,100 -- 36% less than a man-year of Bank projects staff time (\$61,000) and 20% less than a consultant man-year (\$49,000). If CP's 1974 mission travel had been done from Washington by Bank staff rather than from Rome by FAO staff, the additional cost would have been \$403,000 or roughly \$5,000/CP man-year.

Interaction in Rome

21. The CP reimburses -- with its consultant funds -- roughly 7 man-years per year of professional staff time received from the rest of FAO. In addition, most CP staff members draw routinely on FAO's skill and data resources. They estimate that they spend 8% of their time in Rome interacting with FAO and have an average of 1.5 "substantive contacts" per week, 95% of which they judge to be "very useful" or "useful." 59% of CP staff view the interaction as "important"; 17% view it as "vital." The largest category of contacts is for technical advice (28%); most (54%) are with FAO's technical departments (Agriculture, Forestry, Fisheries), and only 21% of the interaction time is considered "primarily for FAO benefit." (51% is intended to be primarily for CP benefit and 28% for mutual benefit.)

Interaction in the Field

22. Contacts with FAO staff in the field (who number approximately 2,000) also are extensive. During 27 CP missions concluded immediately before May 1975, there were 48 "substantive contacts" in the field, of which 30 were described as "extensive." Bank agriculture staff also often informally seek the advice or assistance of selected FAO field staff.

Direct Bank/FAO Interaction

23. Interaction between the Bank and FAO but not involving CP occurs on numerous levels and in widely varied contexts. The two organizations are co-sponsors of: the Consultative Group on International Agricultural Research (CGIAR), the Consultative Group on Food Production and Investment (CGFPI), the UN Protein Advisory Group (PAG), and the Onchocerciasis Control Program. They have also had discussions about a proposed joint Program of International Cooperation in Agricultural Sector Analysis (PICASA). The two organizations have a close and continuing collaboration with respect to commodities work and are associated in an ongoing joint study of prospects for producing more meat in East Africa for the Near East market and a Bank-financed FAO study of small farm statistics. There is a continuing agreement in principle for the Bank and FAO to avoid carrying out agricultural sector studies in the same country in the same year. In addition, FAO/Bank interactions may from time to time and on an ad hoc personal-contact basis, involve research activities, EDI and FAO training work, IFC through the FAO's Bankers' Programme, CPS or DPS attendance at technical meetings and study groups, and the use of FAO staff to brief or participate in Bank missions.

UNDP Dimension

24. A last major category of relevant relationship concerns FAO's UNDP-funded projects. One hundred of more than five hundred such projects approved from 1972-1974 were classed by UNDP Resident Representatives as having "investment potential," and 63 were classed as having "preliminary investment potential" (although many in each category would have been too small for World Bank investment); 21 were classed as "investment support." For the roughly 30 FAO-executed investment-oriented UNDP projects in which the Bank declared a "special interest" (most of which are investment potential but some of which are investment support), the CP is designated as the Bank's "watching agent" -- to review reports, participate in progress reviews, and keep the Bank informed. The non-CP part of the Investment Center has one UNDP-funded position charged with infusing into the remainder of investment potential projects an awareness of -- and appropriate degree of responsiveness to -- investment requirements.

COMPARATIVE ADVANTAGES

25. There is a wide Bank consensus that CP staff members are comparable to Bank projects staff in professional competence. Their work is regarded as particularly strong technically -- CP, being larger, can be more specialized than any agricultural unit of the Bank -- but less strong with regard to financial, institutional and managerial aspects (which tend to become ripe for solution in the later stages of project processing).

26. Bank staff (who significantly underestimate the extent to which CP consults FAO) do not, however, feel that CP succeeds as a vehicle for bringing to project preparation work the full range of highly specialized skills possessed by FAO. Most FAO managers, on the other hand, recognize CP staff (to whom they refer as "the Bank") as an elite, as a unique source of investment know-how and practicality, but regret that Bank and CP barriers have made it almost impossible to bring CP's unique strengths to bear on activities of the rest of FAO.

27. Both FAO and CP staff view the Bank as powerful, fully action-oriented, broadly effective, high-pressured, impatient and often arrogant. While respecting the Bank's capacity to "get things done" -- i.e. loans made -- they criticize Bank staff members for having somewhat of a steam-roller mentality and for appearing to be more interested in commitment than disbursement; FAO managers criticize the Bank for tending to equate investment with development, to underestimate the significance of activities (such as resource evaluation, information exchange and technical assistance) which may have little direct impact on investment but great long-term importance for development.

28. Bank and CP staff, while respecting the depth and frequent excellence of expertise possessed by staff members of FAO-proper, find the organization as a whole uneven, rather bureaucratic, insufficiently results-oriented, somewhat indecisive and extremely sensitive politically.

29. There is little question or disagreement that the CP's forte is project preparation assistance. Bank staff agree that CP's superior knowledge of Bank requirements gives it a major advantage over consultants in most cases; its investment-orientation gives it an advantage over most FAO staff. Compared to the Bank, CP has an advantage in preparation assistance work because of its:

- Separateness from the Bank, which makes it more possible for the Bank on appraisal to question or countermand the preparation work without appearing embarrassingly redundant or self-contradictory,
- Freedom from the competing pressures of appraisal and supervision work and capacity, up to a point, to withstand Bank pressures to accelerate the process where this might be counterproductive,
- Depth of technical expertise, compared to any one Bank Region, and comparatively ready access to the technical resources and expertise of FAO,
- Capacity to assist countries in reaching decisions about how to deal with the Bank, and
- Lower cost (to the Bank) per man-year -- by more than 35%.

30. In our view, these advantages outweigh the disadvantages to the Bank of CP's structural and geographic inaccessibility and consequent reduced deployment flexibility compared to Bank headquarters staff, its occasional weakness in the institutional aspects and imperfect "feel" for Bank policy and country sector strategy, and the greater difficulty for the Bank -- when CP is used -- in directly influencing projects at the stage when their options are most fluid. Also, to the extent it is thought desirable to merge preparation assistance and appraisal work without changing the staff involved, CP is placed at a disadvantage.

31. With respect to identification work (which is discussed more fully in the next section), we believe CP has no particular advantage or disadvantage in the recognition of project ideas, is at a disadvantage compared to the Bank

in selecting projects for further work with a view to ultimate Bank financing and -- because of its extensive preparation assistance experience -- has a comparative advantage in what we have called "project definition."

32. Project appraisal and supervision are essentially non-delegable functions which CP cannot perform for the Bank. As individual members of Bank-led missions, however, CP staff can contribute fully to this work. They can similarly contribute to Bank-led country economic/sector missions and where the objectives are primarily analysis (rather than, for example, Bank/country dialogue) have successfully been made fully responsible for sub-sector surveys. Also, through informal consultation senior CP members can bring useful perspectives to bear on the Bank's review and development of country sector assistance strategies.

33. Within FAO, the Investment Center is ideally situated to serve as a nucleus for the infusion, where desired, of greater investment orientation into UNDP-funded "investment potential" projects, selected World Food Programme projects and trust fund and "regular programme" activities. Also, its Director is well situated to (and does) chair FAO's Interdepartmental Working Group on the CGFPI.

34. Although CP is well situated to see both the FAO and Bank side of policy questions, there are many areas -- e.g. research, commodities, food balance analyses -- where it has no comparative advantage and need not be a conduit for Bank/FAO coordination.

35. Based on these comparative advantages, the Cooperative Programme has had, and should continue to have, three objectives -- to help:

- (a) Countries create projects suitable for World Bank financing.
- (b) The Bank and FAO interact and coordinate in ways that enable each to benefit from the other's strengths in pursuing the shared priority objective of accelerating agricultural development in developing countries.
- (c) FAO realize the full investment potential of its activities.

36. Its principal activity should continue to be project preparation assistance.

APPROACHES TO PREPARATION WORK

37. Before a project can be prepared, it must be identified. Identification, in the Bank's context, entails three frequently merged but conceptually discrete activities:

- (a) "Recognition" -- of a project idea as potentially sound and consistent with country priorities.

- (b) "Selection" -- of a project for further work because it seems to be the best available combination of intrinsic merit, country support and consistency with Bank assistance strategies; and
- (c) "Project Definition" -- development of a selected project idea to the point at which it is prudent and efficient to commit the level of resources needed for detailed preparation.

38. Although project preparation assistance is usually available, project preparation is fundamentally a country responsibility. While the purpose of project preparation in the Bank's context is to develop a project concept to the point at which it is suitable for Bank appraisal and -- with minimum change -- Bank financing, the purpose of preparation assistance is broader. No matter how excellent the project, preparation assistance cannot be fully successful unless it also results in a good level of country understanding of and commitment to the project and a somewhat improved country capacity to prepare its own projects in the future.

39. Assistance in preparing projects for Bank financing should be regarded as a service primarily to countries and only secondarily to the Bank. Preparation assistance that is well done results in projects that are easier (and more efficient) for the Bank to appraise and -- given the resulting country understanding and commitment -- easier for countries to implement. A more creative though less final activity than project appraisal, preparation assistance has high leverage over both the quality and efficiency of subsequent project work.

40. The task force found it convenient to distinguish three approaches to preparation assistance:

- (a) "Paratrooping". The conventional and most frequently used "paratroop" approach typically consists of a three to four-week field visit, some interviews with key officials before leaving the country and then a report-writing phase at headquarters.
- (b) "Bus-stopping". The widely preferred but far less frequent "bus-stopping" approach to project preparation assistance entails an initial mission to map out work to be done by a local project preparation team, followed by several visits to assist and review progress and perhaps a final mission to help with "packaging."
- (c) "Squatting". The use of an expatriate who resides in the country to help with preparation or pre-preparation work -- a "squatter" approach -- typically is employed in UNDP and bilateral technical assistance.

41. Each approach can sometimes be appropriate, depending on the country conditions and the project involved. As a general matter, however, "squatting" tends to be slow, expensive and hard to manage on a large scale although it may have maximum training impact and good potential for building needed government commitment and ensuring a pipeline of projects. "Paratrooping" -- while

unavoidable where tight appraisal deadlines are imposed or where countries have particularly severe skill shortages -- usually has a cost in country understanding and commitment and produces little improvement in country preparation capabilities. "Bus-stopping" is clearly superior to paratrooping from the point of view of country understanding and commitment as well as training and is much more efficient than paratrooping in the consumption of CP applied time.

42. Bus-stopping, however, usually requires significantly more lapsed time than paratrooping. It therefore requires better advance planning. Moreover, because the key bus-stopping task is helping in the field rather than report writing at headquarters, bus-stopping greatly diminishes the possibilities for management to exercise quality control through report review. It places a premium on mission leader abilities, careful collaborative review at the project definition stage and before-the-fact quality enhancement through professional development.

BANK/CP OPERATING PROCEDURES

43. Beyond taking measures (which we discuss subsequently) to facilitate bus-stopping, Bank/CP procedural improvements are possible in CP's project definition work and in the processing of CP preparation reports.

Project Definition

44. CP involvement in reconnaissance (i.e. project "recognition") is often desirable, although not always feasible. CP involvement in project definition work, however, should normally be mandatory for projects concerning which CP is going to be asked to render preparation assistance. (In special cases where project definition has been completed without CP involvement, CP should not undertake the preparation assistance unless it is in a position to accept fully the definition work that has been done.)

45. Rather than the present sometimes multi-volumed "Identification Report," CP should prepare for submission to the Bank a "Project Definition Report" of less than 20 pages (plus a list of available working papers). Its purpose would be to provide a vehicle for Bank, CP and country agreement on the major alternatives to be developed during preparation assistance and on the overall financial magnitudes contemplated. Its comparative brevity would improve the quality as well as the efficiency of review. When that review raises fundamental issues between the Bank and CP, they should be resolved before preparation assistance begins and, if necessary, through face-to-face consultation (in the country, Rome or Washington) between responsible Bank staff and the CP mission leader.

Preparation Issues Paper

46. Within 10 days of a CP mission's return from the field to prepare a preparation report, it should write a preparation issues paper in lieu of the present back-to-office report. The paper in less than 10 pages should summarize the proposed project and identify (with recommendations) issues, major alternatives and other aspects concerning which Bank guidance could be useful prior to

completion of the report. The paper could be Telexed and Bank comments would be required within 10 days.* CP would consider them carefully -- in the knowledge that they were likely to be reflected at appraisal -- and might consult further with the Bank (or the country) in cases of disagreement, but would have the final decision whether to reflect the comments in their preparation report to the country.

47. After intermediate bus-stopping missions, Bank reactions to the back-to-office progress reports would be an additional vehicle for early dialogue.

Preparation Report Transmittal

48. The CP preparation reports should be transmitted directly to countries (under a disclaimer about Bank endorsement) with copies to the Bank under a covering letter highlighting points which might benefit from particular attention at appraisal. The present procedure whereby the Bank clears such reports is:

- Inconsistent with the concept of preparation assistance as a service primarily to countries and only secondarily to the Bank,
- Premature and perhaps even compromising, given the imminence of appraisal,
- Unrealistic as a "screening" precaution, to the extent of country involvement in the preparation work, and
- Inefficient, as the clearance does not now -- and is unlikely ever to -- receive the level of Bank attention necessary to make it effective.

CP/FAO RELATIONSHIPS

49. When the CP was created, the overall commonality of FAO and World Bank objectives was far less than it is today. FAO was less concerned with creating the conditions for investment; the Bank was less urgently concerned with agriculture. A conscious CP policy of separateness from FAO was, in fact, stressed as a prerequisite of effectiveness in establishing standards, work patterns and procedures appropriate to CP's investment-oriented objectives. While the Bank/FAO "bridge" was under construction, the Rome end was deliberately closed to traffic.

50. Now, however, that CP has proven its strength in project preparation work, it is in the interest of the Bank's and FAO's member countries to enhance CP's capacity to (a) bring to bear on Bank-related work the full range of FAO's agricultural skills and (b) provide support to the rest of FAO as it seeks to achieve the greater degree of investment know-how and impact it appears to desire. Assuming appropriate systems of management control (discussed subsequently), these objectives can -- in fact, must -- be served with no sacrifice of CP output or quality.

* The Bank is in the process of leasing a Telex line to Europe, which will sharply reduce the Telex cost.

Time Exchanges

51. At present, there is a significant although modest "formal" flow of FAO staff assistance to the CP, which is financed from CP consultant funds; the reverse formal flow of staff time from CP to FAO is negligible. The informal (i.e. uncompensated) flow of staff assistance also tends to be unidirectional. As a result, CP's value to -- and impact on -- FAO is much less than it could be.

52. Because CP reimbursement funds are of less value to many FAO managers than the time of good staff (and were even confiscated last year in an FAO budget squeeze) and because of the pre-emptive pressures of Bank priorities, the present practices -- which make the Rome cooperation appear to be a "one-way street" -- tend to sour the CP/FAO relationship. If continued, they would be likely to result in less FAO support to CP in the future.

53. It is important to increase CP's and FAO's utility to each other without decreasing CP's utility to the Bank. A system of selective exchanges of CP and FAO staff time (up to perhaps 15% of CP's direct-hire time) should be available for those FAO managers who would prefer it to be the "sale" of their staff's time for CP consultant dollars.* CP managers should be encouraged to trade or sell amounts ("slivers") of CP staff time ranging from a week to several months for (not necessarily equal) slivers of FAO (including non-CP Investment Center) time -- subject, as necessary, to periodic balancing transactions with consultant funds. The trade or sale of CP staff time sought by FAO managers would (within the limits agreed by the Bank and CP) be at the sole discretion of CP managers, provided that the quality of CP work for the Bank was maintained and the work done by CP staff for FAO was broadly related to investment.

54. Such exchanges will increase CP's usefulness to and impact on FAO (thereby increasing the latter's investment impact) as well as CP's ability to tap FAO staff resources for Bank-related work. For sale and exchange purposes, CP's staff should be increased at the expense of its consultant budget -- perhaps by 5 people in the first year. To the extent that "sales" occur, the consultant budget would be directly replenished; to the extent that trades occur, the staff time would be. No net loss of resources usable by CP would result. In fact, such exchanges will -- with some advance planning -- increase CP's usable resources and enhance its efficiency by facilitating the conversion of CP "down-time" into usable time. This conversion capability will become increasingly valuable as bus-stopping -- which requires more travel and less headquarters report writing than paratrooping -- becomes more prevalent.

* FAO managers have said CP time would be highly desirable in such activities as work programming, design of a prototype dairy investment, advice regarding a country development plan for agriculture or an agriculture subsector, training in project analysis, assistance with the planning or marketing work of a "Scheme" (e.g. dairy development or meat), etc.

55. While the exchanges we have described do not raise unit costs (and, in fact, decrease them to the extent they permit conversion of down-time), modest allowance should be made in CP's budget for the costs of discretionary uncompensated FAO-related activities such as reviews of country perspective studies, participation in interdivisional working groups, contributions to FAO seminars and technical conferences, etc. These activities should not be regarded as being exclusively "for FAO's benefit"; nor should preparation assistance be seen as work done exclusively "for Bank benefit." Given FAO's and the Bank's shared objective of accelerating developing countries' agricultural development through investment where appropriate, all of CP's activities -- including those that improve CP's capacity to function as a wide two-directional bridge between FAO and the Bank -- benefit the work of both organizations.

Other Measures

56. Other measures to enhance the vitality of the "Rome connection" should include:

- (a) Conversion of the IC "Documents Unit" into an active, extroverted information disseminator within FAO and the Investment Center;
- (b) Designation by FAO of a contact man in each technical division and use by CP of Senior Specialists (discussed subsequently) for liaison purposes -- with selective cross-attendance at staff meetings, technical meetings and debriefings;
- (c) Establishment of additional "Joint Groups" on the model of the IC/Fisheries group -- generally, to help bring a realistic investment orientation to divisional programs and a full awareness of technical developments to IC staff and, specifically, to identify potential investment opportunities earlier.

CP/BANK RELATIONSHIPS

57. Operational coordination across organizational lines or geographic distance is never easy and seldom perfect. Given the CP's need to serve more than 20 Bank division chiefs reporting to 7 vice presidents, the methodological fluidity of agricultural work and the inherent skepticism that those who appraise projects are expected to bring to preparation work, it is not surprising that some coordination problems still exist between CP and the Bank. Even though the Bank's reorganization complicated the coordination task, frictions in the Bank/CP relationship have been on the decline. Present Bank/CP coordination problems, in fact, resemble some of the problems that have been found between the Bank's headquarters and its regional missions in Africa and between the Bank's centralized operating staff in CPS and the divisions whose competing needs they serve.

Bank Priorities

58. As a general matter and subject to CP's agreed role, CP management must be broadly responsive to the priorities expressed by Bank managers. These, however, often conflict (e.g. where mission rescheduling is sought),

may not be compatible with CP's long-term maximum effectiveness (e.g. requests by some Bank managers for extensive participation in appraisal work), and may not be discerned sufficiently in advance to permit efficient CP planning. The foregoing factors reduce CP's responsiveness to individual Bank managers and -- when combined with CP's lack of Bank-style project timetables and inability accurately to indicate how much manpower will be or has been delivered to a given Region in a given year -- make Bank managers reluctant to rely on CP to fill their pipeline.

59. Understandably, highly pressured division-level Bank managers would prefer to "own" their share of the CP resource -- or at least have it under their full and immediate control -- in order to eliminate the uncertainties resulting from competition with other Bank managers and remove the "screen" of CP management. This desire to "integrate backwards" accounts for their tendencies to see CP simply as a supplementary source of Bank staff, as a source of inputs rather than as a subcontractor or partner accountable for results (i.e. projects ready for appraisal). Yet it overlooks CP's comparative advantages in preparation work (see Paragraph 29) as well as the:

- Inherent inefficiency of attempting "short-string" management at a distance of 4,000 miles,
- Contribution of CP management,
- Broader benefits to member countries of an effective Rome connection, and
- Likelihood that to the extent CP becomes a mere "stable" of extra Bank manpower -- rather than an institution in its own right -- its leaders will find it increasingly difficult to perform their leadership role in attracting, holding, motivating and professionally developing the top quality staff that make CP valuable.

60. If unchecked, the Bank line managers' tendency to substitute "tight" Bank management of CP inputs for reliance upon CP managers to produce needed results would not only be contrary to the established and proper partnership concept, but also would -- in the longer term -- have the Pyrrhic effect of reducing CP's efficiency and quality as well as its effectiveness as an FAO/Bank bridge.

61. Assuming the value -- and continued existence -- of CP as more than a "stable," we have proposed changes in Bank/CP operating procedures to improve the relationship. Complementary changes in the Bank's and CP's management systems are also necessary.

Manpower vs. People

61. First, to make possible the greater CP/FAO interaction we have described, the Bank "contract" with CP will need to be in terms of a given number of man-years rather than a given number of designated people full time.* To assure

* The Bank, however, should continue to approve CP recruitment actions.

that the work derives full benefit from CP's close knowledge of Bank needs, a ceiling will need to be agreed between the Bank and CP on the amount of CP time that can be exchanged for FAO time -- perhaps in the neighborhood of 15% to 20% of CP's net "operational" direct-hire time (i.e. net direct-hire time allocated to Bank operating units). The Bank/CP "contract" is discussed further in Paragraph 73.

Project Generation Planning

62. Second, because of their impact on the subsequent volume and quality of Bank operations, the preappraisal activities of the Bank -- as well as those of CP -- should be managed more systematically. Routinely, a Bank staff member (and alternate) should be designated as responsible for each potential project, for overseeing and making the necessary contributions to project definition and preparation work. In addition, the Bank should practice more systematic and earlier project generation planning (extending at least 3 years ahead) in order to bridge more effectively the gap between the Bank's Country Program Papers (CPPs) and appraisal work and, more specifically, to:

- Improve the quality of preparation assistance work through increased bus-stopping, which requires longer preparation lead times,
- Have sufficient advance notice of preparation needs to improve the Bank's and CP's scheduling, diminish preparation workload peaks and dips, and reduce the frequency of inefficient (and exasperating) emergency interventions, and
- Facilitate delegation to CP of the task of producing planned results rather than inputs.

63. While no Bank planning system can entirely eliminate the need for sudden shifts and adjustments, a system which catalyzes advance thinking about who will be responsible for project definition and preparation assistance, what method will be used and how much manpower will be required is likely to diminish some of the uncertainties which the absence of such a system makes inevitable. The CPP-based project generation planning system we have proposed could ultimately be grafted onto the Bank's recently instituted but less management-oriented Project Brief system.*

Information Flow to CP

64. Third, the flow of information from the Bank to CP should be improved. Because CP needs to remain au courant with Bank thinking, it should routinely receive agriculture issues papers, decision memoranda and supervision reports as well as relevant CPS and DPS working papers. As an aid to planning and scheduling, it should have P&B's IVA and IVB lending operations tables, agriculture project and sector work timetables, copies of the proposed project generation reports, and Bank print-outs of CP time reporting data. For reference, it should receive the Loan Committee summaries (confidentially), and several copies of Central Projects Memoranda.

* Although our review has been limited to agriculture, we see no reason why the proposed project generation planning system should not be applied to all sectors.

DIRECT FAO/BANK RELATIONSHIPS

65. To supplement today's essentially ad hoc and personally-based Bank/FAO coordination where CP is not involved, we suggest that non-CP Bank/FAO liaison responsibilities be formally assigned to an IC Deputy Director (discussed subsequently) and that the Washington-based FAO Regional Office assist him as necessary. The IC is uniquely situated to have the familiarity with both Bank and FAO activities that effective liaison requires.

66. Subject to the limits of available time, the liaison function would entail keeping staff throughout the Bank as well informed as possible of FAO activities of potential relevance and assuring that proposed FAO liaison points under the Assistant Directors General for Economic and Social Policy, Agriculture, Fisheries and Forestry as well as CP are kept fully informed of Bank work of potential relevance. The liaison activity should be a supplementary catalyst to voluntary interaction, not an exclusive or mandatory channel. For the Bank, a knowledge of outside thinking, work and developments is especially important in agriculture, given the breadth, complexities and priority of the sector and the amount of activity occurring in it. For FAO, the improved capacity to spot opportunities for mutual interaction with a major financing agency will provide benefits in potential impact as well as exposure to an intense investment orientation.

67. In addition, we suggest (and have prepared a draft of) an FAO directive designed to encourage and provide ground rules for occasional informal "hitchhiking" by the Bank on FAO's extensive field establishment. The Bank would issue a complementary directive advising its agriculture staff about the arrangements.

THE UNDP DIMENSION

68. At relatively minor expense, we believe the investment and resulting developmental impact of FAO's UNDP-funded projects -- particularly those designated as having investment potential -- can be significantly increased.* This will require systematic infusions of investment expertise into such projects -- starting as early, in some instances, as the FAO/UNDP country programming stage. While the method of financing such infusions (e.g. from FAO's 14% overhead fee, direct UNDP-funding or a separate charge in project budgets) is beyond our terms of reference -- except that it would continue to be CP-funded for World Bank "special interest" projects -- we believe the infusion should be made largely through reimbursed "slivers" of Investment Center (including CP) staff time under the purview of two full-time IC "UNDP Coordinators." Performance of this investment infusion function through

* These projects have included such activities as: feasibility studies (e.g. Peru Huaura Valley, Cyprus Paphos Nepal Gandak), agricultural planning (e.g. Tunisia, Indonesia), adaptive research (e.g. Near East Cereals, Thailand Rubber), resource surveys (e.g. Brazil Forestry, Bangladesh Land Capability Studies, Indian Ocean Fisheries), institution building (e.g. Yemen Agricultural Extension, Afghanistan Credit) and crop diversification studies (e.g. Ceylon, Guatemala).

reimbursed slivers of time from many IC staff members rather than through the full time of a smaller number of people will bring to bear the investment focus that results from constant contact with financing institutions combined with the subsector expertise that IC's size permits.

69. With respect to the Bank's role vis-a-vis FAO/UNDP projects, we recommend that CP routinely screen such projects to suggest candidates for Bank declarations of special interest. When such declarations are made and when CP is designated as "watching agent" (i.e. for the "investment potential" but not the "investment support" projects), an agreed "watching" procedure (which we have outlined elsewhere) should be followed. CP should then report annually to the Bank on the status of such projects and the watching tasks performed.

CP MANAGEMENT

70. The Investment Center will need to enhance its already stretched management capabilities to cope successfully with complexities arising from:

- The sharp growth of Bank lending and the rapid evolution of Bank policies in agriculture,
- Increased bus-stopping,
- The more extroverted role towards FAO, including time exchange, UNDP infusion, and the CGFPI liaison responsibility,
- The likely rapid growth of the IC "Central Office" due to increased demands from OPEC financing sources, the Bankers' Programme and regional institutions, and
- The presently unknown impact of the International Fund for Agricultural Development (which could become a factor of sufficient magnitude to warrant re-examination of our structural recommendations).

71. The FAO/WB CP should continue to be centered in Rome to facilitate interaction with the rest of FAO, but its internal management should be tightened and strengthened, as discussed below. The scale and urgency of IC activities no longer permit exclusive reliance on what has been essentially a "family" style of management.

CP Management Systems

72. To permit the CP "contract" to be in terms of man-years rather than full-time staff members and to provide needed management information (e.g. re the level of non-operational time), CP must enforce an effective time reporting system. To manage its own activities properly and provide individual Bank managers with information sufficient to make them feel at ease looking to CP for results rather than inputs, CP needs to maintain (and furnish the Bank with) project generation timetables showing deadlines for key events in the process (e.g. completion of project definition reports, preparation issues papers, preparation reports). To permit the discipline required for internal management

and control and the avoidance of excessive external second-guessing, CP needs to aggregate these agreed timetables, combine them with its plan for non-preappraisal activities and produce an annual CP work program.

73. For good planning and preappraisal management, each Bank Region and CPS needs to know the net CP "operating" time it can expect to receive during the year -- i.e. time for preappraisal, appraisal, country economic/sector work, supervision and UNDP investment potential special interest work. This, combined with the need for an agreed range of CP managerial discretion, requires establishing the limits of "non-operational" CP activity. Such limits should be established through agreed indicative ceilings (initially on a trial basis) for:

- Professional development (other than appraisal and supervision mission participation, which would have a ceiling too, but is an "operational" activity),
- Direct FAO support (e.g. assistance primarily for FAO benefit which is uncompensated by time exchange or reimbursement), and
- Management and administration (i.e. staff supervision and administrative support provided by professionals).*

74. Much of the FAO support and professional development activities will be performable during what otherwise would be unavoidable "down-time" (e.g. time lost due to mission cancellations, scheduling hiatuses or limitations on the amount of travelling a staff member can be expected to undertake). When the ceilings for these two activities fall below the level of unavoidable and unconvertible down-time, the ceilings should be raised rather than have staff unoccupied. The aggregate ceiling on non-operational time should initially receive more emphasis than the sub-ceilings, which should be viewed more as planning targets.

* On a base of 100 man-years, of which 80 was direct-hire and 20 for consultants, the CP direct-hire ceilings might, for example, be management and administration -- 13 man-years (of which 7 would be for administrative support); direct FAO support -- 5 man-years; professional development -- 5 man-years. (Two man-years of the latter categories would be composed of 25% shares of "Senior Specialists" (discussed subsequently)).

Total "operational" time available for Bank work would then be approximately 77 man-years or 57 direct-hire (including time-traded) man-years plus 20 consultant-funded man-years. (In deriving the sub-allocations to Bank Regions of net usable operating time, the direct-hire man-years should be converted to man-weeks at the rate of 40 per man-year to allow for holidays, leave and minor overheads such as staff meetings, personal matters, etc.).

75. The linking of the CPP-based project generation planning system we propose for the Bank (initially in agriculture) with our proposed Cooperative Programme timetables, work program and budget process, and the accomplishment of required improvements in CP's time reporting practices will, in combination, contribute importantly to the smooth and successful meshing of Bank and CP efforts. It will improve the level of mutual confidence in as well as the efficiency of the Bank/CP relationship.

76. In addition to these fundamental management system improvements, the administrative support activities of the CP need rationalization and streamlining along lines we have indicated elsewhere.

Professional Development

77. The IC needs to be more deliberate and systematic in seeking continuously to enhance the productivity and effectiveness of its professional staff. Measures to this end not only will keep the IC creative and attractive to the best staff but also -- through improved preparation work -- will yield high returns in the efficiency of appraisal work and may even improve project implementation.

78. The CP service chiefs have a continuing and indispensable managerial responsibility to enhance their staffs' overall capabilities and productivity, but there is also a need -- in this complex sector of rapidly evolving methodology -- for leadership and guidance at the subsector level. We propose that IC designate "Senior Specialists" in each subsector to play a lead role in professional development, policy guidance, and FAO liaison. They would continue to report to their service chiefs but in their capacity as Senior Specialists (no more than 25% of their time) would be under the functional oversight of the front office.

79. In their respective disciplines (e.g. irrigation, livestock, agronomy), the Senior Specialists would coordinate the development of preparation guidelines and standard formats, liaise with counterpart FAO technical divisions and CPS Advisers, participate in report reviews and debriefing sessions, arrange seminars and case study sessions, occasionally -- in an "elder statesman" capacity -- visit missions in the field to advise on particularly difficult subsector problems, and participate in FAO's inter-divisional working groups. Periodically, they would meet under front office chairmanship as the "Investment Center Policy Advisory Committee." The present Senior Agricultural Adviser would assist the Deputy Director in coordinating the non-operational work of the Senior Specialists and would act as the Senior Specialist for rural development.

80. To keep CP staff au courant with Bank thinking and sensitive to the problems of project implementation, CP also should set goals for staff participation in Bank-led appraisal and supervision missions. Specifically, CP staff with more than one and less than seven years' experience should -- to gain a first-hand feel for Bank policies and requirements -- participate in one Bank-led appraisal mission (of a project they did not prepare) every third year and -- to maintain realism -- participate in one Bank-led supervision mission (of a project they helped prepare) every second year. Assuming

no change in productivity and constant preparation workload, this would necessitate a growth in CP staff (of perhaps 5%) but would not have any additional cost to the Bank as the participation would be in lieu of Bank staff or consultants.

81. A further ingredient of professional development -- "feedback" -- needs strengthening. In their biannual visits to Washington, the CP service chiefs should set aside time to receive explicit feedback from Bank mission leaders and division chiefs about work done in the prior period. The feedback should then be transmitted to the CP staff. For similar purposes, CP needs a simple but formal system of annual performance reviews. In addition, each service should institute routine debriefings after the return of project definition or final preparation missions. They would be attended by all members of the service and all IC staff specializing in the subsector involved. Such debriefings, in addition to helping mission members spot latent issues, will help broaden the perspective of attending staff, deepen their understanding of evolving CP standards and reinforce the CP's collective sense of professional esprit. Debriefings of especially interesting projects could be IC-wide.

IC Top Management and Structure

82. IC's top management level must -- in addition to its operational duties -- provide active leadership and coherence to the staff development efforts we consider necessary, spearhead the creation and updating of IC policies, standards and guidelines and stand ready to advise the Bank on selected policy issues. Also, it needs to pursue actively the goal of strengthened IC/FAO relationships.

83. For the long term, we recommend a triumvirate at IC's top management level -- a Director, occupied heavily with externally-oriented functions including special priority assignments for the Director General (e.g. CGFPI liaison); a Deputy Director for CP Operations (DD/CPO) to oversee Bank-related work; and a Deputy Director for Policy, Professional Development and Liaison (DD/PPL). IC's Director has proposed also appointing an additional Deputy for the IC's non-Bank-related activities because of the importance, variety and volume of external relationships these are expected to entail in the coming year.

84. The Deputy Director, PPL -- a "staff" executive -- would spend a significant portion of his time at the Bank "absorbing" policy trends and spotting opportunities for useful direct (i.e. non-CP-related) Bank/FAO coordination. When in Rome, the Deputy would perform a similar and complementary liaison function in FAO, serve as or oversee the IC representative on many FAO inter-divisional working groups, and oversee IC's "FAO support" activities. He would be responsible for planning, coordinating and directing the non-operational work of the Senior Specialists and would also supervise the Senior Adviser, Senior Agricultural Adviser and the Information Center. He would chair the internal "Policy Advisory Committee."

85. The Deputy Director for CP Operations would direct the Bank-related work, including particularly the development and negotiation of CP's work program, the review of quality on a selective basis, and the coordination of inter-service staff sharing and CP/FAO time exchange.

86. In the near term, the IC Director expects to be able personally to assume the responsibilities of the proposed Deputy Director for CP Operations and personally to direct implementation of most of the recommendations of this study. He intends, for this purpose, to diminish his externally-oriented duties. If the Director's personal external responsibilities can be held to a minimum (perhaps less than 20% of his time) and if the non-CP Deputy post he has proposed is created and filled, performance by the Director of the functions we have envisaged for the DD/CPO can be a viable alternative to our recommended top-level structure.*

CP Services

87. We recommend that the CP have three services in lieu of the present two. Respectively, they should -- for the best balance of workload, travel patterns and language ability -- encompass the work of LAC and WAF; EMENA and EAF; and the two Asia Regions.** Creation of a third service will have some cost in scheduling flexibility, subsector specialization and an increased need for inter-service sharing. The cost, however, should be outweighed by a significant enhancement of each service chief's capacity to manage the work and people for whom he is responsible -- i.e. to assess and develop his staff's capabilities, enhance the quality of his service's work and maintain the necessary close relationships and dialogue with his counterpart managers in the Bank (of whom there are more than twelve for one of the present service chiefs). Moreover, the reduced critical mass from a third service will be partially offset by inter-service loans arranged between the chiefs or, when necessary, with front office assistance. The danger of increased CP fragmentation will be overcome by the CP-wide scope of Senior Specialists and the Policy Advisory Committee, cross-service participation in debriefings and the Report Review Committee, and periodic optional (perhaps triennial) rotation of staff among services.

88. By Bank span-of-control standards -- e.g. deputy chiefs for projects divisions with 13 or more professionals -- one could justify five or six services. That, however, would create such a severe need for inter-service sharing that most scheduling decisions would be forced up to the front office -- which would sharply reduce the service chiefs' individual capacities to make firm commitments to Bank managers as well as their ability to control and upgrade the activities for which they were responsible. The Bank's span-of-control standards are, in any event, not directly applicable to CP's first-line supervisors because -- unlike Bank division chiefs who are responsible for project administration and sector work as well as project definition, prepara-

* For short-term budget purposes, the additional time spent by the Director can be regarded as offsetting the diminution of DD/PPL time devoted exclusively to CP work.

** The split of Africa reflects the comparative ease of North/South and difficulty of East/West travel in Africa, the possibility of travel from West Africa to Latin America and the fact that many of CP's people speak both Spanish and French.

tion and appraisal -- the CP service chiefs are responsible only for pre-appraisal work. Moreover, in overseeing this work they supervise primarily the mission leaders, who at any one time constitute perhaps a third of their subordinates and who absorb some of the leadership and development tasks with respect to more junior staff.*

Operations Officers

89. The CP service chiefs should each have an operations officer to assume much of the burden of expediting report production and consultant recruitment, overseeing filing, arranging debriefing and report review meetings, coordinating time reporting, assigning and handling problems of clerical staff and assisting with mission scheduling and the maintenance of project timetables. We do not believe these functions require deputy service chiefs or justify the diversion of valuable senior staff and additional layering that such deputy positions would entail.

OVERALL IMPACT

90. Taken together, our recommendations can have an important impact on the future activities of the two parent organizations and the benefits received by their member countries. We believe that significant productivity improvements will result over time -- e.g. from improved Bank and CP planning, increased bus-stopping, better communication, accelerated CP staff development, streamlined operating procedures, strengthened CP management and improved administrative support -- but recommend that these productivity gains be used to finance the staff time needed for long-term quality improvements. The quality improvements will themselves further increase productivity.

- Better prepared projects will result from having staff whose potentialities are fully and rapidly developed and who have more complete up-to-date policy guidance. Such projects are likely to be easier and more efficient to appraise.
- Greater country understanding and commitment can flow from the increased bus-stopping our recommendations facilitate. Such commitment and understanding is likely to result in improved and more efficient implementation.
- Increased levels of agricultural investment in the developing countries are likely to result from improvements in the investment orientation of FAO/UNDP investment-potential projects -- and the investments that do result from such projects are likely to be more productive.

* We also considered the alternative of two Services each with two subordinate managers, but rejected it because of the need it would create for six rather than three senior service managers, the additional layering it would involve in a context already suffering from a flat senior grade structure, and the further loss of critical mass that would result if each service's staff were divided between its two subordinate managers.

- An improved capacity in IC and the rest of FAO to complement each other's strengths can enhance the impact of both -- while at the same time increasing their productivity and facilitating direct Bank/FAO cooperation (which can have similar effects).
- Better Bank preappraisal planning can contribute importantly to an expanded and better-prepared pipeline of financeable agricultural projects as well as a more effective Bank/CP partnership. It can thereby help improve and accelerate Bank lending to -- and related agricultural and rural development in -- the member countries.

* * * *

91. We have made no recommendations about the CP's growth rate. It will depend on such diverse and hard-to-assess factors as the:

- Bank's rate of lending for agriculture projects which need preparation assistance and are not prepared through "piggy-backing" or with the help of consultants or Bank field staff -- a rate that cannot usefully be predicted until a Bank project generation planning system exists,
- Willingness of Bank managers to use CP -- which could be significantly affected by this study,
- Rate of increase of bus-stopping (which can increase CP productivity),
- Willingness and ability of CP to compete with the non-CP part of IC and the International Fund for Agricultural Development for suitable staff,
- Development of a Bank "Third Window," and
- FAO budget priorities, which are hard to predict.

92. We would be surprised, however, if the level of CP man-years did not increase at a rate of at least 5-10% per year. For time exchange reasons already discussed, the number of direct-hire CP staff members could grow more rapidly than the man-year budget.

October 21, 1975

Mr. P. Stevens
Pre-Investment Planning
Division of Environmental Health
World Health Organization
1211 GENEVA 27
Switzerland

Dear Mr. Stevens:

Thank you for your letter of October 7 enclosing the six monthly report on Cooperative Program activities in January-June 1975.

I agree with you that the report, in its present form as a terse summary of activities, is not a great deal of use (certainly not when it is issued only half way through the next reporting period) and that at our next liaison meeting we should consider possible revisions of the format.

Sincerely,

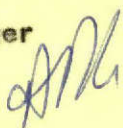
Richard N. Middleton
Sanitary Engineer
Public Utilities Department

cc: Mr. Y. Rovani

RNMiddleton/cel

Mr. A. Krieger

October 17, 1975

A. D. Knox 

Cooperation between FAO and World Bank
Report of the Joint Task Force Studying the FAO Cooperative Program

1. You asked for our comments on the recently produced report of the FAO/CP prior to your meeting with Mr. Knapp on Monday, October 20. Before commenting on the report itself I think it worthwhile acquainting you with the background.

Background

2. As you are aware the FAO/CP has been in existence for about 11 years, and was instituted in the first place as a mechanism whereby the Bank could draw on the technical skills of FAO in the identification and preparation of agricultural projects. The program employs about 80 professional staff based in Rome and 75 percent of the costs are paid by the Bank, the remainder being paid for by FAO. There has been a great deal of controversy about the activities of FAO/CP over the years, and there is much skepticism in the Bank as to whether the program is now appropriate or whether in fact it has ever been appropriate. There is some evidence, in fact, that the program constitutes a barrier between the Bank and FAO rather than a bridge. The present report has been prepared by five people drawn from the Bank, FAO and the Coop Program, supervised by a Steering Committee drawn from the same sources. The report has taken several months to prepare and I am told that there has been much controversy in its preparation, controversy between the institutions involved and controversy between individuals on the Working and Steering Committees. What we have in front of us, therefore, is essentially a compromise that has only been arrived at after a great deal of debate and discussion both in Washington and Rome.

Style of the Report

3. The report is difficult to read, its layout is poor and its style of language confusing and irritating to read. It is full of management jargon, and some of the paragraphs are almost incomprehensible without concentrated thought and much rereading. It is not, therefore, an easy report to review, and because the reading of it engenders irritation, there is a natural tendency to reject the wheat with the chaff. I am personally surprised that the report has got as far as it has in the form in which it has been presented, and can only assume that it has done so by default. Either people have not really read it, or having read it have found so much wrong with it that they are not sure how to put things right and have therefore taken the line of least resistance and accepted it as it is.

Content

4. Basically the report concludes that there is not much wrong with the FAO/CP, and, as the authors put it, "the agreement has served its purpose adequately and we see no net benefit in -- or management insistence for -- changing it now." I think the majority of the agricultural staff in the Bank would strongly question this verdict. The general impression one has in reading the report is that its authors have been instructed that for better or for worse the program exists, that it serves its purpose adequately, and that arguments are now needed to justify its existence. The basic fault appears to be that the terms of reference for the study were wrong in the first place. These are alluded to as 'key questions' that the Task Force sought to answer and are worth reproducing:

"(a) How can CP's efficiency and usefulness to the Bank and FAO be improved? How, consistent with its long-term institutional needs, can CP be made more responsive to the needs of the individual Bank managers who compete for its services? How can it be made more useful to FAO?"

(b) Given the inherent strengths and weaknesses of FAO, the Bank and CP, what is the best role for CP to play vis-a-vis the parent organizations and developing countries?

(c) What are the principal features of successful preappraisal work in agriculture? What implications do they have for preappraisal procedures, practices and the role and performance of CP?

(d) To the extent that the Bank and FAO have common concerns beyond CP, are the two organizations coordinating adequately?"

5. You will note from these that nobody has really asked the fundamental questions. Are the Bank's procedures and strategies for agricultural lending appropriate? How should FAO's resources be integrated into the Bank's efforts? What role should a Cooperative Program play in this context? It is taken for granted that there must be a FAO/CP, and that all one has to do is to find ways and means of improving its performance. With terms of reference such as this, it is hardly surprising that the report, as the authors say, has no definitive recommendations on whether to change the basic FAO/CP agreement. The report does recommend some relatively modest procedural changes, which will improve reporting, planning, and management control,

October 17, 1975

and I have no serious disagreement with these proposals. I think it is entirely fair to recognize that there is a considerable element of technical competence within FAO/CP, that it can and does draw on the services of FAO, and that there is a place for an institution such as the FAO/CP Program. To argue, however, as the report does, that there is really no need for substantial change is, in my view, begging the major issues with which we are faced.

Conclusions

6. I suspect that a significant opportunity has been missed to really assess the functions and strengths and weaknesses of FAO/CP, and its use and misuse by the Bank. An opportunity has also been missed to cast a critical eye on (if not to resolve) the strategies and methodology behind the Bank's agricultural lending operations. As it is the report is going to be dismissed as a "non-event" both in the FAO and the Bank and really very little progress will have been made. This is a great pity.

7. I am not sure what to advise in your discussions with Mr. Knapp because clearly behind the scenes are sensitive political issues such as the question of cooperation between the Bank and FAO. I would recommend that you should express the general feeling that the problems are more complex than the report purports to show, and that if these basic issues are to be addressed, the study needs complete revision with very much more comprehensive and more thoughtfully prepared terms of reference. I understand that a similar review has been proposed of the Bank's Cooperative Program with UNESCO. You may wish to suggest that much more careful thought go into the terms of reference for this review, and that other staff be assigned to the job.

PGreening/ebb

cc: Messrs. Blaxall
Goffin
Greening
Haasjes
Kirpich

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In Reply please mention our reference
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Ref. BK 51/1

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SEP. 26 1975
S

Dear Mike,

I refer to your letter of 29 August to Don Kimmel. I am sorry about any problems caused by your receiving a copy of the 30 July FAO/Bankers Programme newsletter, signed by the Programme's Liaison Officer, Michael Carroll.

Of course our Bankers Programme is quite independent of the World Bank and of the CP, and its activities do not fall within their purview. However, as a matter of courtesy, for a long time now we have been sending copies of Bankers Programme newsletters, summary records of meetings, etc. to Marius Veraart. The object of this is to keep the Bank's agricultural departments informed, on an informal basis, of the Bankers Programme's project activities.

It is something of a mystery to us how this copy reached you at all. As the subject matter is basically only the concern of the banks and financing institutions which are members of the Programme and as most of the participants at our meetings know each other rather well, we naturally tend to use rather less formal language than would be used between the Bank and FAO as institutions.

In any case, unless you have any objections, I propose to continue to send Marius Veraart copies of our Bankers Programme documentation as has been done in the past.

With best personal regards,

Yours sincerely,

R.A. Huyser

J.P. Huyser
Director

FAO/World Bank Cooperative Programme

Mr. Michael L. Hoffman
Director, International Relations Dept.
World Bank
1818 H Street NW
Washington DC 20433
U.S.A.

cc: Kimmel, Washington
Veraart, "

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Director

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FOOD AND AGRICULTURE ORGANIZATION

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LI-FAO/IBRD
Copy Progs

Mr. James M. Kearns, Director, OPD

September 15, 1975

R. Picciotto, Assistant Director, ASP

Joint IBRD/FAO/CP Task Force Report

1. The report of the Joint Task Force, as it now stands, meets one of the main concerns I had voiced during the May 13/14 Rome meeting and during subsequent exchanges with Mr. Richardson and yourself: the need for a more effectively managed CP program, tightly linked to Bank Group operations. This need has obviously been exacerbated by the regionalization of the Bank agriculture projects work. Remedial steps are urgently needed. Thus, I welcome the Task Force recommendations regarding Bank/CP coordination, budgeting and control (Annex 5).

2. I also concur with the Task Force recommendations regarding project definition procedures.

3. With respect to IC Management, Administration and Staff Development, I support the recommendations to appoint an IC Deputy Director for the CP, to introduce a staff performance evaluation system and to review the impact of the flatness of the IC grade structure on staff incentives. However, with respect to the organizational structure, the Report may have erred on the side of caution. The recommended addition of a service does constitute an improvement over the present skewed and cumbersome setup. But, I still believe that CP personnel are no more specialized than the Bank's regional agriculture staff, that the business of both is very similar and that the same organizational principles which apply to the Bank also apply to the CP. In other words, my view remains that the CP would be better managed and more effective and responsive to Bank needs if it were reorganized into 4-5 regional (or functional) divisions. Hopefully, we will stand firm on the recommendation of adding a service to the CP and this whole area can be reviewed again in a year or two.

4. The weakest part of the Report is that which deals with the comparative advantage of the CP (paras. 25-36). Lack of Task Force assessments of country responses to CP work may help explain this weakness which also undermines the treatment of alternative approaches to preparation assistance (paras. 37-42). For example, using the somewhat florid prose of the Report, I would say that the advantages of a combined "squatting"/"bus-stopping" approach was not adequately recognized.

5. Regarding the CP-FAO relationship, I would recommend insistence on a specific program related to Bank operational concerns delving into the UNDP and other policy "dimensions" to justify any substantial addition to net operating time.

6. In sum, the Task Force draft report is a useful beginning toward improvement of a vital component of Bank Group agriculture project assistance. Hopefully, another review can be arranged within 18 months or 2

Mr. James M. Kearns

- 2 -

September 15, 1975

years to carry this improvement further, particularly with respect to the points made above (paras. 3 and 4). In other words, to let one of the Task Force metaphors run a bit further I would suggest inclusion of "Rome Connection - Part II" within OED's FY 77 work program.

RPicciotto/cta

cc: Messrs. van der Meer, Yudelman, Veraart, Haynes.

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c/c/c sd

Li-FAO/IBRD coop. P.

YUDELMAN/CHRISTOFFERSEN=

Distribution:

Agric. & Rural Dev.
Mr. Christoffersen



Aug. 28, 75

YUDELMAN/CHRISTOFFERSEN

ACCORDING INFORMATION FROM FAO/CP IBRD HAS NOW
AVAILABLE FOR ALL COUNTRIES ESTIMATES ON BOUNDARY
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DEVELOPMENT=

KOTTER FOODAGRI ROME+

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O.Khan

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SECTION

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OUTGOING WIRE

TO: BOERMA
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ROME

DATE: JULY 8, 1975

CLASS OF
SERVICE: TELEX
(6274)

ITK

COUNTRY: ITALY

TEXT:
Cable No.:

REGRET TO HEAR PROPOSED DECREASE IN COOPERATIVE PROGRAM ACTIVITIES IN
RELATION TO BANK'S INCREASING ACTIVITIES IN LENDING FOR AGRICULTURE
AND GROWING WORLD NEEDS FOR MORE AGRICULTURAL DEVELOPMENT STOP I HOPE
THAT FAO'S REDUCTION IN CAPABILITY TO WORK WITH US IS ONLY OF A
TEMPORARY NATURE STOP SHOULD NOT THE DECREASE BE SHARED PROPORTIONATELY BY
ALL ACTIVITIES SUPPORTED BY THE INVESTMENT CENTER STOP UPON RECEIPT OF
THE BUDGET TABLES IN THE AGREED FORMAT SHOWING THE PROPOSED MANPOWER
AND EXPENSES FOR THE BIENNIUM AND HOW THEY ARE PHASED OVER THE BANK'S
FINANCIAL YEARS COMMA I TRUST WE CAN RESOLVE THIS MATTER QUICKLY

REGARDS
MCNAMARA
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Paul Bowron, Division Chief

DEPT. Programming & Budgeting

SIGNATURE *Paul Bowron*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: WWLewis:ajw *WLL*

CLEARANCES AND COPY DISTRIBUTION:

Cleared with and cc: Mr. McNamara
Mr. Baum
Mr. Schulmann
cc: Mr. Darnell
Mr. Veraart

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: _____

OUTGOING WIRE

DATE JULY 8, 1975

TO: BOERMA

FOODAGRI

ROME

COUNTRY: ITALY

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Cable No.

CLASS OF
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FINANCIAL YEARS COMMA I TRUST WE CAN RESOLVE THIS MATTER QUICKLY

REGARDS
MCNABARA
INTBRAD

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CLEARANCES AND COPY DISTRIBUTION
Classified with and cc: Mr. McNabara
Mr. Baum
Mr. Schumann

cc: Mr. Barnett
Mr. Vetsart

COMMUNICATIONS
JUL 8 1 03 PM 1975

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AUTHORIZED BY:
NAME: Paul Bouton, Division Chief
TITLE: Programming & Budgeting
SIGNATURE: [Signature]
REFERENCE: [Signature]
WV: [Signature]

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LT-FAO/IBRD COOP. PROGRAM
COOP. EDUCATION

July 2, 1975

Mr. J. P. Huyser
Director, Investment Center and
FAO/IBRD Cooperative Program
Development Department
Food and Agriculture Organization
of the United Nations
Via delle Terme di Caracalla
00100 Rome, Italy

Dear Jan:

This is simply to confirm that I expect to be in Rome on July 15 and would like to pay a visit to FAO, particularly to discuss the future of the educational aspects of the Cooperative Program and the recommendations of the joint review. I will be staying at the Hotel Forum and unless I hear to the contrary will assume that day is convenient and will plan to show up around 10 a.m.

With cordial regards,

Sincerely,



Duncan S. Ballantine
Director
Education Department

DSB/h1

OFFICE MEMORANDUM

TO: Files

DATE: July 1, 1975

FROM: G. Le Blanc *GLB*

SUBJECT: Meeting with J. Kearns, P. Richardson on possible OPD undertaking
Bank/Unesco CP Review.

At a meeting on June 30, Mr. Ballantine and I discussed the progress of the Bank/FAO CP Review and the possibility of a Bank/Unesco CP Review with Messrs. Kearns and Richardson.

The draft Summary Report of the Bank/FAO Review is to be presented to the Review Steering Committee in July and Mr. Kearns suggested that we await the reactions to the review before suggesting a similar approach for a Unesco CP review. He was hopeful that sufficient reactions would be forthcoming on both sides by mid-August to enable us to judge whether or not we would want to go ahead with a similar approach.

Both Messrs. Kearns and Richardson expressed general interest in being involved in a review of the Bank/Unesco CP with the following provisos: if the FAO review seems to meet the needs of the Bank and FAO; if OPD staff time is available; and if there is a sufficient "clientele" within Unesco for such a review. Mr. Ballantine pointed out that the new Director General of Unesco, Amadou M'Bow, is very strongly in favor of a joint Bank/Unesco review of the CP. Concerning the other two provisos, it was agreed that I would be kept informed by OPD so that Mr. Ballantine could be notified prior to his Paris visit on 26 August as to whether or not a discussion should take place at Unesco regarding an FAO type review.

cc: Messrs. Ballantine
Kearns
Richardson

GLB/mms

ROUTING SLIP		DATE <u>July 15</u>
NAME		ROOM NO.
<u>Mr. Pajmans</u> HS		<u>C-702</u>
<u>Country Programs Dept. I</u>		
<u>② FAO File</u>		
APPROPRIATE DISPOSITION		NOTE AND RETURN
APPROVAL		NOTE AND SEND ON
COMMENT		PER OUR CONVERSATION
FOR ACTION		PER YOUR REQUEST
INFORMATION		PREPARE REPLY
INITIAL		RECOMMENDATION
NOTE AND FILE		SIGNATURE
REMARKS		
INFORMATION Records decisions reached at CP meetings for each division on June 26, 75. A few points remain unclear		
FROM	ROOM NO.	EXTENSION
<u>Mr. Haynes</u>		

PROPOSED FAO/IBRD COOPERATIVE PROGRAM
EUROPE, MIDDLE EAST AND NORTH AFRICA REGION
 June 26, 1975

Note 1: The meeting noted that the requests for Economic/Sector work in the next six months (and especially in October) far exceeded CP resources. CP would review and make proposals, giving priority to sector work.

→ concerns div. C. Montenegro study

Country	Project	Description	Action	Program Year
Countries of EMENA Programs Division 1A: (Arab Republic of Egypt, Bahrain, Kuwait, Peoples Democratic Republic of Yemen, Qatar, Saudi Arabia, United Arab Emirates, Yemen Arab Republic)				
Division Chief: Mr. E. Asfour				
EGYPT	<u>Ag. Credit/Fruit and Vegetable</u>	Domestic and export fruit vegetable production, packing, seeds.	Bank preappraisal mission with CP P/T participation in field from June 16-30. <u>CP participation for appraisal scheduled for mid-October would be necessary</u>	76
	Weed Control	Provision of equipment and chemical for controlling weeds in irrigation channels across the country	CP assistance to review Egyptian proposals when received. May need herbicide expertise from FAO	76
	Economic Mission	To assess the economic situation and development potential of the Egyptian economy	No CP assistance presently required	76
	Drainage Unid.	(a) Soil amelioration lower Nile Delta, or (b) Upper Egypt Drainage Stage II	CP (Abu Sharr) to discuss with Government during Fruit and Vegetables visit	77
	Rur. Dev. Unid.	Possibly project for land development around Lake Nasser (probably livestock)	CP to review UNDP project reports and advise Bank	78
YEMEN AR	Southern Uplands	Supervision	CP asked to participate in late August supervision	76
	Reappraisal Tihama I		<u>CP asked to provide agronomist for mission scheduled about September 6, 1975. About 5 m/w</u>	76
	Tihama II	Probable groundwater devt. of Wadi Mawr	No CP assistance presently required	77

Country	Project	Description	Action	Program Year
YEMEN AR (Contd.)	Ag. Credit I	Ag. credit for an agro-industrial unit. May include slaughterhouses and livestock component	FAO/CP March Identification Mission report received June 10 and is being reviewed. <u>Preappraisal Mission scheduled mid-August 1975 with CP (Basu) participation</u>	76
	Fisheries	CP preparation of UNDP project proposal	CP scheduled late 1975	
	Economic Mission	To prepare a brief updating economic report and to review agricultural policy requirements	CP assistance requested for a Crop Specialist. Sept. 1975 possibly Oct. because Ramadan. See Note 1	76
YEMEN PDR	(370)-YDR - Fisheries	Supervision	Continued participation in Supervision mission by CP naval architect. Next mission tentatively Oct. 1975	
	Rur. Dev. I (Wadi Hadr.)	Improvement of existing groundwater irrigated areas, provision of credit, extension and animal health services and social infrastructure and groundwater study	Appraisal report being prepared. Yellow cover due June 27	76
	Economic Mission	To prepare an updating economic report, giving emphasis to the impact of the possible reopening of the Suez Canal on the economy, the prospects of Arab Capital inflow, etc.	CP assistance requested for an Agric. Spec. (10 m/w) for Nov. 1975. See Note 1	76
	Rural Dev. II	Second Stage of rural Dev. I	CP to prepare in FY77	78
	Fisheries II		Consultants' feasibility study (first stage) has been reviewed and comments conveyed by Bank to consultants, who have prepared a supplementary report to reflect them. Joint CP, PDRY, PCFW, CP, IDA, Consultants review of study rescheduled Aug.	78
	Wadi Tuban	Groundwater and agricultural development	CP to review et al. Consult report and field mission if necessary.	

Country	Project	Description	Action	Program Year
Countries of EMENA Programs Division 1B: (Iran, Portugal)				
Division Chief: Mr. G. de Lusignan				
IRAN	Ag. Coop. Bank Cr. I	Credit and technical assistance to newly landed farmers	White cover appraisal report under preparation. CP to keep in touch with FAO marketing training project	76
PORTUGAL	Livestock Cr. I/ Ag. Bank	Livestock Credit in the Azores, components still to be identified. Support for a new-to-be-established Agricultural Bank	Livestock Credit originally an FY76 project has since been slipped to FY77. Projects most likely will be combined. <u>Preparation by Govt., FAO or Bank will be rescheduled following recent management-level mission (probably Aug./Sept.)</u>	77
	Agric. Sector Mission	Review agricultural sector	CP to forward copy of FAO mission report and advise on availability of staff. Timing of Bank mission can be adjusted to suit	76

Country	Project	Description	Action	Program Year
Countries of EMENA Programs Division 1C: (Ireland, Spain, Yugoslavia (Denmark, Italy, Norway, United Kingdom and Dependencies))				
Division Chief: Mr. N. Horsley				
SPAIN	Indus. & Agric. Research	Assist for Govt. Agric. Research organization (INIA)	No assistance presently required	76
YUGOSLAVIA	Survey of the Economy of Montenegro	To provide an assessment of the development problems of the Republic; last of the series of regional economic surveys	CP asked to provide an agronomist in Oct. 1975 (10 m/w). See Note 1	-
	Special Economic Study	To review the success of the present "Green Plan" and programs for the 5-year plan 76-80 in preparation for the Basic mission in FY77	No assistance presently required	-
	Ag. Credit II	Extension of credit for private and social sector agriculture throughout Yugoslavia	Bank preparation mission scheduled for March 1976. No CP assistance envisaged.	77
	Metohija	Multipurpose water development project	Awaiting CP preparation report covering reformulation of project. If satisfactory appraisal likely end-October 1975.	76
	Macedonia Irrigation	Four irrigation projects: studies financed under Ag. Indust. loan	CP to review consultants preparation report; due in October 1975	77
	Sava		UNDP irrigation/agric. development project executed by FAO. CP to have watching brief	79
	Cemovosko	Irrigation	Mr. Snelson's report awaited	78

Country	Project	Description	Action	Program Year
Countries of EMENA Programs Division 1D: (Afghanistan, Finland, Iceland, Romania, (Austria, Belgium, France, Luxembourg, Netherlands, South Africa))				
Division Chief: Mr. H. Köpp				
AFGHANISTAN	General Agriculture, Irr. & Rur. Dev.- Identification	Agricultural projects in relation to Sector Report	CP has agreed to undertake in Oct. 1975 [?] (24 m/w). Bank to send yellow cover sector report when issued <i>Do we need this?</i>	
	Livestock II	Livestock production and health in western provinces	Study by Chisholm financed by Kuwait. No CP assistance required	76
	Livestock III	To be decided by Identification mission	To be decided after Identification mission	78
	Agroindustries	Unidentified	Correspondence outlining project prospects (establishing a national grain storage and marketing system and participation in an integrated fruits and vegetable export) and next steps (selection of consultants to do feasibility studies) sent to Government. Report to be made available to CP. CP to send preparation report on grain storage made by Investment Center mission. Also, CP to have watching brief on UNDP tractor servicing project executed by FAO.	77
	Khanabad II	Drainage and On-farm works - Khanabad I project area	Review and augment preparation report being prepared by Indian consultants. CP to review and if needed mount mission in Spring 1976 to fill any gaps in report	77
ICELAND	941-IC - Fishing Harbors Rehab.	Supervision	FAO (Ports) support likely to be required - Guckian requested for a supervision tentatively scheduled October 1975	
ROMANIA	Ag. Credit II	Identification	Identification/Ag. Sector missions returned from field June 9. Agreement on project content expected by mid-August 1975. Question of CP participation will be considered in light of above.	77

*Discuss with
Hume
forwards Mueller*

*identification
mission with
R. Frank just
back.
see back to
office report*

Country	Project	Description	Action	Program Year
Countries of EMENA Division 2A: (Cyprus, Greece, Israel, Oman, Turkey)				
Division Chief: Mr. A. J. Davar				
CYPRUS	Economic Mission	To assess the current economic position and prospects of Cyprus	CP asked to provide agronomist Oct. 1975 (13 m/w). See Note 1.	76
	Irrigation II	Could be Morphu Tyrillia in Northern Area	None required until Government request is received. UNDP project for preparing Morphu Tyrillia has been completed	77
	Rural Development	Government has expressed interest in both Rural Development and fruit projects	Not in lending program. No action this stage	-
GREECE	Irrigation IV		Preparation to be financed under Irrigation III may require CP involvement	78
	Ag. Cr./Agro-industries/ Fisheries	Unidentified	Bank March '75 Reconnaissance mission advised by Govt. of first priority for an integrated regional development project in the Evros area, the second being for financing of ag. credit through Ag. Bank of Greece. FAO/CP Identification mission expected Sept. 1975.	77
	Rural Development	Could be Evros component of above	No action at this time	78
OMAN	T.A.		No CP assistance presently required	77
	Irrigation	Unidentified	CP assistance may be required when consultants complete water resource studies	77
TURKEY	ABT I (Ag. Cr. I)	Agroindustry; livestock	Bank appraisal mission completed field work May 27. White Appraisal report under preparation. CP assistance required for watching brief on FAO/UNDP training element	76

Country	Project	Description	Action	Program Year
TURKEY (Contd.)	Identification	Project Identification mission by CP	BTO delayed in transit, received June 26. Bank will comment to CP. CP will keep Bank informed of UNDP grain storage master plan.	-
	Livestock III	Dairy	Draft feasibility study prepared by project authority, received but inadequate. CP assistance required to advise Authority on preparation and to provide engineer for appraisal, possibly September 1975 12 m/w	76
	Economic mission	Update previous economic report. Review fiscal and monetary policies. Review agricultural price and credit policies. Review developments in population and man-power	No CP assistance required in this half year; possibly assistance needed in April 1976. 13 m/w	76
	Rural Dev.		CP assistance required to assist in preparation during calendar 1976	77
	ABT II (Ag. Cr. II)	(i) Agroindustry	Some components identified as part of ABT I preparation; others may result from FAO/CP Identification report	77
		(ii) Fisheries	FAO/CP Preparation mission scheduled for September 1975. Bank (Kada) to participate from mid-September.	77
	Irrigation IV		See under identification above. Further CP involvement likely with possible mission in fall 1975	77

Country	Project	Description	Action	Program Year
Countries of EMENA Programs Division 2B (Algeria, Libya, Malta, Tunisia)				
Division Chief: Mr. H. O. Schulte				
ALGERIA	Ag. Credit I	Unidentified	FAO/CP Identification mission with P/T Bank participation in field June 16-July 11. Further preparation efforts depend on outcome of mission. Subsequently, mission abandoned because Ministry of Agriculture refused to receive it.	76
TUNISIA	Rural Development	300 communes project	Bank to find out more about this proposal	
	(270)-TUN - Fisheries	Supervision	Request CP support - visits of Fujinami be continued as shown in past. Next supervision mission due Dec. 1975	
	Central Rur. Dev.	Rehabilitation of small irrigated scheme, dry land farming, range establishment, roads, and village infrastructure	CP to assist preappraisal mission in August 19, 1975. 10 days in field	76
	Sector Survey	Special studies on agriculture	CP assistance requested for a livestock spec. Nov. 1975. C m/w. See Note 1.	76
	Ag. Credit II	Small Farmers' Credit	CP (Brochu) to review preparation late July 1975. Full preparation mission mid-August 1975. Report to be ready mid-October	76
	Fisheries II	Integrated development of in-shore fisheries in the east and southeast of Tunisia	Project being prepared by Tunisian Fisheries Department; feasibility study by Consultants expected completion Dec. 75. Responsibility for Project preparation FAO/IBRD CP and Consultants. Anticipate CP and Bank mission March 1976 to review work of consultants	77
	Water Master Plan		Follow-up to preparation. (Le Moigne planning visit in September and would like to coordinate with CP mission)	

Country	Project	Description	Action	Program Year
Countries of EMENA Programs Division 2C: (Iraq, Jordan, Lebanon, Morocco, Syria)				
Division Chief: Mr. W. Siebeck				
JORDAN	Economic report	To review the five-year plan of Jordan	CP assistance requested for Agr. Spec. 9 m/w, Liv. Spec. 9 m/w. Oct. 1975. CP reported that Bishop had spent 3 weeks in Jordan reviewing plan and that FAO had sent a 5 man programming mission to Jordan. CP undertook to obtain and forward report of latter mission to Bank. Consequently request for assistance will depend on results of review of reports.	76
	Irrigation II		CP may be asked to undertake supervision of preparation by consultants	78
	Rainfed Agric.	Project for rainfed agriculture prepared by Investment Center in Sept. '74	CP to report status of this project and UNDP involvement	
MOROCCO	Livestock & Rur. Dev.	Loukkos	Government to agree to CP full preparation mission in Sept. 1975	77
	Livestock Ident.	Reconnaissance of the oriental range area	Same mission as Loukkos	
	Ag. Credit III (Ag. Credit/Fruit & Vegetable)	Credit for CNCA Development Smallholder Credit Program, and credit for crop processing, processing and marketing of fruits and vegetables	CNCA preparing project proposal for submission to Bank by end-June 1975. No FAO/CP assistance anticipated. Bank Preparation Mission scheduled for August 1975	77
	Sebou III		CP asked to review feasibility study prepared by GRANTMIJ and promised by Sec. Gen. Ministry of Agriculture for November 1975	78
SYRIA	Rur. Dev. I	Unidentified and no proposal by Govt.	No CP assistance presently required but considering general identification mission excluding Euphrates valley	78
	Economic mission	To update the last economic report, evaluate progress on the current dev. plan & prepare for the next plan	CP to provide agric. economist Feb. 1976. 11 m/w. See Note 1	76
	Balikh II		No CP involvement at this time	76

Country	Project	Description	Action	Program Year
SYRIA (Contd.)	Lower Euphrates Drainage.		CP to review consultants' preparation report and attempt to accelerate project	77
	Irrigation III		Project Identification - Subject to Government's agreement. Should pay special attention to Arouse Abrache Project as possible alternative to Balikh in 1978 program	78

Cleared with and cc: Messrs. Frank, French-Mullen, Le Moigne

cc: Messrs. Wapenhans, Wyatt, Bart, Paijmans, Pollan, Finzi, Veraart(5), T. Davis, de la Blaze,
and Ms. Ruggeri

July 11, 1975

FAO/IBRD CP Program File

OFFICE MEMORANDUM

TO: All EMENA Division Chiefs

DATE: June 24, 1975

FROM: D. W. M. Haynes

SUBJECT: FAO/IBRD Cooperative Program - Half-Year Review - June 25, 1975

1. I attach working sheets for the review meeting with FAO/CP.
2. The meeting will be held in Room A-730. The timetable will be as follows:

10.30 a.m.	Division 1B (Iran, Portugal)
10.45 a.m.	Division 1D (Afghanistan, Iceland, Romania)
11.15 a.m.	Division 1C (Yugoslavia, Spain)
11.30 a.m.	Division 1A (Egypt, Yemen AR, Yemen PDR)
12.00 noon approx.	Any Country Programs Department I matters put aside in following above timetable.
2.15 p.m.	Division 2A (Greece, Cyprus, Oman, Turkey)
2.45 p.m.	Division 2C (Jordan, Morocco, Syria)
3.15 p.m.	Division 2B (Algeria, Tunisia)
3.45 p.m. approx.	Any Country Programs Department II matters put aside in following above timetable.

4.00 p.m. approx.

Briefings:

- (1) Report of Rural Development mission to Tunisia.
- (2) CPS Rural Development Division on the Algeria Rural Development project to be presented to the Board on Thursday, May 26, 1975.

Attachments

cc: Messrs. Wyatt, Bart, Asfour, Pollan o/r, Finzi, Veraart (5),
T. Davis, de la Blaze, and Ms. Ruggeri

DHaynes:ak

PROPOSED FAO/IBRD COOPERATIVE PROGRAM DISCUSSIONS

EUROPE, MIDDLE EAST AND NORTH AFRICA REGION

(June 1975)

Country	Project	Description	Action	Program Year
Countries of EMENA Programs Division 1A: (Egypt, PDR Yemen, Yemen Arab Republic)				
EGYPT	Weed Control	Provision of equipment and chemical for controlling weeds in irrigation channels across the country	CP assistance to review Egyptian proposals when received both desk & field	1976
	Drainage Unid. Unid.	(a) Soil amelioration lower Nile Delta or (b) Upper Egypt Drainage Stage II	CP assistance to update report No CP assistance presently required	1977
	Rur. Dev. Unid.	Possibly project for land development around Lake Nasser	CP assistance to review and possibly prepare	1978
	Economic Mission	To assess the economic situation and development potential of the Egyptian economy	No CP assistance presently required	1976
	Ag. Cr./Fruit & Vegetable	Goods and balancing equipment to improve utilization of capacity and production in industry and agriculture	Bank preappraisal mission with CP P/T participation in field from June 16 to 30. CP participation for appraisal scheduled for late August would be necessary	1976
YEMEN, AR	Tihama II	Probable groundwater devt. of Wadi Mawr	No CP assistance presently required	1977
	Reappraisal Tihama I		CP to provide agronomist for mission scheduled about Sept. 6, 1975. About 5 m/w	1976
	Economic Mission	To prepare a brief updating economic report and to review agricultural policy requirements	CP assistance required for a Crop Specialist. Sept. 1975 possibly Oct. because Ramadan	1976
	Ag. Credit I	Ag. credit for an agro-industrial unit	FAO-CP March Identification Mission report received June 10 and is being reviewed. FAO-CP Preparation Mission scheduled end-August 1975	1976
YEMEN, PDR	Rur. Dev. I (Wadi Hadhr.)	Improvement of existing groundwater irrigated areas, provision of credit, extension and animal health services and social infrastructure and groundwater study.	No CP assistance required	1976

Country	Project	Description	Action	Program Year
YEMEN, PDR (cont'd)	Rur. Dev. II	Second Stage of rural Dev. I	CP to prepare in FY77	1978
	Economic Mission	To prepare an updating economic report, giving emphasis to the impact of the possible reopening of the Suez Canal on the economy, the prospects of Arab Capital inflow, etc.	CP assistance required for an Agric. Spec. (10 m/w) for Nov. 1975	1976
	(370)-YDR - Fisheries	Supervision	Would appreciate FAO-CP assistance along lines of its current participation in Tunisia Fisheries - periodic naval architect supervision of vessel construction. Mr. Casati had agreed in principle in January 75 discussions, details to be agreed. Latest CP Forward Travel Schedule does not mention this project. Joint CP, PDRY, PCFW, CP, IDA, Consultants review of study in Rome June 26-27 phase I and II	
	Fisheries II		Consultants' feasibility study (first stage) has been reviewed and comments conveyed by Bank to consultants, who prepared a supplementary report to reflect them	1978
Countries of EMENA Programs Division 1B: (Iran, Portugal)				
IRAN	Livestock I (Kermanshah)	Sheep Devt. project in Kermanshah region to include farm devt. credit and slaughter facilities with groundwater development	No CP assistance required	1976
	Ag. Coop. Bank Cr. I	Credit and technical assistance to newly landed farmers	White Cover Appraisal report under preparation. FAO-CP support not required	1976
PORTUGAL	Livestock Cr. I/ Ag. Bank	Livestock Credit in the Azores, components still to be identified. Support for a new-to-be-established Agricultural Bank	Livestock Credit originally an FY76 project has since been slipped to FY77. Projects most likely will be combined. Preparation by Govt., FAO or Bank will be rescheduled (originally planned for July 1975)	1977
	Agric. Sector mission	Review agricultural sector	CP to supply one livestock specialist Oct. 1975 (10 m/w each)	1976

Country	Project	Description	Action	Program Year
Countries of EMENA Programs Divisions 1C: (Yugoslavia, Spain)				
SPAIN	Indus. & Agric. Research	Assist for Govt. Agric. Research organization (INIA)	No assistance presently required	1976
YUGOSLAVIA	Survey of the Economy of Montenegro	To provide an assessment of the development problems of the Republic; last of the series of regional economic surveys	CP to provide an agron. in Oct. 1975 if necessary (10 m/w)	1976
	Special Economic Study	To review the success of the present "Green Plan" and programs for the 5 year plan 76-80 in preparation for the Basic mission in FY77	No assistance presently required	1976
	Ag. Credit II	Extension of credit for private and social sector agriculture throughout Yugoslavia	Preparation Mission scheduled for March 1976. No FAO-CP assistance envisaged	1977
	Metohija	Multipurpose Water Development Project	Awaiting preparation report. If satisfactory appraisal likely end-October 1975 and request early approval by Mr. Snelson	1976
	Macedonia Irrigation		CP review of consultants preparation	1977
	Sava		No action before January 1976 CP review	
Countries of EMENA Programs Division 1D: (Afghanistan, Iceland, Romania)				
AFGHANISTAN	General Agriculture, Irr. & Rur. Dev.-Identification	Agricultural projects in relation to Sector Report	CP to undertake in Oct. 1975 (24 m/w)	
	Livestock II	Livestock production and health in western provinces	No CP assistance required	1976
	Livestock III		No CP assistance presently required	1978
	Agroindustries	Unidentified	Prospects reviewed during Reconnaissance Mission (Apr. 21-May). Correspondence outlining project prospects (establishing a national grain storage and marketing system and participation in an integrated fruits and vegetable export) and next steps (selection of consultants to do feasibility studies) sent to Government. Report to be made available to CP	1977

Country	Project	Description	Action	Program Year
AFGHANISTAN (cont'd)	Khanabad II	Drainage and On-farm works - Khanabad I Project Area	Review and augment preparation report being prepared by Indian Consultants. Heavy CP involvement is anticipated	1977
ICELAND	941-IC - Fishing Harbors Rehab.	Supervision	FAO (Ports) support likely to be required - Guckian to join a supervision mission in 1975 calendar year, or early 1976. Not shown in CP Forward Travel Schedule	
ROMANIA	Ag. Credit II	Identification	Identification/Ag. Sector missions returned from field June 9. Agreement on project content expected by mid-August 1975. No CP support envisaged	1977
Countries of EMENA Division 2A: (Cyprus, Greece, Oman, Turkey)				
CYPRUS	Economic mission		CP to provide agronomist Oct. 1975 (13 m/w)	1976
	Irrigation II	To assess the current economic position and prospects of Cyprus	None required until Government request is received	1977
GREECE	Rur. Dev.		No CP assistance presently required	1978
	Irrigation IV		Preparation to be financed under Irrigation III may require CP involvement	1978
	Ag. Cr./Agro-industries/ Fisheries	Unidentified	Bank March 75 Reconnaissance mission advised by Govt. of first priority for an integrated regional development project in the Evros area, the second being for financing of ag. credit through Ag. Bank of Greece. FAO-CP Identification mission tentatively expected early Autumn 1975. This has, however, not been shown in CP Forward Mission Schedule thru Dec.	1977
OMAN	T.A.		No CP assistance presently required	1977

Country	Project	Description	Action	Program Year
TURKEY	Livestock III	Dairy	CP to provide engineer for appraisal - possibly Sept. 1975 12 m/w	1976
	Rur. Dev.		CP assistance required to assist Turks in preparation during calendar 1976	1977
	Economic mission	Update previous economic report. Review fiscal and monetary policies. Review agricultural price and credit policies. Review developments in population and man-power	No CP assistance required - possibly assistance needed in April 1976. 13 m/w	1976
	ABT I (Ag. Cr. I)	Agroindustry; livestock	Bank appraisal mission completed field work May 27. White Appraisal report under preparation. CP assistance not required. Although likely to have FAO/UNDP training element	1976
	ABT II (Ag. Cr. II)	(i) Agroindustry	Some components identified as part of ABT I preparation; others may result from FAO-CP May Identification/Preparation report	1977
		(ii) Fisheries	FAO-CP Preparation mission scheduled for Sept. 1975. Bank would like to participate part-time	1977
	Irrigation IV		Project to be identified by CP and their report awaited. Further CP involvement likely with possible mission in fall 1975.	1977
Countries of EMENA Programs Division 2B (Algeria, Tunisia)				
ALGERIA	Ag. Credit I	Unidentified	FAO-CP Identification mission with P/T Bank participation in field June 16-July 11. If CP final preparation does not take place until early October because of Ramadan, the project will most likely slip to FY77. Mission composition and timing to be firmed up later for preparation mission.	1976

Country	Project	Description	Action	Program Year
TUNISIA	Central Rur. Dev.	Rehabilitation of small irrigated scheme, dry land farming, range establishment, roads, and village infrastructure	CP to assist pre-appraisal mission in August 19, 1975. 10 days in field	1976
	Sector survey	Special studies on agriculture	CP assistance required for a livestock spec. and Credit Specialist. Sept. 1975. Each for 8 m/w	1976
	Ag. Credit II	Small Farmers' Credit	As a result of FAO-CP report, BNT preparing survey of potential sub-borrowers of the Caisses Locales and a study of possible agroindustry projects. BNT has not yet agreed to Bank proposal that the FAO/CP Preparation mission start its field work in June 75 despite need for further preparation by BNT. Bank has proposed CP Prep. Mission for mid July, though CP Forward Travel schedule shows this for Sept./Oct. 75	1976
	Fisheries II	Integrated development of in-shore fisheries in the east and south-east of Tunisia	Project being prepared by Tunisian Fisheries Department; feasibility study by Consultants expected completion Dec. 75. Responsibility for Project preparation FAO/IBRD CP and Consultants. Anticipate CP and Bank mission March 1976 to review work of consultants	1977
	(270)-TUN - Fisheries	Supervision	Request CP support - visits of Fujinami be continued as shown in past. Next supervision mission due Dec. 75 (not shown in CP Forward Travel Schedule)	
	Water Master Plan		Follow-up to preparation. (Le Moigne planning visit in September and would like to coordinate with CP mission	
Countries of EMENA Programs Division 2C: (Jordan, Morocco, Syria)				
JORDAN	Economic report	To review the five year plan of Jordan	CP assistance required for Ag. Spec. 9 m/w, Liv. Spec. 9 m/w, October 1975	1976
	Irrigation II		Supervision of preparation by consultants	1978

Country	Project	Description	Action	Program Year
MOROCCO	Livestock & Rur. Dev.	Lukkos	CP to provide full preparation mission in Sept. 1975	1977
	Livestock identification	Reconnaissance of the oriental range area	CP to undertake Sept. 1975	
	Ag. Cr. III (Ag. Credit/ Fruit & Vegetable)	Credit for CNCA Development Smallholder Credit Program, and credit for crop processing, processing and marketing of fruits & vegetables	CNCA preparing project proposal for submission to Bank by end-June 1975. No FAO-CP assistance anticipated. Bank Preparation Mission scheduled for August 1975	1977
	Sebou III		Review of feasibility study prepared by GRANTMIJ and promised by Sec. Gen. Ministry of Agriculture for November 1975. CP participation will depend on confirmation of Government's verbal request to Carter and Le Moigne	1978
YRIA	Livestock I	Storage of locally produced livestock feed, production of forage and tech. assistance for veterinary services	No CP assistance required	1976
	Rur. Dev. I		No CP assistance presently required	1978
	Economic mission	To update the last economic report, evaluate progress on the current dev. plan & prepare for the next plan	CP to provide agric. economist Feb. 1976 11 m/w	1976
	Balikh II		Review of project preparation report (Project will probably be limited to supplementary financing of Balikh I but review of previously proposed new project would still be required - subject to Govt. agreement - for possible inclusion in 1978 program)	1976
	Lower Euphrates Drainage		Review of consultants preparation report and attempt to accelerate project	1977
	Irrigation III		Project Identification - Subject to Government's agreement. Should pay special attention to Arouse Abrache Project as possible alternative to Balikh in 1978 program.	1978

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OF THE UNITED NATIONS

Via delle Terme di Caracalla, 00100-ROME

Cables: FOODAGRI ROME

Telex: 61181 FOODAGRI

Telephone: 5797

Ref. FODP - DP 9/1 INT/74/026 (Phase II)

Dear Mr. Dewey,

I believe my letter to you of 13 May probably crossed with yours of 6 May to Mr. Huguet. As you suggest in that letter, I have now written to Mr. Stoutjesdijk suggesting that one of my colleagues, Dr. Pringle, visit him in July or August.

I will myself be in Washington on 24 and 25 June. I am afraid other commitments will take up much of this time, but I would like to take the opportunity to have a short initial exchange of views about establishing the economic criteria that might be used to appraise and rank pulp and paper projects in the Pulp and Paper Industries Development Programme. As I will not know the timing of my other meetings until I arrive I propose that I phone you first thing in the morning on 24 June. Should you not be available then, I wonder if you would leave word with your office of anyone else who would be interested to discuss this matter.

Yours sincerely,

J.E.M. Arnold
Chief, Plans Unit
Forestry Department

✓
Mr. Chauncey Dewey
Chief, Chemical Industries Division
Industrial Projects Department
World Bank
1818 H Street N.W.
Washington D.C. 20433
U.S.A.

RECEIVED

1975 JUN 18 AM 10:54

2 I - FAO/IBRD
Camp Pong

Mr. Peter G. Nelson

June 4, 1975

C. H. Chung *CH*

FAO/IBRD-CP Guidelines for Preparation of Rural Development Projects (Draft)

1. This note is in response to Mr. Parson's request to assess the above document in line with the experience from our Nepal - Rural Development Project.

2. FAO/IBRD-CP has prepared a generally useful preliminary draft. The Guidelines rightly point out that the rural development or package approach to projects is not new and (implicitly) agricultural projects guidelines, generally suffice. I am confining my comments to the guideline's coverage of departures from the conventional agricultural projects approach.

What's in a Name

3. Working guidelines for deciding whether a project should be labelled "Rural Development" (rather than "Agricultural Development", or "Land Settlement" or "Area Development") has yet to be clearly defined. One criterion for a rural development project is that it should benefit large numbers of people in "low income" groups (para 1.04). The Bank's Rural Development report^{1/} (RDR) provides a working definition of the target income groups, but what constitutes large numbers of rural poor? Is it one million? Ten million? 60% of project beneficiaries? 90% of project beneficiaries? Does its main emphasis necessarily have to be on rural infrastructural works and social facilities as mentioned in para 1.03? If so, many of our rural development projects do not qualify since they essentially consist of "attaching" some social services (schools, health facilities or drinking water supply) to justify their being labelled "rural development".

4. The Bank's Rural Development Division is presently developing clear guidelines on what constitutes a rural development project for Bank Group financing. After review in the Bank, they should be incorporated in the CP Guidelines.

To Include or Not to Include - What's the Question

5. The guidelines and the RDR states that an appropriate mix of directly productive components and indirectly productive components is necessary. How does one decide what mix is appropriate?

6. Although it is largely a process of personal judgement, the approach used for the Nepal - Rural Development project illustrates one way of handling the problem of "appropriate mix". A conscious effort was

^{1/} Report No. 588 - Rural Development and Bank Policies: A Progress Report, December 2, 1974.

made to include social components (health, drinking water supply) and components with unquantifiable benefits (research, training, technical assistance, transport infrastructure, local government development) only to the extent:

- (i) they represented priority needs of the local population;^{1/}
- (ii) they could be reasonably linked to productive components;^{2/}
- (iii) they fitted on-going national/regional program; and
- (iv) they were within the staff capacity of existing government agencies.

7. The resulting set of productive and non-productive components may then be considered as the integral package for rural development in the area. Economic rates of return were calculated for each productive components, for the productive components combined, and for the overall project. A comparison of these rates could then provide an indication of which component is "burdening" the project and what sub-components could be trimmed if the overall rate of return is unacceptable.^{3/} A component with a lower than acceptable economic rate of return need not be dropped from the project since the financial returns to the beneficiaries could be more than acceptable.

Rural Poverty/Small Farmer Emphasis and Preinvestment Requirements

8. A "bankable" rural development project has the unfortunate responsibility of reaching the rural poor and providing an "acceptable" economic rate of return to the economy. The dilemma in selecting "an appropriate project mix" stems largely from this responsibility, and the pragmatic approach suggested (para 6) is basically a method for finding an acceptable level of trade-off between production growth and equity which invariably results from investments in helping the rural poor. Such a trade-off may be avoided (or at least minimized) if better preinvestment work is undertaken.

9. Project identification/preparation should attempt to:
- (a) assess the status of target income groups in the country and in potential project areas;

^{1/} Social components should not be included for the sake of cosmetics. An evaluation of the perceived needs of local villages found that drinking water supply and health facilities were even ranked above agricultural production activities (fertilizer, credit, etc.) by many of the project villages interviewed.

^{2/} The Erosion Control and Social Conservation component (originally US\$3 M) were scaled down to US\$1 M by restricting erosion control to only the protection of specific structures which have, or contribute to tangible benefits in the project (eg. gravity canals, roads and tracks).

^{3/} The minimum acceptable rate varies among the regional offices, and actual criteria used are not explicit. The opportunity cost of capital should, of course, be one cut-off rate, but since its measurement is difficult and imprecise, various ranges can be "guestimated" to satisfy the requirements for the project.

- (b) identify the areas with productive development potential from those where the target income groups predominate;
- (c) assess the availability of production (extension) packages concentrating on the benefits from non-cash inputs or improved husbandry methods that are more relevant to the subsistence farmer; and
- (d) recommend special modifications in government support services (extension, input supply, marketing, credit) and government policy to reach the target income groups.

These requirements (which are hardly dealt with in the guidelines) places a heavy, but necessary, burden on project identification and preparation and has important implications on the speed and manner in which rural development projects can be prepared.^{1/} Special sub-sector or special missions will invariably be necessary to fulfil these requirements as the first stage in project identification, and these missions cannot avoid assessing the comparative advantage in land or water use to improve production.

Institutional Structure and Project Area

10. Except in some comprehensive irrigation or land settlement schemes, the administration of a rural development project requires interdepartmental or interagency coordination at the local level and the participation of local government institutions. Rural development projects should therefore be more careful in delineating project areas which fit into the present administrative areas (eg. districts, wards, thanas, etc.). Additions to (or subtractions from) agricultural development areas (river basins, specific crop zones) may therefore be required to demarcate the project area (a suggestion for para 4.01).

Project Replicability

11. Rural development projects are initiated so as to be replicated throughout the country. The selection of components, their extent of coverage, and the project administration structure will have to bear this in mind. The temptation to recommend short run expediciencies, (like autonomous project authorities) would have to be resisted and more serious consideration would have to be given to longer lasting and admittedly more difficult approaches like working through local government and existing government departments in the project area. The importance of evaluating the existing staff position and absorptive capacity of government agencies at the local level should be emphasized especially since project financing of incremental staff is often permitted at the development stage of the project.

^{1/} The process would be longer than the present blunderbuss approach, and socio-economic studies would often necessary; preparation would tend to require either intensive government preparation and/or consultants resident in the country for at least three month periods.

Cash Flow

12. In the sample cash flow table presented in Appendix B; the relevant comparison is not pre-project versus with-project costs or benefits, but without project versus with-project costs and benefits.

Preparation Report Outline

13. Except for Chapter IX (Outstanding Issues), the format presented in para 3.01 is essentially the outline of an appraisal report. No specific provision has been given for a discussion of development problems and the development options considered---an important function of a preparation report. Since Chapter IV (The Project Area) is essentially a statement of the existing situation, a separate chapter^{1/} is required (entitled Development Problems and Options) to:

- (a) focus on the development problems and constraints unique to the project area and its beneficiaries; and
- (b) outline the alternative modes of development (both physical and institutional) considered for resolving them, and their rationale for final selection as project components.

^{1/} Or a final section in Chapter IV.

cc: Messrs. Picciotto, Veraart, Christoffersen, Nottidge, Parsons,
Thornley

CHChung/cg

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
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ACCOUNTING AND RELATED MATTERS WITH APPROPRIATE PEOPLE?

THOMAS MITCHELL

CHIEF, ADMINISTRATIVE EXPENSE DIVISION

INTBAFRAD

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AUTHORIZED BY:

Thomas Mitchell

NAME

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(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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THOMAS MITCHELL
CHIEF, ADMINISTRATIVE EXPENSE DIVISION
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Via delle Terme di Caracalla, 00100-ROME

Cables: FOODAGRI ROME

Telax: 81181 FOODAGRI

Telephone: 5797

Ref. BK 4/3

MAY. 22 1975

Letter No. 00179

Dear Marius,

... I refer to the enclosed copy of a letter from the British Embassy in Rome proposing that Ministry of Overseas Development officials should visit us to discuss dormant I.C. identified or prepared projects in the general field of rural development which might be considered for British assistance.

... On 20 May we received the two gentlemen mentioned in the letter, and, of the seven project proposals which we felt might serve the purpose, they have indicated preliminary interest in one project in which C.P. was involved, namely the Sudan forestry project proposal, summary of which is enclosed for your easy reference. attached

We shall of course advise you on any further development on this matter as soon as we hear officially from the said Ministry as to whether or not they wish to pursue the matter and how the follow-up should be carried out.

With best regards.

Yours sincerely,


J.P. Hayser
Director

FAO/BC Cooperative Programme

Mr. Marius Veraart
Planning Officer/FAO Coordinator
Agricultural and Rural Development Department, CPS
World Bank
1818 H Street, N.W.
Washington D.C. 20433



BRITISH EMBASSY
ROME

30 April 1975

BK 4/3

Mr J P Huyser
Director
Investment Centre
FAC

Dear Mr Huyser,

I am directed by my government to propose a visit to the Investment Centre by Messrs G A Bridger, Director, Geographical Division, Economic Planning Staff and K C H Osborne, Head of Rural Development Department, both of the Ministry of Overseas Development, on 20-21 May.

The purpose of the visit would be to discuss with the Investment Centre projects which have been identified by the Centre but which are not currently being pursued and which might suitably be considered for British aid. It is understood that discussion would be exploratory only and without commitment.

The British authorities would very much appreciate the assistance of the Investment Centre in this regard, and I should be grateful if you would let me know whether arrangements can be made for such a visit on the dates proposed.

Yours very truly,

A A W Landymore

A A W Landymore

INVESTMENT CENTRE	
(FAC, IBERO COOP. PROGRAMME)	
RECEIVED: 7. MAY 1975	
1. For Action	Initials
1. Huyser	
2. Bishop	De la Rich
3. Carrat - Vons	
4. Fernando	
5.	
6.	

Sudan, Southern Region - Imatong Forestry Project,

SUMMARY

FAO/IBRD July 73

i. This is a request of the Government of the Democratic Republic of the Sudan to interested bilateral agencies and the World Bank/IDA for a loan to finance a forestry project, which would complement the agricultural development and reconstruction project for the Southern Region presently being considered.

ii. The project as proposed is the first phase of an integrated forest industrial development program located in the Imatong Forest Reserve and would finance over a four year investment period:

- (a) The maintenance of some 1000 acres of existing softwood plantations.
- (b) Establishment of a further 3500 acres of softwood plantations.
- (c) Upgrading of some 46 miles of existing roads and construction of 8 miles of new roads.
- (d) Construction of project headquarters, a new sawmill and extension of two villages to include more houses and social services.
- (e) Production of sawn-lumber, including specially treated and manufactured grades, of some 4000 m³/year.
- (f) Complementary sub-components of forest inventory and forest research which can be developed separately.

iii. The project is estimated to cost £S 370,000 (US\$ 1.06 million) with a foreign exchange component of £S 200,000 (US\$ 0.58 million) or 54 percent. Preliminary estimates of costs for the sub-components of forest inventory and forest research are £S 125,000 (US\$ 0.35 million) and £S 70,000 (US\$ 0.2 million) respectively.

iv. The project would be organised and administered by a project manager who would be a member of the Projects Development Authority being set up for implementing the agricultural development and reconstruction project referred to in i. above. The project manager would operate through the Assistant Director of Forests, Juba for matters relating to personnel, forest areas and marketing and the Authority for input supply and supporting services. Middle grade and junior staff totalling some 25 persons would be

locally available but it is expected that the senior staff requirement of 5 persons would initially need to be recruited from outside the Region. In-service training is provided for all components of the project with the objective of local staff taking over the senior management posts at the end of the project period.

v. It is expected that the proposed project would increase sawn-lumber production by 4050 m³ per year, charcoal by 20,000 bags per year, and make a significant contribution of building poles and off-cuts. The annual value of sales would be worth £5 129,000.

vi. The gross return on the investment in the sawmill, logging, roads and re-manufacturing plant alone would be 22 percent. The financial internal rate of return on the total investment, including plantation establishment, would be 12 percent. The economic internal rate of return on total investment would be 26.7 percent.

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VERAART

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any page

May 6, 1975

Mr. F. Zurbrugg
FAO/IBRD Cooperative Programme
Food and Agriculture Organization
of the United Nations
Via delle Terme di Caracalla
00100-Rome
ITALY

Dear Fritz:

Thank you very much for sending me a copy of the
1972 Year Book of Forest Products.

I have just received the final paper on the Pulp
and Paper Industries Development Programme - Phase II,
from Mr. Huguet and am acknowledging this fact to him
directly.

With best personal regards,

Yours sincerely,



Chauncey F. Dewey
Chief of Division III
Industrial Projects Department

cc: Messrs. Fuchs, Veraart, Moore, Oberdorfer

FROM: ROME VIA U.N. NEW YORK

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APRIL 25, 1975

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5,986.67 MOROCCO 8-20/10 AND 27/10-9/11;

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13,821.43 PHILIPPINES 21/10-22/12 FFF DE CASO USDOLLS 9,193.33
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VERAART

FAO LIAISON OFFICER

INTERNATIONAL BANK FOR RECONSTRUCTION AND

DEVELOPMENT 1818 H STREET N.W.

WASHINGTON DC USA;

DAVIS HAS CABLED FROM ISLAMABAD REQUESTING SILVAS PARTICIPATION
IN IBRD MISSION IN PAKISTAN FROM 25/4 STOP PLEASE INFORM WHETHER YOU
WILL ARRANGE PREPAYMENT FOR TICKET ROME/ISLAMABAD/ROME AND PERDIEM
OR WHETHER WE SHOULD MAKE TRAVEL ARRANGEMENTS TO BE
REIMBURSED BY BANK IN WHICH CASE PLEASE CABLE ACCOUNT CODE TO WHICH
IT IS CHARGEABLE;

NICOLOSI FOODAGRI ROME"

COL 25/4"

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: BOERMA
DIRECTOR-GENERAL
FAO

DATE: April 4, 1975

CLASS OF
SERVICE: TELEX (Ext. 3520)

ROME

COUNTRY: ITALY

TEXT: THANK YOU FOR URCAB OF MARCH TWENTYONE PROPOSING AN INCREASE IN THE BUDGET
Cable No.: OF THE FAO/IBRD COOPERATIVE PROGRAM FOR BIENNIUM 1976/77 TO BRING THE TOTAL
BUDGET FOR THE BIENNIUM UP TO \$13.1 MILLION FROM THE PRESENT \$9.1 MILLION,
THE PROPOSED INCREASE OF \$4 MILLION COMPRISING AN INCREASE FOR MANDATORY COSTS
AND ADDITIONAL FUNDS TO COVER A PROGRAM INCREASE IN REAL TERMS STOP I HOPE
IT WILL BE POSSIBLE TO SUPPORT YOUR PROPOSAL TO EXPAND THE COOPERATIVE PROGRAM
TO APPROXIMATELY THIS LEVEL STOP HOWEVER WE ARE AWAITING RECEIPT OF THE
AGREED EXPENDITURE AND BUDGET TABLES SO THAT WE CAN REVIEW THE PROPOSAL IN
DETAIL STOP IN ADDITION A NUMBER OF DETAILS REGARDING THE EXPENDITURE OF THE
CURRENT BIENNIUM AND THE FUTURE RELATIONSHIP YOU PROPOSE BETWEEN CP STAFF
AND CP CONSULTANTS REMAIN UNDER DISCUSSION STOP FOLLOWING RESOLUTION OF THESE
MATTERS AND A MORE DETAILED UNDERSTANDING OF THE FINANCIAL CONSEQUENCES, WE
WILL PROMPTLY COME TO A DECISION STOP BEST WISHES

MCNAMARA
INTBAFRAD

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AUTHORIZED BY:

NAME Robert S. McNamara

DEPT. President

SIGNATURE *Robert S. McNamara per S. Moore*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: M Veraart: RSMcNamara: bmm 4/4/75
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Schulmann
cc: Messrs. King, Lewis

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OUTGOING WIRE

TO:

BOERMA
DIRECTOR-GENERAL
TAO

ROME

COUNTRY:

ITALY

TEXT:

Cable No.:

DATE

April 4, 1975

CLASS OF

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SERVICE

THANK YOU FOR UNCAF OF MARCH TWENTYONE PROPOSING AN INCREASE IN THE BUDGET OF THE FAO/IBRD COOPERATIVE PROGRAM FOR BIENNIIUM 1976/77 TO BRING THE TOTAL BUDGET FOR THE BIENNIIUM UP TO \$13.1 MILLION FROM THE PRESENT \$9.1 MILLION. THE PROPOSED INCREASE OF \$4 MILLION COMPRISING AN INCREASE FOR MANDATORY COSTS AND ADDITIONAL FUNDS TO COVER A PROGRAM INCREASE IN REAL TERMS STOP I HOPE IT WILL BE POSSIBLE TO SUPPORT YOUR PROPOSAL TO EXPAND THE COOPERATIVE PROGRAM TO APPROXIMATELY THIS LEVEL STOP HOWEVER WE ARE AWAITING RECEIPT OF THE AGREED EXPENDITURE AND BUDGET TABLES SO THAT WE CAN REVIEW THE PROPOSAL IN DETAIL STOP IN ADDITION A NUMBER OF DETAILS REGARDING THE EXPENDITURE OF THE CURRENT BIENNIIUM AND THE FUTURE RELATIONSHIP YOU PROPOSE BETWEEN CP STAFF AND CP CONSULTANTS REMAIN UNDER DISCUSSION STOP FOLLOWING RESOLUTION OF THESE MATTERS AND A MORE DETAILED UNDERSTANDING OF THE FINANCIAL CONSEQUENCES, WE WILL PROMPTLY COME TO A DECISION STOP BEST WISHES

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Robert S. McNamara

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President

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Mar. 26, 1975

61181 FOODAGRI (Telex Nr.)

1975 MAR 26 07:06

Distribution:

From: Rome

Agriculture & Rural
Development

87 VERAART CONFIRMING TODAY'S TELEPHONE CONVERSATION AS FOLLOWS
AAA REGRETFULLY DIRECTOR GENERAL'S VABLE TO PRESIDENT OF
21 MARCH RE PROPOSED 1976/77 BUDGET CONTAINED ERROR
ON NUMBER CONSULTANT MANYEARS STOP CORRECTED FIGURES
AS FOLLOWS ESTIMATED USE CONSULTANTS CURRENT BIENNIUM
34 MANYEARS FOR BUDGET PROVISION DOLLARS 1,200,000 STOP
PROJECTED CONSULTANT USE 1976/77 44 MANYEARS WITH BU-
DGET PROVISION DOLLARS 2,160,000 STOP CONSULTANT USE
ESTIMATED AT ONE THIRD FAO STAFF AND TWO THIRDS OUTSIDE
CONSULTANTS BASED ON 1974 ACTUAL USE STOP BREAKDOWN
OF INCREASE IN CONSULTANT PROVISION AS FOLLOWS APPROX
DOLLARS 400,000 COST INCREASE FOR 1974/75 LEVEL OF CON-
SULTANTS USE AND APPROX DOLLARS 560,000 FOR PROGRAMME
INCREASE WHICH EQUIVALENT TO 10 MANYEARS BRINGING TOTAL
CONSULTANTS TO 44 MANYEARS IN 1976/77 STOP PROPORTIONALLY
HIGH INCREASE IN CONSULTANT PROVISION FOR NEXT BIENNIUM
TO BE SEEN AGAINST RELATIVELY SMALL INCREASE REQUESTED
FOR CP STAFF BBB ALLOTMENT FOR TRAVEL IN CP FOR CURRENT
BIENNIUM AS FOLLOWS ACTUAL EXPENDITURE 1974 DOLLARS 19,656
AND ESTIMATED EXPENDITURE 1975 DOLLARS 1,076,344 CCCC CONFIRM
CURRENT CP STAFF STRENGTH AS AT 1 MARCH IS 71=
REGARDS HUYSER FOODAGRI ROME+

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

LT-FAO/IBRD COOP PROGRAM

OUTGOING WIRE

TO: INTBAFRAD

DATE: March 25, 1975

NAIROBI

CLASS OF
SERVICE: LT/TELEX (Tele. 3877)

Page 1 of 2

COUNTRY: KENYA

TEXT: 455
Cable No.:
FOR CREYKE

RE OUR MARCH 10 DISCUSSION OF ORGANIZATION PLANNING DEPT STUDY
OF COOPERATIVE PROGRAM, STUDY TEAM PLANNING DEPART NEXT WEEK FOR
DISCUSSIONS IN ROME ON THEIR PRELIMINARY FINDINGS AFTER NUMEROUS
BANK INTERVIEWS. THEY REQUEST OUR VIEWS. COULD YOU GIVE ME WHATEVER
PRELIMINARY COMMENTS YOU MAY HAVE BY TELEX? MAIN QUESTIONS MAY BE
SUMMARIZED AS FOLLOWS:

- 1) COORDINATION BETWEEN BANK AND COOP PROGRAM AND FAO. WHAT ARE
THE MAJOR WEAKNESSES AND IMPROVEMENT OPPORTUNITIES IN BOTH BANK
AND CP?
- 2) SHOULD WE BE DOING MORE OR LESS WITH CP? IN WHAT AREAS?
- 3) WHICH WORK IS BETTER DONE BY BANK? BY CP? BY A JOINT EFFORT?
(I.D., PREP., SECTOR OR SUPERVISION WORKS, POLICY DEVELOPMENT, ETC.)
- 4) HOW WOULD YOU COMPARE THE OVERALL PROFESSIONAL COMPETENCE OF CP
WITH BANK STAFF? WITH CONSULTANTS?

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Contd..

AUTHORIZED BY: Richard E. Barry

NAME Eastern Africa Regional Office

DEPT.

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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DATE March 25, 1975
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TO: INTRAD

NAIROBI

Page 1 of 2

COUNTRY: KENYA

TEXT: Cable No.

FOR CRYK

RE OUR MARCH 10 DISCUSSION OF ORGANIZATION PLANNING DEPT STUDY OF COOPERATIVE PROGRAM. STUDY TEAM PLANNING DEPART NEXT WEEK FOR DISCUSSIONS IN ROME ON THEIR PRELIMINARY FINDINGS AFTER NUMEROUS BANK INTERVIEWS. THEY REQUEST OUR VIEWS. COULD YOU GIVE MR WHATEVER PRELIMINARY COMMENTS YOU MAY HAVE BY TELEX? MAIN QUESTIONS MAY BE SUMMARIZED AS FOLLOWS:

- 1) COORDINATION BETWEEN BANK AND COOP PROGRAM AND FAO. WHAT ARE THE MAJOR WEAKNESSES AND IMPROVEMENT OPPORTUNITIES IN BOTH BANK AND CP?
- 2) SHOULD WE BE DOING MORE OR LESS WITH CP? IN WHAT AREAS?
- 3) WHICH WORK IS BETTER DONE BY BANK? BY CP? BY A JOINT EFFORT? (I.D., PREP., SECTOR OR SUPERVISION WORK, POLICY DEVELOPMENT, ETC.)
- 4) HOW WOULD YOU COMPARE THE OVERALL PROFESSIONAL COMPETENCE OF CP WITH BANK STAFF? WITH CONSULTANTS?

Contd..

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NAME Eastern Africa Regional Office

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ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO:

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NAIROBI

COUNTRY: KENYA

DATE: March 25, 1975

CLASS OF

SERVICE: LT/TELEX (tele.3877) WV 1

TEXT:

PAGE 2 of 2

Cable No.:

5) IS CP TOO RESPONSIVE OR NOT RESPONSIVE ENOUGH TO COUNTRY
DESIRES? TO BANK PRESSURES TO ACCELERATE PROJECT PROCESSING?

REGARDS

BARRY

NOT TO BE TRANSMITTED

AUTHORIZED BY: Richard E. Barry

NAME Eastern Africa Regional Office

DEPT.

SIGNATURE [Signature]
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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PERSONAL OFFICE REGIONAL OFFICE

COMMUNICATIONS

AUTHORIZED BY: [Signature]

STANDARDIZATION AND COORDINATION

NOT TO BE TRANSMITTED

RECEIVED

RECEIVED

DESIGNS TO BANK RESEARCH TO ACCELERATE PROJECT PROCESSING
2) IS CB TOO RESPONSIBLE OR NOT RESPONSIBLE ENOUGH TO COMPLY

COPY NO.

TEXT

PAGE 3 OF 3

COMMITTEE: KENNY

MEMBER

INTERVIEW

DATE

TIME

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DATE

DATE: March 22, 1975

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ADMINISTRATIVE SERVICES

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(10)

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Mar. 21, 1975

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Distribution:

61248 FOODAGRI (Telex Nr.)

Mr. McNamee
Mr. Baum
Mr. Hoffman
Mr. Yudelman

McNamee

FOLLOWING SEVERAL DISCUSSIONS BETWEEN YOUR AND MY REPRESENTATIVES AND TAKING INTO ACCOUNT THE NEED TO ASSIST COUNTRIES MORE THAN EVER WITH PROBLEMS OF FOOD PRODUCTION AND WITH COMBATING RURAL POVERTY WHICH ALSO INCORPORATED IN YOUR PLANS FOR INCREASED LENDING AND ALSO FOLLOWING RECENT FAO COUNCIL SESSION WHICH ACCORDED PRIORITY TO FAO'S INVESTMENT ORIENTED ACTIVITIES I NOW CONFIRM MY PROPOSAL FOR AN OVERALL ESTIMATED BUDGET FOR THE FAO/WORLD BANK COOPERATIVE PROGRAMME OF USD13.1 MILLION OF WHICH 75-0/0 APPLICABLE TO BANK SHARE STOP THIS AMOUNT CALCULATED TO COVER BOTH OBLIGATORY COST INCREASES FOR SALARIES AND ALLOWANCES AND PROGRAMME INCREASE FOR CALENDAR YEARS 1976 AND 1977 STOP USD13.1 MILLION TO BE APPORTIONED AS FOLLOWS AAA PERSONAL SERVICES (SALARIES AND COMMON STAFF COSTS) USD8,603,000 BBB CONSULTANTS HONORARIA AND RELATED COSTS USD2,160,000 CCC TRAVEL USD2,245,000 DDD GENERAL OPERATIONS AND MISCELLANEOUS COSTS USD92,000 STOP BUDGET INCREASE FROM 1974/75 BIENNIAL CEILING OF USD9.1 MILLION BASICALLY RESULTS FROM APPROXIMATELY USD2 MILLION ESTIMATED MANDATORY COSTS AND USD2 MILLION PROGRAMME INCREASE STOP PROGRAMME INCREASE CALLS FOR ADDITIONAL FOUR PROFESSIONAL AND SUPPORTING STAFF FULLTIME POSTS IN COOPERATIVE PROGRAMME AT APPROXIMATELY USD450,000 AT 1976/77 RATES FOR HEADQUARTERS HOME EXTRA COST AND INCREASES IN PROVISION FOR CONSULTANTS FROM 22 MANYEARS IN 1974/75 AT COST OF USD1,200,000 TO 30 MANYEARS IN 1976/77 AT COST OF USD2,160,000 AND CONSEQUENTLY FOR TRAVEL FROM USD1,697,000 ON 1974/75 TO USD2,245,000 IN 1976/77 ALL AT 1976/77 RATES FOR HEADQUARTERS HOME STOP GREATER ATTENTION TO MORE INTEGRATED APPROACH TO FOOD AND RURAL DEVELOPMENT AS ALREADY MANIFEST IN CURRENT BIENNIAL WILL REQUIRE LARGER SPREAD OF EXPERTISE FOR PROJECT PREPARATION SO THAT MORE RELIANCE MUST BE PLACED ON SHORTTERM CONSULTANTS FOR COOPERATIVE PROGRAMME FROM EXISTING FAO STAFF OR IF NOT AVAILABLE OUTSIDE SPECIALISTS UNDER FULLTIME CP STAFF LEADERSHIP STOP IN TERMS OF YOUR FY 1976 FORESEEABLE BUDGETARY PROVISION FOR CP WOULD BE AROUND USD5.7 MILLION OF WHICH 75-0/0 PAYABLE BY BANK STOP WOULD APPRECIATE CONFIRMATION SUPPORTING MY PROPOSED BUDGET REGARDS =

BOERMA +

FAO/IBRD COOP. Programme

Mr Tanson

B614



GUIDELINES FOR THE PREPARATION OF FEASIBILITY STUDIES

RURAL DEVELOPMENT PROJECTS

FAO/WORLD BANK

Cooperative Programme
March, 1975

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS — ROME

GUIDELINES FOR THE PREPARATION OF
RURAL DEVELOPMENT PROJECTS

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3. TYPICAL REPORT OUTLINE	5
4. COMMENTARY ON REPORT OUTLINE	7

GUIDELINES FOR THE PREPARATION OF
RURAL DEVELOPMENT PROJECTS

1. INTRODUCTION

1.01 Historically, most agricultural projects financed by international lending institutions have emphasized one key element in the productive process, such as the provision of irrigation water or the development of a particular line of production such as a crop or livestock products. Increasingly in recent years, however, interest has turned to more comprehensive types of project involving a multi-sectorial approach to the problem of raising the incomes of the rural poor. The objective, as in the case of more conventional types of project, is basically to increase the farmers' productivity, but the tendency now is to link this with concurrent investment in more socially-oriented activities, like the provision of improved drinking water supplies, health and education facilities, etc. Such activities might be expected to reinforce the technical improvements in farming operations or to bring about advances in general standards of living of sections of the rural community not immediately realizable through productivity increases alone.

1.02 There is, of course, nothing new in a "package approach" to investment projects. Irrigation projects commonly include provision for on-farm development, access roads, the supply of farm inputs, etc. to ensure the maximum possible realization of the potential benefits from the new water supplies. A cotton development project might quite normally include facilities for processing and marketing as well as the basic component concerned with production of the crop itself. Such commodity specific projects and many other types often also include training facilities if the assurance of an adequate supply of skilled labour is essential to the success of the project. Land settlement projects inevitably are comprehensive in their scope, including such elements as roads, water supplies, housing, etc.

1.03 It is still possible to distinguish a separate category of projects which might be labelled "rural development projects". Although there is no precise borderline between these and some other types of project the particular characteristics of a rural development project might include the following:

- normally it would be concerned with improving the status of existing farmers in the project area (in contrast to land settlement projects which usually are concerned with the movement of new settlers into virgin, or sparsely populated, areas);
- generally the beneficiaries under a rural development project would be low income groups with per caput incomes below, say, 40% of the national average and probably occupying extremely small holdings;
- the numbers of individuals reached in some way by the project would normally exceed those covered by agricultural projects;

- while some elements of the project presumably would be concerned specifically with agricultural production, the main emphasis would be on rural infrastructural works and social facilities;
- while most rural development projects probably would be area specific, their geographical coverage on average might be expected to be broader than that of agricultural projects and dictated principally by socio-political factors;
- the organizational structure of rural development projects typically would require the cooperation and coordination of a greater than usual number of government or other entities;
- since rural development projects blend social and economic elements, the overall internal economic return would tend to be lower than customarily expected by international financing agencies for agricultural projects, although this is not necessarily so.

1.04 The one common element of rural development projects will be their orientation towards relatively large numbers of people in "low income" groups. Even the low income concept is open to a variety of different interpretations, but it is suggested herein that it should be related to an assessment of minimum human subsistence needs in individual countries or to a certain proportion of the national average per caput income. The benefits to these groups may take such forms as raising their agricultural output, improving their health and education, expanding the communications on which they depend, improving their housing, providing community facilities, such as drinking water supplies, meeting centres, etc. The approach might be multi-sectorial; that is, undertaking several of these activities simultaneously in one package. Alternatively, it might be sequential; dealing with one aspect at a time. Furthermore, the action might be directed to a locality, to a region, or to a nation as a whole. ^{1/} In either event, the orientation towards the target income group will be the prime consideration. Thus if a specific area or region is selected, it is assumed that it would be one where rural poverty is a particular problem and deserving of priority attention within the country. Similarly, if a single line of action is proposed, the expectation is that it will be the one considered most crucial to the well-being of the rural poor.

1.05 The present guidelines are intended for the use of national and international officials concerned with the preparation of such types of rural development projects. It is recognised that no single set of guidelines can be drawn up which would meet all of the situations likely to arise in practice. However, the very complexity of the task of formulating a rural development project and presenting it in a coherent way suggests that it would be useful to indicate how the types of distinguishing characteristics referred to above would find expression in the layout and presentation of a feasibility report. To the extent possible, the general format proposed for agricultural projects in other Guidelines in this series has been adhered to.

^{1/} Clearly, a project is rarely likely to be both multi-sectorial and nationally oriented.

1.06 While the guidelines are concerned with the presentation of the final feasibility, or "preparation", report it needs to be borne in mind that project preparation is only one stage in the so-called "project cycle". This normally proceeds in three steps (not always perfectly distinct) from project identification through project preparation to project appraisal. Project identification and preparation are the responsibility of the governments concerned (with or without external assistance) while project appraisal is the responsibility of the potential financing institution. In respect of rural development projects the cycle is likely to have two special features:

- (a) it is likely to stretch over a longer period because of the relative complexity of the project; and
- (b) the technical input required to take the project through the three phases preceding actual implementation may be more diverse than that required for conventional projects.

1.07 The implication of the foregoing is that the preparation of feasibility studies in this field is likely to require relatively heavy inputs of manpower and other resources. It is thus more than ever essential that governments and the local communities affected should commit themselves fully to the exercise at the project identification stage. It might be expected - and experience confirms this - that political considerations will assume more prominence during project identification than is normally the case. For obvious reasons, such considerations influence particularly the location of the project. At the identification stage it is also important to reach general agreement on the limits to the scale of the project,

1.08 Obviously no general guidance can be given here regarding scale since the criteria will vary considerably from case to case. Some relevant practical considerations are:

- (a) the implementation capacity of institutions to be involved in the project;
- (b) the willingness of the government to assume continuing responsibility for meeting recurrent costs associated with the project after the initial investment;
- (c) any requirement considered necessary to "tailor" the scale of the social element of the project to the scale of the directly productive element so as to improve its economic status;
- (d) possible reluctance by governments of countries with widespread poverty to allocate heavy inputs of resources to multi-sectorial projects in specific localities;
- (e) the level of funds likely to be available from potential financing institutions.

1.09 After such issues are resolved, strong project preparation teams representative of all institutional and other interests involved are required to undertake the work of completing the feasibility study along the agreed lines. Experience shows

that foreign assistance can play only a limited role in furthering this work. A common method is to assign overall responsibility for putting together the project and integrating the various components to a small group set up within one government agency, such as a planning authority. The specific studies and proposals for the different sectors are then performed by the relevant government bodies or by local consultants, guided and coordinated by the core group.

1.10 Whatever the method chosen, the core group should have access to independent expertise to critically review the specialized fields (irrigation, civil engineering, disease control, etc.) in which proposals have been made by government agencies. These services can be provided by the FAO/World Bank Cooperative Programme, by consulting firms (usually in relation to a particular component of the project) or by other sources with experience in investment project analysis. The FAO/World Bank Cooperative Programme can also provide more general assistance to governments of the type represented by these guidelines.

2. FORM OF REPORT

2.01 The substance of a feasibility report (also commonly called a "project preparation" report) obviously is more important than its format. However, experience has shown that most projects are adaptable to a fairly common form of presentation. If this format is followed it is likely that both the writer and the reader of the report will benefit: the writer is thereby subjected to an intellectual discipline in putting forward the case for the project under review; and the reader, hopefully, benefits also from having a narrative which succinctly conveys only such information as is necessary for him to form his own conclusions regarding the worth of the project, both technically and economically.

2.02 Regardless of the type of project, the feasibility report must provide: the background and rationale for the project, including an analysis of the alternatives available; the detailed project proposals; the manner in which they would be implemented; and finally the economic (or social) justification for the project. Obviously, different elements of the report will need different emphasis and depth of treatment from case to case. Rural development projects, as a group, are likely to require more than usual attention to the development options considered before deciding on the one proposed, to organization and management, to the impact of the project on its beneficiaries and to the financial implications for the government.

2.03 The writer has to exercise mature judgement in determining the depth of treatment of the above points and other features of the feasibility report, including its length. As a rule of thumb, the objective might be a short main text of no more than 50 pages supported by a series of annexes, possibly in a separate volume. As far as possible, the main text should present the project in a form in which a layman can understand it, reserving specialized back-up information (including maps, charts and tables) for the annexes.

3. TYPICAL REPORT OUTLINE

3.01 Following is an outline of a typical feasibility report on a rural development project presented in the form of a Table of Contents for such a report. The remainder of the text of these Guidelines is in the nature of an elaboration of the Table of Contents and follows the same sequence.

SUMMARY AND CONCLUSIONS

I. INTRODUCTION

II. BACKGROUND

- A. The Country and its Characteristics
- B. Current Economic Situation
- C. Importance of Agriculture in the Economy and Recent Achievements
- D. Income Distribution and Poverty

III. RURAL DEVELOPMENT STRATEGY AND PROJECT CONCEPT

- A. Rural Development Programme
- B. The Project Concept
- C. Selection of Project Area

IV. THE PROJECT AREA

A. Physical Features

Climate
Geology, Soils, Topography
Water resources and drainage

B. Economic Base

Agriculture and Livestock
Other primary sector activities
Other economic activities

C. Social Features

Land tenure and size of holdings
Population and migration
Labour supply and employment
Income levels

D. Infrastructure and Social Services

Roads, bridges and transport facilities
Water and electricity services
Storage and marketing facilities
Social services

E. Government and Private Institutional Structures

National and Provincial Governments
Local Government
Agricultural institutions

V. THE PROJECT

- A. Description
- B. Detailed Features
 - Farm Development
 - Supporting Infrastructure and Equipment
 - Supporting Services
 - Social Services
- C. Implementation Schedule
- D. Cost Estimates
 - Capital Cost Estimates
 - Annual Cost Estimates
- E. Financing
- F. Procurement

VI. ORGANIZATION AND MANAGEMENT

- A. Central Authority
- B. Ancillary Entities

VII. PROJECT BENEFITS AND JUSTIFICATION

- A. Economic Benefits
- B. Social Benefits
- C. Sensitivity Analysis

VIII. FINANCIAL IMPLICATIONS FOR GOVERNMENT

IX. OUTSTANDING ISSUES

- A. Policy Issues
- B. Measures to be taken before Appraisal

ANNEXES

4. COMMENTARY ON REPORT OUTLINE

SUMMARY AND CONCLUSIONS

0.01 The main purpose of the summary and conclusions is to give the reader very briefly the essential elements of the project. The section should cover in not more than two/three pages: project priority, purpose and rationale, location and scope, beneficiaries, main components, development period, cost estimates and anticipated financial and economic results.

I. INTRODUCTION

1.01 The introduction should mention very briefly the reasons behind the decision to prepare the project, and its major objectives, together with a history of preparation work. It should identify the authorities with major responsibility and those cooperating within the country, and indicate any external assistance received (UNDP, FAO, FAO/World Bank, consultants, etc.).

II. BACKGROUND

2.01 The purpose of this chapter is to describe the national setting - physical, political, social and economic - for rural development. It should in this way demonstrate the need for a project in rural development and the level of commitment of government to the project approach. It is at this point that the tendency for reports to become discursive is greatest and the writer should exercise strict discipline to ensure that only material directly pertinent to the project is presented.

A. The Country and its Characteristics

2.02 A brief description of the major geographical and physical features, population, and the regional distribution of natural resources should be provided here.

B. Current Economic Situation

2.03 This section should cover only any features of recent economic developments which have a bearing on the proposed project and on the alternatives studied.

C. Importance of Agriculture in the Economy and Recent Achievements

2.04 The text should again bear directly on the project which is to be proposed, particularly with a view to providing the setting for the directly productive elements of the project as distinct from the social elements.

D. Income Distribution and Poverty

2.05 A discussion of income distribution and poverty has obvious importance in the preparation of a rural development project since such projects are intended to benefit primarily low income groups. The information presented at this point should serve to establish the framework for the eventual justification of the selection of a particular region, locality or line of action for priority attention under the project. It should cover available information on income distribution on a national basis and give a regional or social dimension to the data. It should identify as closely as possible the rural poor and the main target group (e.g. the poorest 40% of the population) to be assisted by the project.

III. RURAL DEVELOPMENT STRATEGY AND PROJECT CONCEPT

3.01 The main purpose of this chapter is to explain how the project inserts itself into a realistic rural development policy and how and where to approach the problem.

A. Rural Development Programmes

3.02 The current government strategy and ongoing and planned programmes to alleviate poverty in the rural areas should be described and discussed. The section should contain a concise description of the institutions responsible for development and social services, and any existing mechanisms for coordination, on a national basis.

B. The Project Concept

3.03 This section should weigh up alternative means of promoting development in the region or among the target group described in Chapter II (Section D) and should justify in broad terms the approach to be adopted in the project. The section should weigh the various options open, their likely impact on production and living standards and any associated disadvantages. For instance, if a commodity specific approach to improving farm incomes is advocated over a multi-sectorial regional development approach, the reasons (e.g. low cost, wide applicability, technological simplicity, administrative practicability, etc.) should be reviewed. The reasons for rejecting any other project proposals also should be given.

C. Selection of Project Area

3.04 This section follows the discussion of income distribution and poverty and the description of existing and planned rural development programmes. It should justify the selection of the particular area or region (if the project is location specific) and assess its priority for development in terms of the incidence of poverty, the inadequacy of existing programmes or investments, and its potential. It is possible that political considerations may play an important role in selecting the area, and if so, these should be brought out.

IV. THE PROJECT AREA

4.01 The purpose of this chapter is to highlight the particular advantages and problems of development in the area selected, to review the resource base and to identify the potential for improving the standards of living of its population. As in Chapter II, the descriptive material should be restricted to that which has a direct bearing on the proposed project. The presentation should be essentially interpretive: summary tables may be presented to illustrate the current situation but all detailed material should be assigned to annexes.

A. Physical Features

4.02 Physical features to be described should cover the main geographical and topographical features of the area and should relate the area to other important features of the country as a whole. The principal objective is to show that the climate and soils are suitable for the crops (or types of livestock production) proposed.

Climate

4.03 This should cover rainfall (monthly, annual, intensity variation), temperatures, humidity, etc. It is important to bring out limiting factors such as the incidence of hurricanes or typhoons, frosts or droughts.

Geology, soils, topography

4.04 All land in the project area should be described in sufficient detail to allow the main positive and limiting factors to be analysed and assessed. Where possible, land classification maps at a scale not smaller than 1:50,000, using the USBR system with standards modified in keeping with local physical and economic conditions should be prepared.

Water resources and drainage

4.05 Surface and underground resources should be described where relevant. Usually, this would be done from the viewpoint of the potential for irrigation and of the need for drainage under high rainfall conditions, but it may also have a bearing on the possible provision of drinking water facilities.

B. Economic Base

4.06 Agriculture and livestock resources should be described briefly and the major features quantified. The importance of these sectors in the economy of the region, the proportion of people employed in these activities, the area and output of major products and an approximate estimate of the value of these products should be given. Recent trends should be noted, while the relative importance of the sector to be assisted under the project should be emphasized.

4.07 Other primary sector activities (e.g. forestry, fishery, mining) of importance in the area should be reviewed in the same level of detail.

4.08 Other economic activities such as agro-industries and rural handicrafts should be carefully considered. If data are available, the number of families engaged in secondary activities should be indicated, with at least an approximate estimate of the total value of their products, so as to obtain an idea of their relative importance in the rural economy.

C. Social Features

4.09 Social features of the project area should be described under appropriate sub-headings, of which the following are likely to be most generally applicable.

Land tenure and size of holdings

4.10 This should refer to the proportions of owner-cultivators, tenant-cultivators and hired labour. Where possible, the size of holdings should be related to types of tenure. The description should be dynamic in the sense that any changes in land tenure resulting from agrarian reform or settlement also should be referred to. The depth of treatment of the whole subject should vary depending upon whether or not land reform or land consolidation is an integral component of the project.

Population and migration

4.11 Data should be given illustrating such aspects as density per square kilometre, pressure of population on the cultivated area, dependency ratios and the literacy rate. It is important to define the rural population; often small towns and their so-called "urban population" are large villages, mostly rural. Wherever migration is an important factor, annual or seasonal flows should be judged and, if possible, quantified.

4.12 Labour supply and employment figures may not be readily available and may have to be judged from sample surveys. A distinction should be made between self-employed persons, dependents and wage labourers. Employment should be categorized according to principal occupations and an attempt should be made to quantify the proportion consistently unemployed or under-employed.

4.13 Income levels will have been referred to earlier (see para 3.04) in connection with the selection of the project area for special attention. At this point, any more detailed data available for the project area should be referred to. Other indicators of standards of living (housing, health, nutrition, etc.) should be reviewed.

D. Infrastructure and Social Services

4.14 The amount of treatment given to these features of the project area will depend largely on whether the project itself will have related components. Again the writer will have to exercise mature judgement in this respect. Elements most likely to require attention are shown below.

4.15 Roads, bridges and transport facilities: Mileage of different classes of roads, number of major bridges and the annual tonnage of goods moved by road transport. Numbers of vehicles serving the area and an assessment of recent growth rates.

4.16 Water and electricity services within the region should be briefly described. The number of families served directly should be quantified, and an estimate made of the number of people served by public facilities, such as street-corner taps, etc. Ongoing improvement programmes should be evaluated briefly.

4.17 Storage and marketing facilities: A concise description should be given of the marketing facilities, including those for agricultural inputs, and any related agro-industries.

4.18 Social services available in the area, such as hospitals, dispensaries, primary and high schools, etc., should be quantified, with estimates of the number of persons served annually (e.g. number of beds in the hospitals, school enrolment). The state of upkeep of these facilities may be briefly described (e.g. maintenance of buildings, school furniture, etc.). Major disease problems and possibilities of control should be discussed.

E. Government and Private Institutional Structure

4.19 The respective responsibilities of national and provincial Governments in the administration of economic development and other governmental activities within the area should be spelled out, to set the stage for the organization and management proposals made under project. A discussion of provincial Government structure, autonomy and capacity is required.

4.20 Local government institutions most probably will have responsibility for certain features of the project and these should be referred to. If there is any restriction on the size or type of project that this administrative level may deal with, this should be mentioned.

4.21 Agricultural institutions, government and private, operating in or serving the project area, such as those concerned with staff training, extension and farmer/farm family training, credit disbursement and veterinary and other supporting services, require special attention, including assessment of the capability of their personnel. Where relevant, the importance of farm associations, trade unions, religious groups, etc. also should be discussed.

V. THE PROJECT

A. Description

5.01 This section should very briefly define the objectives, location, size, components, costs, phasing, manner of execution, pattern of production and expected results of the project. It is intended to give a concise summary of the project components and objectives before going on to more detailed descriptions.

B. Detailed Features

5.02 Each of the components of the project should be described precisely and in quantitative terms, reference being made to fuller details and specifications in Annexes. The description should give a clear picture of the type of works, equipment or services proposed and the quantities involved. Estimates of cost should be avoided in this section since they can more appropriately be treated in detail in Section D of the present chapter.

5.03 Most projects, whether of the rural development or the conventional agricultural production type, consist of one or several major components with which are linked more numerous relatively minor elements. While the former may be treated as separate items, it usually will be convenient to group the latter in some form or other for purposes of presentation. It is difficult to suggest any hard and fast rules for such groupings but, in general, they should be the same as those followed subsequently for the presentation of costs to facilitate cross-referencing. In this connection, some relevant considerations are:

- (a) capital cost items should be distinguished from recurrent cost items capitalized for financing purposes;
- (b) civil works might usefully be distinguished from equipment to be provided under the project (for construction under force account or for operation and maintenance);
- (c) off-farm works should be distinguished from on-farm works;
- (d) directly productive investments (such as investments in irrigation facilities) might be separated out from (i) production support infrastructure (roads, ports, markets, storage facilities, etc.) and (ii) social infrastructure (domestic water supplies, health clinics, schools, rural electrification, etc.).

An indicative breakdown of project components is given in Appendix A.

5.04 Even allowing for the fact that detailed descriptions of these items are included in annexes, it may sometimes be desirable to adopt two levels of description in the main text. The foregoing account should be sufficiently succinct to maintain an overall view of the project and the interlocking nature

of its various components. If further detail regarding any of the individual components is considered necessary in the main text, it is suggested that it should be elaborated in separate sections immediately following this one.

5.05 Farm Development: This section should refer to the number of farms and the acreages involved and the types of work to be undertaken (e.g. land clearing, fencing, irrigation system, drainage, pasture development, farm buildings, farm machinery and equipment, breeding stock, etc.). These works normally are carried out by farmers, or on account of the farmers, with the assistance under the project taking the form of the provision of credit. The proposed actions may be illustrated by the preparation of a series of farm models representing the various types of enterprise to be included in the project. Alternatively (and this may be more appropriate when a large number of small and very diverse farms are involved) a series of plans may be drawn up for homogeneous sub-areas and brought together as a global plan for the project area as a whole.

5.06 Supporting Infrastructure and Equipment: This consists of off-farm works undertaken to directly support farm enterprises. It may take the form of land consolidation, irrigation and drainage facilities, access roads, facilities for marketing, packing and processing, etc. Equipment for construction may be included in the project when, for example, an irrigation department is responsible for undertaking the construction work under force account. Similar provision may be made for equipment required for the operation and maintenance of project works. Such equipment might include vehicles, bulldozers, graders, etc.

5.07 Infrastructural works should be designed to a sufficient degree of detail to permit the significant construction work quantities to be estimated to an accuracy of some 10% as a basis for cost estimates of the same order of accuracy. In projects including settlement, for example, a semi-detailed outline of the settlement pattern would be required in order to indicate length of roads, nature of water development and distribution, area to be developed, etc.

5.08 Where the degree of accuracy of the preliminary estimates is difficult to determine because of lack of adequate engineering data, or where the degree of possible error is greater than considered tolerable (e.g. where the economic justification of the project is likely to be marginal), it would normally be necessary to have detailed engineering studies. This is often so in the case of roads, but it might also apply, for example, to irrigation canals. Buildings such as warehouses, silos and market places should be designed with local construction methods and materials and the possibility of a "self-help" contribution in view.

Supporting Services

5.09 Supporting services to be financed under the project might include those for any project authority as well as extension services, foreign technical assistance, etc.

5.10 Extension services are a major input in almost all rural development projects. The number, grade and availability of additional extension officers, their transportation, office equipment and housing requirements should be given. If the project includes staff or farmer training components, their relationship to the national or provincial training system should be described; the required facilities should be listed by components such as classrooms, dormitories, laboratory equipment, etc.

5.11 Foreign technical assistance might be required for initial back-stopping of the project by way of management, straight technical support, investigations for follow-up projects, etc. Such assistance is usually expensive and the need should be fully justified in each case.

Social Services

5.12 The inclusion of various components which are not directly productive is one of the typical characteristics of a rural development project. In most developing countries the greatest potential for improving the quality of life of the rural poor is through the provision of facilities concerned with health and disease control, education, drinking water and electricity supplies and village community facilities such as recreation halls. Obviously, there may be a degree of overlap between these components and others of a more directly productive nature: e.g. improved access roads required for marketing and the supply of inputs will have other benefits of a social nature.

5.13 Health and disease control may be important project actions and in this section the investments required for them should be stated. The particular prophylactic measures necessary should be described. Hospitals and dispensaries to be included in the project, their staffing, number of beds and particular emphasis, if any, should be mentioned. The number of people to be given adequate protection by the project should be given.

5.14 Education is frequently a project component, and might include improvement of school facilities, and investment in new schools and their equipment. It may include training facilities for agriculture or for rural works programme supervisors. The number of such institutions, their annual throughput and their requirement of land should be mentioned. Provision of training material, laboratory facilities, etc., should be detailed in this section.

5.15 Water and electricity supplies. Improvement of domestic water supplies is a component in many rural development projects. The source and method of water supply should be described, with the number of private and public outlets and an estimate of the number of families they are expected to serve. The number and capacity of the major items such as pumps and storage tanks are also required. If supply of electricity is one of the project items, the source of supply, the mileage of transmission, number of transformers, the number of meters and the peak demand should be indicated.

C. Implementation Schedule

5.16 This section should describe the time phasing of all project actions including non-farm and on-farm works. The description might be supported by a detailed graphic presentation such as an arrow diagram and bar chart.

5.17 This section is very important because from it is derived the phasing of expenditure, and hence the disbursement pattern of the loan. As different lending agencies have different lending practices, it is necessary to tailor the project to the requirements of the particular agency in view. If, for instance, the project implementation period first in mind were longer than the normal disbursement period of the financing agency, it may be possible to divide the project into two stages involving two loans with shorter disbursement periods. Most commonly, the disbursement periods for agricultural projects are of three to five years, but longer periods are required, for example, in the case of projects involving tree crops.

D. Cost Estimates

5.18 The importance of accurate cost estimates cannot be over-emphasized. They are the basis for determining the economic and financial viability of the project and also for funding the project. All costs should be broken down to show the foreign exchange and local currency elements. The foreign cost component includes the cost of items fully imported (including any foreign technical assistance) and the import component of goods manufactured locally. Data in this Section should be presented in such a way as to facilitate cross-referencing with Section B above ("Detailed Features").

Capital Cost Estimates

5.19 Estimates for capital costs should be presented in summary in the main report and a detailed breakdown with supporting data, including quantities and unit costs, should be given in an annex. The heads under which the costs are summarized in the main report should correspond as closely as possible to the approach adopted in the earlier technical description of the detailed features of the project (see para 5.03).

5.20 Cost estimates for any major supporting infrastructure, such as irrigation works and feeder roads, should be based on justified unit rates and quantities derived from the preliminary layout and design. Where items of equipment for construction of the main works or for project operation and maintenance will be procured under the project, these should be shown separately. Equipment should be costed on the basis of the manufacturer's or agent's quotations (CIF).

5.21 On-farm development works, etc. are usually costed by multiplication from detailed development plans for representative farm models. However, since the farms involved in rural development projects are likely to be very small and lacking in homogeneity an alternative approach might be considered more

appropriate. This would involve the preparation of cropping patterns for homogeneous (physical, human and economic) sub-areas and the derivation of all investment costs (as well as input requirements and benefits) first on a per hectare basis for such sub-areas and then as an aggregate for the sub-areas and for the project area as a whole. If this approach is adopted, a limited number of farm models would still be required to show the possible farm income and cash flow.

5.22 Recurrent costs. World Bank policy normally restricts financing to capital expenditure. However, the concept of capital expenditure has been broadened to include the inventory of materials required for the initial level of operations or to raise it to a higher level, either starting up expenses of projects, technical services to prepare studies, train local personnel, or give advice to local institutions, etc. The operating costs of executive agencies (extension, etc.) during the development period of the project have also been eligible for Bank financing. Such expenses have been treated as "capital" items on the reasoning that they create "assets" which are expected to produce a stream of goods and services over a period of years.

5.23 Contingencies. To all cost estimate factors should be added for physical and price contingencies, the percentage varying according to the degree of confidence in the estimates and the possibility of price escalation. Although the price escalation factor is left out of account in the economic analysis of the project (see para 7.06) it obviously is of importance in drawing up the financing plan.

Annual Cost Estimates

5.24 As stated before, certain recurrent costs may be capitalized during the construction period. Whether or not required for the capital cost estimates, estimates of annual costs for the project authority and for participating farms are required for the economic analysis of the project over its full life.

5.25 Project operation and maintenance costs. Operation costs are calculated on the basis of salaries and other recurrent expenses and maintenance costs usually on an appropriate percentage basis of the capital costs of the works. Replacement costs for project equipment are estimated so as to set aside sufficient funds to replace the component at the end of its useful life. Any annual payments for amortization of the capital cost should be deducted from the annual provision for replacement.

5.26 Farmers' operating costs are derived from farm budgets for representative model farms multiplied by the number of farms to give aggregates for the project. Essentially, farm budgeting is an accounting exercise, documenting cash payments and receipts. Payments, or costs, include items such as seed, fertilizers, hired labour, sprays, operating costs of transport and machinery, water charges, etc., as well as overhead costs such as management, depreciation, insurance, etc. Since family labour is not a cash cost it should be excluded from consideration at this stage.

5.27 Although particular elements of the farm budgets are referred to at different places in the main text, it is convenient to present the full analysis in one annex. This should include a cash flow table covering the life of the project, which would at the same time indicate the credit needs of the farmer. In this connection, a distinction should be made between long, medium and short term credit according to whether the loan is for fixed improvement, for purchase of machinery and equipment, or for annual operations. The farm budgets should also be taken into account when assessing the repayment capacity of the farmers in relation to the terms and conditions suggested for the loans (interest rate, repayment period and schedule, grace period). The format of a typical cash flow table is set out in Appendix B.

E. Financing

5.28 It will usually not be possible or desirable for the feasibility study team to put forward a full financing plan for the project. However, in order to help those who will make the financing decisions, the feasibility report should forecast year by year over the investment period of the project, the total expenditures, divided into foreign currency costs and local costs. Other factors relevant at this point are the proportion of the loan which might be borne by the international financing agency, bilateral sources (in the event of joint external financing), the government, farmers and other participants. Understandably, international financial institutions and bi-lateral agencies usually are most interested in meeting the foreign exchange costs of a project, but increasingly a proportion of the local currency costs also is being financed. This has special importance in relation to the financing of rural development projects, since the social and infrastructural components of such projects might have low foreign exchange costs.

F. Procurement

5.29 Most multilateral and bilateral financing agencies have their own requirements for procurement and this section should explain the relevance of these to the items to be purchased under the project and how the conditions would be met. For example, the World Bank requires that borrowers obtain goods and services (other than consultants' services) on an international competitive basis unless another procedure, more appropriate to the circumstances, has been agreed between the Bank and the borrower. Procurement under loans for agricultural credit, livestock or for rural works programmes consisting of many small sub-projects, does not require international competitive bidding, except where items can be suitably contracted or procured in bulk, for example, for fertilizer. Minor civil works and small equipment items are typically provided under World Bank projects by bidding among local contractors, or local suppliers, or sometimes by "force account" using the resources of a public agency of the government or the borrower. Again, this has special relevance to rural development projects.

VI. ORGANIZATION AND MANAGEMENT

6.01 This chapter is concerned with how the project would be executed and operated and with the suitability of the administrative management proposed for those purposes. In general, it should show which agency would be the borrower, which entity or entities would be responsible for the various aspects of project execution and operation, and how the funds provided for the project by the external financing agency and the government would be channelled to the ultimate borrowers.

6.02 The formulation of satisfactory organizational proposals for rural development projects usually is even more difficult than for conventional agricultural projects because of the multi-sectorial approach and the need for coordination among various department and government agencies, on the one hand, and between government and elected groups, on the other. Furthermore, rural development projects involve larger numbers of people than most other types of project. Institutions to look specifically after the rural poor generally are lacking and the beneficiaries themselves disorganized. The cooperative movement may sometimes make a contribution in this direction. Frequently, however, the cooperative movement comes under the control of the bigger farmers and village traders, and in its existing form may not be suitable for the mass of the rural poor. This leaves project planners with the unenviable task of setting up new organizations. On the other hand, a radical transformation of an existing agency (e.g. cooperatives or Department of Rural Development) may be equally difficult, unless the Government is willing to make substantial changes.

6.03 Bearing these considerations in mind, and the multiplicity of different types of rural development project likely to be formulated, only some very general suggestions can be made as to the form of presentation and contents of this part of the report. In this connection, it is useful to begin with the central agency or agencies and then to refer to ancillary entities.

A. Central Authority

6.04 Some rural development projects, particularly those of a multi-sectorial type, will involve a number of government agencies (such as Ministries of Planning, Agriculture, Public Works, Health, Education, etc.). In such cases it clearly is essential that machinery should be established to ensure coordination at the centre. Such coordination might be required in the first place at the policy making level and in the second place at the day-to-day management level. For the latter purpose, it may be preferable to set up a special entity at the national level to deal with the rural development project, particularly if the project is to be one of a succession of similar undertakings. Similar entities may be required at lower administrative levels (regional, provincial, local, etc.) since rural development projects frequently will be concerned with small-scale community facilities normally financed through local budgets.

6.05 Wherever possible, the coordination of different levels of project organization should be such that it ensures a flow of information and ideas from the central organization to the field, and even more important, from the field to the policy-makers. The functions and powers of the various tiers and their place in decision-making should be clearly stated in the report. The responsibilities for coordination should be given. If there is a Board or Commission for Rural Development, its legal status, functions and powers should be explained. It is very important to assess the capabilities of the proposed staff at the different levels and to evaluate their past performance. An organizational chart should be included.

6.06 An illustration is given below in summary form of an organizational structure adopted for an on-going rural development project financed by the World Bank.

Illustration : Under a World Bank financed rural development project in Mauritius provision was made for the strengthening of the project planning and execution capability of existing government machinery. The overall programme would be coordinated by the Rural Development Committee of the Cabinet (RDCC) chaired by the Prime Minister. Its secretariat would be under the Rural Development Unit (RDU) of the Ministry of Economic Planning. This unit would include a Project Manager, senior officers to coordinate the Village Improvement Programme and staff for a small monitoring section. The Project Manager would be the secretary of the RDCC. The Project planning units of individual key ministries would be strengthened to ensure: (a) close ministerial cooperation in the follow-up maintenance and staffing of the projects; and (b) an adequate pipeline of labour-intensive projects for follow-up phases. The construction of all projects would be carried out by the Development Works Corporation, a corporate body established under the Development Works Corporation Act of 1970.

B. Ancillary Entities

6.07 The ancillary entities likely to be involved in the project at the local or field level might include:

- (a) Local government bodies (such as Local Councils);
- (b) Research and extension services;
- (c) Marketing bodies (including cooperatives);
- (d) Farmers' organizations.

6.08 In each case the precise role of the entity in the implementation of the project should be spelt out, together with a convincing explanation of the ability of the entity to undertake the responsibilities assigned to it. Staff requirements and availabilities should be given special attention and, where necessary, the qualifications and experience of key personnel should be given.

6.09 Where credit to farmers is involved, the credit institutions should be assessed in relation to capacity to undertake the proposed lending programme. Points to be considered are legal charter, capitalization, powers and functions, direction, management, delegation of authority, internal organization, staffing, accountancy and control, auditing, financial accounts and projections, operating policies, terms and conditions of loans, security requirements, procedures for loan appraisal, disbursement and collection and the loan repayment record.

6.10 In the chapter as a whole the objective should be not to explain the institutions as such but to explain how the project would be organized and managed and the contribution which the various entities would make towards that end.

VII. PROJECT BENEFITS AND JUSTIFICATION

7.01 As indicated in the Introduction, one single distinguishing feature of rural development projects is their orientation towards the low-income rural poor. This section of the report should therefore conclusively demonstrate that the proposed project actions would in fact lead to an alleviation of the condition of the target income group. Broadly, the typical project might be expected to:

- (a) Improve the general quality of life of this group and their productivity by giving them easier access to social services and amenities such as communications;
- (b) raise the average incomes of such groups directly through investments in means of production (an approach which implies that the individual in low-income group is the operator of an agricultural holding however small that might be).

7.02 Various techniques for weighting economic and social benefits which lead to the production of a quantified estimate of a project's social returns have been developed in recent years ^{1/}. While these techniques provide a useful means of comparing the relative advantages of alternative projects they rely heavily on the subjective allocation of accounting prices

^{1/} The Little-Mirrlees approach as in : Little, I.M.D. and Mirrlees, J.A.: Manual of Industrial Project Analysis in Developing Countries, Vol. II, OECD, Paris, 1969. The Sen-Dasgupta-Marglin approach as in: Guidelines for Project Evaluation, United Nations, New York, 1972.

to all project ingredients and products. They also tend to disguise many of the advantages and disadvantages of a project which, if brought out into the open, could be weighed individually in the decision-making process. Until these techniques are refined, the distinction between economic and social benefits should be clearly drawn in justifying rural development projects, and the presentation should concentrate on providing a properly informed basis for decision-making. This may involve calculating the economic return on the directly productive elements of the project, of which the costs and benefits can usually be quantified, and making a separate qualitative assessment of the non-quantifiable social elements.

A. Economic Benefits

7.03 A "conventional" assessment should be made of the economic benefits of the "directly productive" elements of the project. The most common method of doing this is by measuring the project's "internal economic return", which may be defined as "the rate of discount at which the total present value of costs incurred during the life of the project is equal to the total present value of benefits accruing during the life of the project." Typically in an investment project costs are bunched at the beginning of the project while benefits only begin to accrue after a lapse of time. The application of a discount factor enables these costs and benefits to be compared on a level footing on the basis of their present value.

7.04 To calculate the internal economic return it is necessary to construct a table, which should be given in an annex, showing the costs and benefits and the incremental income directly attributable to the productive elements as they accrue each year during the life of the project. Using Present Value Tables ^{1/}, the rate of return may then be arrived at relatively simply as illustrated in summary form in Appendix C.

7.05 In a project with several distinct production elements (e.g. agriculture, forestry, fisheries, agro-industries) the economic viability of each element should be demonstrated. As in conventional agricultural production projects, the incremental output resulting from project actions should be projected over the life of the project along with expected prices to derive the benefit stream referred to above. The cost stream (investment and operating costs) should only include those items directly associated with the production process i.e. the social costs dealt with in the following section should be excluded from the analysis at this point.

7.06 The analysis here should be strictly economic rather than financial, i.e. it should reflect the point of view of the economy as a whole rather than the standpoint of the individual farmer or other entities participating

^{1/} These are readily available in a number of sales publications.

in the project. Some items taken into account in the financial analysis which need a different treatment in the internal economic return calculation are:

- (a) Subsidies which operate to reduce input costs must be added back into the market prices for such inputs;
- (b) Price contingencies are omitted from project costs since it is assumed that inflationary trends will affect the prices of inputs and outputs equally;
- (c) Market prices, foreign exchange and labour costs should be "shadow priced" if the market rates are considered to be artificially distorted;
- (d) Taxes, duties, etc. are not deducted from the income stream as in the financial analysis since they represent transfer payments within the community;
- (e) Depreciation is not taken into account since the internal economic return calculation assumes a closed cycle.

B. Social Benefits

7.07 Social benefits should be presented in the context of the project's basic objectives. If the principal aim of a project is to develop a more equitable distribution of income in the target population, emphasis should be placed in the presentation on the extent to which it meets this goal. Similarly, if the objective is employment, a thorough assessment of the job-creating impact of the project should be made. Some of the following indicators may be used in the assessment of social benefits.

Income Distribution

7.08 The extent to which the income of the poorest sector of the population is improved as a result of the project relative to that of the other sectors should be shown. Ideally projections of income levels for each income quintile of the population in the project area, with and without the project, should be presented. Alternatively a comparison might be made of projected incomes for each farm size group.

Employment

7.09 The extent to which the project reduces underemployment and unemployment should be assessed. Generally this can be quantified in terms of the number of man-years of work created by the project, with a distinction being made between permanent employment and employment during the construction phase. The number of jobs created might be compared to the project increase

in the labour force. When a deliberate attempt has been made to substitute machinery by labour the cost (in financial terms) should be shown.

Access to Land

7.10 If the project contains a land reform element, the distribution of land utilization rights, by type of tenure, before and after the project should be demonstrated.

Internal Migration

7.11 In countries with serious metropolitan growth problems it may be useful to attempt an evaluation on the probable impact of the project on rural-urban migration. If satisfactory urban accounting or planning costs are available the savings in inescapable urban absorption costs resulting from reduced internal migration may be included among the economic benefits of the project.

Nutrition and Health

7.12 If the project is sited in an area with recognized nutritional or health problems, its expected impact on these problems should be assessed. If a quantitative assessment is possible the nutritional effects may be best described in relation to expected levels of daily protein and caloric intake relative to present levels.

Other Living Standard Indicators

7.13 Levels of access to utilities and services before and after project implementation relative to national rural and urban averages might be compared. Items reviewed could include domestic water, electricity, telephone, roads, schools, health services, markets, agricultural supplies, extension services, etc.

C. Sensitivity Analysis

7.14 "Sensitivity analysis" is usually undertaken to indicate the sensitivity of the economic calculations to changes in some of the more important basic assumptions made, such as average yields, "shadow" labour and foreign exchange rates, etc. It involves simply the substitution of alternative figures for the ones originally chosen and a recalculation of the results in terms of the internal economic return. In order to illustrate the implication of "loading" a rural development project with social infrastructure and services it may be useful to demonstrate the sensitivity of the rate of return calculated on the productive elements of the project to successive increments in the costs attributable to these social elements.

VIII. FINANCIAL IMPLICATIONS FOR GOVERNMENT

8.01 A clear understanding is needed of the budgetary implications of the project at all levels of government. Although an analysis should be made of the financial implications for involved agencies of the proposed project in its investment phase, particular attention needs to be given to identifying additional recurrent costs consequent upon project implementation. Such costs include maintenance of works (roads, irrigation schemes, water supplies, etc.) and the continued provision of services (extension, health, education, etc.). A detailed analysis should be presented in an annex to show the projected annual balance between costs to government and revenues likely to be generated from sources such as dues and taxation. This analysis would indicate the requirements for, and level of, subsidies and could be used to demonstrate a need to restrict the scope and scale of a project because of difficulties of raising revenues locally. Where a country is known to have foreign exchange limitations, the annex should also present a projected foreign exchange balance (value of exports less imports) for the project.

IX. OUTSTANDING ISSUES

A. Policy Issues

9.01 There are few projects which have no outstanding policy issues which must be resolved by governments before the project can be appraised for financing. Commonly these start at the identification stage in relation to the selection of the particular project area or type, or even the decision to make a real effort at achieving rural development. Thereafter decisions are particularly needed on the level of support to be given to a particular group of people or region or the level of water charges to small farmers, or the agency which will have the leadership of the proposed activities. While most policy issues should have been resolved by the time the preparation report is completed, in some cases presentation of the report and a clear statement of the outstanding issues is the only way of reaching high level decisions.

B. Measures To Be Taken Before Appraisal

9.02 Frequently the proposed project activities are based on judgement using an inadequate data base. The preparation group may need to complete surveys, air photography, or to present additional data after the report is presented, but prior to appraisal. This may be acceptable, but judgement has to be exercised as to the reliability of existing data - in other words, it should clear that the work to be completed after the report is written will serve only to substantiate the main project proposals and will not change them significantly.

ANNEXES

In order to keep the main project preparation report as short and concise as possible, all detailed supporting material should be assigned to annexes. In practice, the most common procedure is for the annexes to be prepared first and to constitute the basis for the main text.

The number, themes and completeness of annexes presented will, of course, depend very much on the scope of the project under preparation. They may also reflect the composition of the preparation team. Generally, however, annexes may be grouped into two broad classifications: annexes which are descriptive of the existing situation, institutions and development potential taken on the national and project level, and annexes which provide material to support the proposed elements of the project and its justification. The first class of annexes provides supporting information for the "Background" "Rural Development Strategy and Project Concept" and "Project Area" chapters of the main report, while the second class of annexes provides detailed material to support the later chapters of the report.

Like the main report, annexes should be kept short and only enter into detail to the level that is considered necessary for an understanding of the project and its justification. The depth of treatment accorded to any aspect of the project dealt with in annexes depends essentially on the judgement of the project preparation team. Annexes designed to support major or more critical project elements necessarily must be more detailed than those which present material to support less important elements. The level of detail presented may also reflect the degree of information available, but care should be taken not to overload annexes with irrelevant information just because the data happen to be available. Where much information of marginal relevance, but of possible interest to an appraisal team, has been gathered during project preparation, this may usefully be assembled as a collection of working documents to which reference may be made in the report.

PROJECT COMPONENTSINDICATIVE BREAKDOWN

1. Farm Development (in the description: how many farms and which areas are involved)
 11. Short-term credit
 12. On-farm investment (medium and long-term credit)
 - Land improvement (land clearing, levelling, etc.)
 - Plantations (trees and semi-permanent crops)
 - Pasture investments (pasture establishment, fencing, etc.)
 - On-farm stocking
 - Farm implements and farm buildings
 - Farm irrigation facilities
 - Other
 13. Food Aid - Subsidies
2. Collective Productive Infrastructure
 21. Land consolidation
 - Agrarian reform
 - Cadastre
 - Settlement establishment
 - Land consolidation
 - Other
 22. Irrigation rehabilitation
 23. New Irrigation
 - Extension of an irrigation network
 - Collective pumps
 - Wells (including pumps)
 - Pilot Schemes
 - Engineering designs
 - Other
 24. Drainage
 25. Flood Control
 26. Other
3. Supporting Production Infrastructure and Services
 31. Roads and communications
 32. Marketing
 - storage
 - transportation
 - working fund
 - market places
 - other

- 33. Agricultural Research
- 34. Livestock breeding units
- 35. Seed production (including seedling production; seed-processing plant)
- 36. Agro-industries
 - dairy
 - group processing equipment
 - other
- 37. Machinery (in rural development projects, machinery is not, usually, an on-farm investment); including workshops
- 38. Plant disease and pest control
- 39. Animal health (including health campaigns)
- 4. Forestry
 - 41. Reforestation (most often include erosion control)
 - 42. Erosion control, watershed management
 - 43. Forest exploitation
 - 44. Forest industries
- 5. Fisheries
- 6. Supporting project services
 - 61. Project administration and development services
 - central services
 - extension services
 - other services and agricultural institutions
 - technical assistance
 - 62. Farmers organization
 - 63. Training
 - 64. Studies
- 7. Social Investments and Services
 - 71. Health
 - equipment (including the corresponding services)
 - disease control
 - 72. Schools
 - 73. Water supply
 - 74. Electricity supply
 - 75. Village equipment (sanitation, collective buildings, recreational, etc.)

Sample Format of Cash Flow Table for Individual Project Farm 1/

	<u>Pre-</u> <u>project</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
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1. Cash Inflow
 - (a) Total sales (gross revenue) 2/
 - (b) Farmer's contribution 3/
 - (c) Long-term loans 4/
 - (d) Seasonal loans 5/
 - (e) Total Cash Inflow

2. Cash Outflow
 - (a) Investment costs 6/
 - (b) Recurrent costs 7/
 - (c) Total Cash Outflow

3. Cash Balance before Debt Service

4. Loan Outstanding

5. Debt Service
 - (a) Interest on seasonal loan 8/
 - (b) Interest on long-term loan 9/
 - (c) Seasonal loan amortization 10/
 - (d) Long-term loan amortization 11/
 - (e) Total Debt Service Payments

6. Cash Balance after Debt Service 12/

7. Taxes

8. Net Cash Balance 13/

9. Cumulative Cash Balance 14/

(see footnotes overleaf)

Sample Format of Cash Flow Table for Individual Project FarmNotes

- 1/ This table is usually derived from a series of more detailed tables concerned with the Investment Costs, Recurrent Costs, Gross Revenue, etc.
- 2/ Value of total farm production valued at farm-gate prices less the value of subsistence consumption and crops used for another enterprise such as livestock production.
- 3/ It is assumed that where farmers have resources of their own they will contribute towards the development of their farms, complementing investment loans. Here, their actual cash contributions only are entered.
- 4/ The volume of these loans should be decided on the basis of investment requirements, farmer's own capacity to contribute and incremental cash benefits. The loan disbursement period should be kept as short as warranted by the cash flow.
- 5/ Normal seasonal credit may be utilized if the institutions exist in the project area.
- 6/ Capital expenditure here is the actual real capital put on the farm each year, regardless of any grace periods on loans, etc., and provision must be made for replacements where necessary. No provision is made for cost escalation at this point.
- 7/ Includes all cash costs (seeds, fertilizers, hired labour, operating costs of transport and machinery, etc.) valued at farm-gate prices as well as overhead costs such as management, depreciation, insurance, etc. Since family labour is not a cash cost it should be excluded from consideration at this stage. Financial charges, although of a current nature, are also excluded at this point.
- 8/ Interest on average loan.
- 9/ Interest on loan outstanding at end of year (from Item 4).
- 10/ Since this loan is for less than 12 months it should equal Item 1(d).
- 11/ Amortization of long-term loan as in Item 1(c). Amortization should be in equal annual instalments and there may be need for a grace period of up to 3-5 years after disbursement.
- 12/ Item 3 minus Item 5(e).
- 13/ Item 6 minus Item 7.
- 14/ Summation of Item 8.

Sample Calculation of Internal Economic Return

(The internal economic return is about 17.5%)

Year 1/ Par	Investment costs	(Incremental) operating costs	(Incremental) gross returns	Balance (3)-(2)-(1)	Present value of 1 at 18% annual discount 2/	Discounted balance (4)x(5)	Present value of 1 at 17% annual discount 2/	Discounted balance (4)x(7)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	100	10	-	-110	0.847	-93.2	0.855	-94.0
2	400	20	-	-420	0.718	-301.5	0.731	-307.0
3	300	20	100	-220	0.609	-134.0	0.624	-137.3
4	200	30	200	-30	0.516	-15.5	0.534	-16.0
5	-	30	200	+170	0.437	+74.3	0.456	+77.5
6	-	30	210	+180	0.370	+66.6	0.390	+70.2
7	-	30	220	+190	0.314	+59.7	0.333	+63.3
8	-	30	230	+200	0.266	+53.2	0.285	+57.0
9	-	30	240	+210	0.225	+47.2	0.243	+51.0
10-20	-	30	250	+220	1.050	+231.0	1.177	+258.9
Total						-12.3		+23.6

1/ Covers life of project.

2/ Present value figures taken from standard tables in a variety of publications. The annual discount percentage is arrived at on a trial and error basis by successive approximation until the algebraical sum of the discounted balance column is as close as possible to zero. It is useful to remember that after a period of 30-40 years all the discounted values become negligible.

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March 14, 75

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OTHER CASE YOU MENTION=

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2 I - FAO / IBRD
Camp Perry.

Mr. J. C. Peter Richardson; OPD Task Force
Chairman
Peter G. Nelson (B507; 3649)

March 13, 1975

Joint Study of FAO/IBRD Cooperative Program Activity

1. Following up our discussion yesterday March 11 on the CP study, I have a few additional comments, which are entirely my own, not Divisional or Departmental. (Incidentally, we usually refer to the "FAO/IBRD Cooperative Program (CP)," not the "Bank/FAO Cooperative Program" - a small detail that used to irritate our friends in Rome.)

Accountability

2. I think it very important that CP should be and be seen to be, responsible for its own activities under its own management. Clearance of CP reports with the Bank should therefore be a courtesy, or for specific clarification in particular cases. On the other hand, terms of reference should be cleared with the Bank before missions depart, to make sure they fit in with the agreed program and our expectations for the project; not because we are trying to tell CP how to run its affairs, but because CP should so choose, the better to do its job.

Alternative Bank-Associated Preparation

3. An alternative to CP would be to establish a Bank staff team in Washington to carry out agricultural project preparation. The argument against this - and one of the principal reasons for creating CP in Rome - is that such a team would not be sufficiently independent and that the Bank would not be able effectively to appraise its own work. I do not think this valid. If the team were to carry out preparation as a separate unit, with a Chief responsible solely for its work, and if it were not involved, as a unit, in appraisal and supervision, it should be sufficiently independent, and its work subject to as keen appraisal as is CP work. While remaining an independent unit, the team would have the advantage of much closer acquaintance with Bank policy and appraisal requirements.

"Bank Project"

4. Whether CP prepares a project, or we do, it is too often referred to as a "Bank project." This is hard to avoid when CP and ourselves do most of the work. This would be less prevalent if national working groups in the country concerned were to do most of the preparation, with CP or our assistance.

March 13, 1975

Interviews with LDC Representatives

5. It was somewhere suggested that your task force would interview LDC representatives who might be in Washington for negotiations. I do not think this a very good idea, since they may not be very familiar with CP activity. However, informal enquiry might do no harm.

PGNelson:yp

cc: Mr. Parsons

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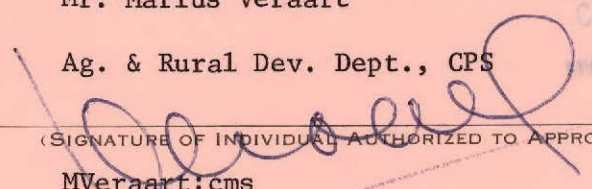
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LT-FAO/DBAN CORP
PROGRAM

Mr. Mervyn L. Weiner
(through Mr. S.M.L. van der Meer)

February 11, 1975

R. Picciotto

Your Visit to FAO

FEB 7 1975

Your visit to Rome is timely. The joint World Bank/FAO Task force in charge of the study of the Cooperative Program will begin its work in early March. Attached are the draft TORs for the study, including information on its timing, administration and work plan. The "illustrative questions" attached to the TORs make up an exhaustive checklist of issues which you may wish to touch upon selectively during your talks.

From the South Asia perspective, the following issues deserve emphasis:

- (a) Priority Setting: South Asia ranks well behind Latin America and EMENA in terms of CP resource use. There is no simple explanation for this state of affairs. It is partly a reflection of a CP organization made up of two Regional desks—one which handles two Regions (EMENA, LAC) and the other, four (South Asia, East Asia, East Africa, West Africa). More fundamentally perhaps, it is due to CP's propensity to respond to pressures for regional and country balance—not unlike those which shape financial and agriculture manpower resource allocations within the Bank. During your visit to Rome you may nevertheless wish to stress that there seems to be a gap between the lofty objectives of the Food Conference (with its emphasis on South Asia) and actual manpower resource allocations by the CP.
- (b) Policy Formulation and Sector Work: the CP has exhibited a preference for activities in which it has clear-cut responsibilities (i.e. preparation). And the Bank has shown diffidence in sharing the burdens and glories of country programming. This has led to a situation where project design does not flow smoothly from a joint Bank/FAO perception of sectoral constraints and priorities. In view of this I would recommend that you extend to FAO an invitation to participate fully in agriculture operations programming for the South Asia Region. Specifically, you should encourage the CP to give more priority to participation in sector activities—including Bank-led missions. You should also request a regular input into our CPP cycle for countries in which there is substantial FAO experience. (I suspect that Nepal and Sri Lanka fall in this category but perhaps not Pakistan or India). Finally, you should bring up the whole range of issues involved in Mr. McNamara's requests for improved food production planning for major Asian countries and explore how duplication of staff efforts can be minimized. You should indicate, of course, that we expect that this work

will eventually be orchestrated by Ed Martin in the framework of the Consultative Group on Agriculture Investment and Food Production.

- (c) Link to Resident Offices: I hope you will find time to talk about arrangements for Mr. Campbell (just to ensure that everything is still on track). But in a more general vein, you may wish to stress that we view CP's most valuable work as one of building up country project preparation capability and of helping to resolve basic technical and project design issues at an early stage in the cycle. From this standpoint, the wisdom of operating an overwhelmingly Rome-based organization should be discussed. You should indicate that we would welcome a permanent CP presence not only in India but also in Dacca and in Islamabad.
- (d) CP and FAO Interactions: in addition to the points raised under this heading in the Task Force TORs (page 11), you may wish to encourage the CP to be more aggressive in opening up lines of communication between Regional staff (including Program economists) and FAO departments. You may encounter some sensitivity regarding Bank proposed activities as "executive agency" of UNDP projects with agriculture components (Nepal Umbrella Technical Assistance, Burma Umbrella Technical Assistance, Pakistan Indus Basin) but you should stress that we always follow a fully cooperative approach vis-a-vis the CP for operations in which Government asks us to be executive agency. For internal FAO reasons, the CP has been reluctant to work with us on such assignments.

As background, I attach a copy of the most recent FAO travel plan for South Asia and an extract from the Regional Operations Program.

RPicciotto/cta

Attachments

Cleared with & cc: Mr. Veraart

cc: Messrs. Yudelman, Nelson, Pranich, Spall

FAO
BB

FAO/WORLD BANK COOPERATIVE PROGRAMME - SERVICE II (ASIA, FAR EAST AND AFRICA)

SCHEDULE OF MISSIONS, 1 JANUARY to 30 JUNE 1975 *

(1) ASIA AND FAR EAST (Including Pacific)

30 December 1974

Country	Project and code number	Responsibility	Type of mission	Composition	Timing and duration in field	Location and duration of report writing	Remarks
BURMA	Irrigation (Nyannggyat Dam) (8BUAAXO2)	FAO	Ident.	Benjamin Roell Sugimura Rashid(c)	20 Nov. '74 (3 weeks)	Rome	For FY 76. To include 5,000 ha Mu River. Also to supervize Irrawaddy Bank repair project.
	- ditto -	FAO	Preparation	Benjamin Roell Sugimura	Feb/March		
	Lower Burma Paddy project	Bank	Preparation	Benjamin	February (3 weeks)		Institutional expertize requested from CP
FIJI	Sugar Infrastructure	FAO	Preparation	Allen Sugar Ind. specialist(c) Drainage eng.	15 Feb. (4 weeks)	Rome (8 weeks)	For FY 76.

* Including missions writing reports as of 1 January.

INDIA

CAD Programme

Andra Pradesh	FAO	Ident./Prep.	Campbell Fireman Moir	29 January - 4 February	
Orissa	FAO	Preparation/ Supervision	-ditto-	5-11 February	
W. Bengal	FAO	Ident.	-ditto-	12-15 February	Includes establishment of project preparation groups at State level in identification stage, and supervision of existing groups in preparation stage.
Bihar/U.P.	FAO	Preparation/ Supervision	-ditto-	16-22 February	
Maharashtra/ Karnataka	FAO	Ident.	-ditto-	22-27 February	
Andra Pradesh	FAO	Preparation	Pineau Trnka(c) Dequin(?)	10 February (2-3 weeks)	Credit and roads components only. To include Orissa also if preparation work sufficiently advanced
Andra Pradesh	FAO	Final Preparation	Campbell Moir Baudelaire Dequin	7-26 April	Also on-going supervision of Orissa and Bihar/U.P.

30 December 1974

Page 3

INDIA (cont'd.)	<u>CAD Programme</u> Orissa	FAO	Final Prepa.	Campbell/ Baudelaire Dequin Moir	9-28 June		Also presenting final Andra Pradesh report to Government
	Andra Pradesh	Bank	Appraisal	Campbell	August		Also presenting final Orissa report to Government and ident- ification of Gujarat
	Orissa	Bank	Appraisal	Campbell	November		Also preparation follow-up Bihar/U.P. and initiation of preparation Gujarat.
	Kerala Tree Crops (8INDAPO4)	FAO	Preparation	<u>Brookson</u> <u>Muller-</u> Praefcke Agronomist Rubber Processing(c)	February (4 weeks)	Rome (8 weeks)	
	Livestock Sector Study	FAO	Desk Study	<u>Groenewold</u> Simeon	January	Rome	To include partici- pation of Tornovsky as part of FAO input
	Fisheries	FAO	Reconn.	<u>Bourgois</u> <u>Guckian</u> (FAO) Bogg (FAO)	10-31 Nov.	Rome	Golkowski (Bank) also participating
	- ditto -	FAO	Preparation	<u>Bourgois</u> <u>Guckian</u> (FAO) Economist	April (4 weeks)	Rome	

30 December 1974

Page 4

INDONESIA	Transmigration (7INSAD01)	Bank	Appraisal	Macartney	7 Nov. 1974 (4 weeks)	Rome/ Washington	Pineau also partici- pating report writing Washington 2 weeks
	Education V (7INSEEO4)	FAO	Preparation	Apodaca Bagshaw Freeman (Bank) Higher Edu. specialist(c) Architect (c)	7 January (5 weeks)		
	Education V (7INSEEO4)	Bank	Appraisal	Lesire	February (5 weeks)	Rome (4 weeks)	
KOREA	Secondary Cities (7KORUU01)	Bank	Supervision	Bourgois Guckian (FAO)	10 January (2 weeks)	Washington	
LAOS	Sector Study	Bank		Delon	15 January (3-4 weeks)	Rome	Casati also to participate during second half of mission
MALAYSIA	Smallholder Review (7MAYAYS01)	FAO	Sector Survey	de Wilde Allen Brookson Fenn Vita	20 Oct.- 5 Dec.	Rome (8 weeks)	Includes also participation by Bank staff.

NEPAL	Rural Dev. (8NEPAD01)	FAO	Preparation	Cheriyen Spinks	30-31 Dec. '74		Discussions with appraisal mission
	Rural Dev. (8NEPAD01)	Bank	Appraisal	Tautscher (FAO)	10-20 Jan.		
	Seeds	FAO	Ident.	...	...		For FY 77
PAKISTAN	Livestock	FAO	Preparation	Masterton Simeon Agronomist Economist	May (5 weeks)		Marketing aspects in conjunction with Red Meat IDWG - a joint FAO/World Bank study. (see also Sudan Livestock)
	Education III	Bank	Appraisal	Agric. Educ. specialist	April (4 weeks)	Rome (4-6 weeks)	Middle level training specialist required
	Forestry	FAO	Ident.	...	...		For FY 77
PHILIPPINES	Forestry (7PHLAP01)	FAO	Preparation	McFarlane Oudshoorn(c) Weatherhogg(c)	21 Oct. '74 (5 weeks)	Rome (8 weeks)	
	Education	Bank	Ident. / Preparation	...	April (3-4 weeks)	... (3 weeks)	CP participation requested in extension, credit and cooperative training

Fisheries

SRI LANKA	Irrigation Rehabilitation/ Mahaweli Ganga II (8SRIAIO6)	FAC	Preparation/ Ident.	Wyatt Hocombe Goseco (FAO)	Nov./Dec. '74 (3-4 weeks)	Rome	Accompanied by J. Clark for first 10 days. Supervision of local working groups.
	- ditto -	FAC	Preparation	Wyatt Hocombe	March		
	Tea Diversi- fication	FAC	Ident.	Clark Agronomist	March		For FY 76. Expertize required for prepara- tion includes agrono- mist-tree crops, spices, paddy, sericulture, pasture development, reforest- ation, cooperatives and credit
	Coconut Areas	FAC	Ident.	Economist Agronomist	...		For FY 77
THAILAND	Forestry (7THLAT01	FAC	Preparation	Spears	July (1 week)		Review meeting to discuss consultant's report. Bank also participating - Rowe or Ljungman
	Education V	FAO	Ident./ Preparation	Bagshaw Agric. Res. Extension spec. Gen. Education spec. Animal Science spec. Economist	April (5-6 weeks)		
	Education V	Bank	Appraisal	Lesire	May/June		

(2) AFRICA (South of the Sahara)

30 December 1974

Page 7

BURUNDI	Fisheries (2BUIAF01)	FAO	Ident.	...	...	Rome	Timing and composition of mission under review
EQUATORIAL GUINEA	Sector Survey	FAO		Agronomist Agri. Economist	...	Rome	
GAMBIA	Agric. Dev. (3GAM)	FAO	Ident.	Guinard	10-15 Dec. '74	Rome	Second phase on-going project
	- ditto -		Preparation	<u>Cheriyen</u> Economist Simeon Tsangarakis Engineer	15 March (4 weeks)	Rome (8 weeks)	Sinedinos (livestock) from PMMA also available for 2 weeks. To be appraised July or September
GHANA	Irrigation Sector Study	FAO	Ident.	<u>Economist</u> Agronomist Irrig. Eng.	April/May		To be considered in conjunction with Upper Volta as part of Sahel Zone activities. Project pipeline required to begin FY 76
IVORY COAST	Forestry (3IVCAT01)	FAO	Ident.	<u>Meyer</u> (FAO) <u>Deville</u> (FAO) Melhuish (c)	28 Nov. '74 (3-4 weeks)	Rome (6 weeks)	Report to be discussed in Wash. during Melhuish visit
LESOTHO	Livestock (2LESAL01)	FAO	Preparation	<u>Groenewold</u> <u>Crossing</u> Rayner (c) Hughes (c)	20 Nov. '74 (3-4 weeks)	Rome	Accompanied by representatives of RMEA. Crossing overlapping with Sudan Livestock

LIBERIA	Forestry (3LIBAT01)	FAO	Organizational Study	<u>Benjamin</u> Institutions specialist Zurbrugg	May (5 weeks)	Rome	Bank to be advised of project review with possible prospect of participation. Final preparation expected around September
MALAGASY REPUBLIC	Irrigation Small Peri- meters (2MAGAT05)	FAO	Preparation	<u>Guinard</u> Baudelaire Economist	February	Rome	
	Rural Dev. (2MAGAD01)	FAO	Ident.	<u>Delon</u> ...	April (?)		For FY 77
MALI	Grain Storage	Bank	Reconn./ Ident.	Marketing Economist	Jan-March (4 weeks)	Rome	Required as part of FY 76 Sahelian Zone activities. To be done in conjunction with Senegal
NIGERIA	Rice II (3NIRAD06)	FAO	Ident./ Preparation	<u>Cole</u> Robertson Bermey (c)	15 Nov. '74 (4 weeks)	Rome (8 weeks)	To initiate working groups on project prep. Includes visit to on-going IDA project in Sierra Leone
	- ditto -		Preparation	<u>Cole</u> Robertson Engineer	Feb/March (3-4 weeks)	Rome	Review of on-going preparation work
SENEGAL	Fisheries (3SENAF01)	FAC	Preparation	<u>Bourgois</u> Fujinami Guckian (FAO)	June (4 weeks)	Rome (8 weeks)	Subject to Bank confirmation

SENEGAL (cont'd)	Grain Storage	Bank	Reconn./ Ident.	Marketing Economist	Jan-March (4 weeks)	Rome	As for Mali
SUDAN	Livestock (2SUDAL01)	FAO	Preparation	<u>Masterton</u> Crossing Uhland (Bank)	28 Jan. (4 weeks)	Rome (8 weeks)	Transportation and institutional aspects responsibility of RMEA. Marketing as for Pakistan Livestock
TANZANIA	Forestry (2TANAT01)	FAC	Pre-Appraisal	<u>Spears</u> Ljungman (Bank)	15-18 Jan.	Rome/ Washington	
	- ditto -	Bank	Appraisal	McFarlane	21 Feb.- 20 March	...	
UPPER VOLTA	Irrigation Sector Study	FAO	Ident.	<u>Economist</u> <u>Agronomist</u> Engineer	April/May		For FY 76. To be carried out in conjunction with Ghana
ZAIRE	Education II	Bank	Appraisal	Beal	8 Jan. (4 weeks)	Washington (3 weeks)	
	Cotton (2ZAIAD02)	FAO	Preparation	<u>Delon</u> Tsangarakis de Caso (c) Martiou (Bank)	7 Oct. '74 (4 weeks)	Rome (8 weeks)	Appraisal fixed for February/March
ZAMBIA	Forestry II (2ZAMAT02)	FAC	Supervision	<u>Spears</u> Ljungman (Bank)	8-14 Jan.		Supervision of on- going project and review second phase preparation
WEST AFRICA	Forestry (3WANATSY1)	Bank	Survey Review	Melhuish (c)	15 Feb-30 March	Wash.	Includes Ivory Coast, Ghana, Nigeria, Cameroon and Congo..

SOUTH ASIA AGRICULTURE OPERATIONS PROGRAM
FY 75 through FY 79

<u>Country</u>	<u>FY 75</u>		<u>FY 76</u>		<u>FY 77</u>		<u>FY 78</u>		<u>FY 79</u>	
Bangladesh	Barisal Ir.	25	HYV Rice	25	Ag. Cr. I	20	HYV RiceII	35	Ag. Cr. II	30
			RD I	15	Jute Dev.	30	RD II	20	Jute DevII	40
			Ir. & Fld		Ir. & Fld				Ir. & Fld	
			Control	30	Control	50			Ctrl III	60
			Ir. Muhuri	20						
			Ir. Karnaf.	20						
Burma	Lvstk I	10	Ir.	25	Seeds	5	Forestry	25	Lvstk	15
	Forestry	24	Paddy Dev.	15			Paddy II	20	Ir.	30
India	ARC I	40	CAD AP I	55	ARC II	100	CAD Mah.	60	ARC III	100
	CAD Chamb.	55	CAD Oris.	70	CAD Guj.	50	Inlnd.Fish.	40	CAD AP II	70
	Raj. Can.	83	Mar.Fish.	40	CAD Bihar	50	CAD Karn.	75	CAD MP	70
	DPAP	35	Tree Crops		CAD UP	50	Lvstk/		Rural Trib.	
	Ir. Godav.	35	Coconut/		DPAP II	50	Dairy UP	50	Areas	60
	Dairy MP	16.4	Rubber	40	Ag. Ind.	30	Oil Seeds	60	DPAP III	50
	Dairy Raj.	27.7	Forestry I	20	Seeds&Res.	40	Dairy Mah.	50	Oil Seeds	
	WB Ir. &						Forest. II	65	II	35
	Mktg.	35							Cotton II	50
	Cotton	19								
Nepal			Grdwater	8	Ir.	15	Cereal Sds.	8	Stlmt.	8
			RD	10			Ag. Cr.	5	RD	12
									Ir.	12
Pakistan	Seeds	20	Lvstk	10	Cotton	20	Forestry	15	RD II	20
	Ir. Khair-		RD I	15	Ir. Drain.		Ir. Drain.			
	pur	15			II	40	III	40		
Sri Lanka	Dairy	9	Ir. Rehab.	15	Ir. Maha-		Lvstk	20	Ir. Rehab.	20
					weli	30	Plantation	20	Plantation	15
					Plantation		Ag. Cr.	15		
					Dev. Coco-					
					nut	10				
Totals	15	449.1	17	43	16	590	18	623	18	697

February 11, 1975

OFFICE MEMORANDUM

*L E - FAO/IBRD
COOP. PROGRAM*

TO: See Distribution

DATE: February 7, 1975

FROM: James M. Kearns, *Dir.* Organization Planning Dept.,
World Bank

SUBJECT: Study of the World Bank/FAO Cooperative Program

This confirms your agreement to serve on the steering committee for the joint FAO/World Bank study of the cooperative program. Attached are proposed terms of reference for the study. Could you kindly let me know whether they are acceptable to you?

Attachment

Distribution: Mr. J. Huyser
Mr. M. Yudelman
Mr. M. Hoffman
Mr. R. Picciotto
Mr. D. Haynes
Mr. H. Cassati
Mr. A. Jones
Mr. C. de Govia
Mr. Quaix
Mr. M. Veraart

JCPR:b1

Joint Study of the Bank/FAO Cooperative Program

Terms of Reference

Background

Numerous factors have converged to make this an appropriate time for a review of the World Bank/FAO Cooperative Program:

- Approximately ten years have elapsed since the program's inception;
- Both the Bank and FAO have recently completed reorganizations which have an impact on the relationship;
- Both the Bank and FAO are feeling increased budgetary pressures and are intensifying efforts to improve productivity;
- The Bank's emphasis on rural development is resulting in revised policy guidelines and a broadening of many agricultural assistance activities;
- The World Food Conference has signaled an intensified emphasis for agricultural and agriculture-related investment and is being followed by creation of new international institutions and mechanisms concerned with agriculture.

Joint Study

Therefore, the Bank and FAO have decided to conduct a joint study of the cooperative program. The study will review the purposes, role, effectiveness, efficiency and magnitude of the program. It will encompass an assessment of strengths and weaknesses in the relationships among the Bank, FAO/CP and FAO particularly insofar as they affect relationships with and capacities to assist developing countries. It will seek to identify opportunities and means for improvement and will develop recommendations to that end.

The study will encompass Bank, FAO and CP procedures for CP coordination, including those pertinent to planning, programming, scheduling, the review of work, issue resolution, budgeting; control, billing and payment. Also, to the extent they affect the role of FAO/CP and the effectiveness of the Bank/CP relationship, the study will address questions of where CP work should be performed, the CP's organization and the utilization of FAO's non-CP resources (e.g. UNDP-funded and regular field personnel) in connection with CP work. The study will not entail first-hand review of recipient country views. Nor will it question whether the FAO/CP-Bank relationship should continue; it will seek to identify all means necessary to make the program as effective and efficient a means as possible for providing assistance to the developing countries. An illustrative list of questions to be explored is attached.

Conduct of the Study

The study will be conducted by a joint task force consisting of a:

- Bank senior management analyst (Chairman) -- P. Richardson
- CP mission leader -- A. Macmillan
- Bank mission leader -- J. Brown
- Bank management analyst -- H. Groen
- FAO staff member (to assist the team while it is in Rome).

The task force members will function as individuals, not as representatives of their respective organizations. The task force will perform necessary analyses, interview widely in the Bank, CP and FAO, and -- after a progress review -- prepare a final report of findings and recommendations.

The task force's work will be overseen by a "Joint Study Steering Committee" with the following membership:

- Director, WB Organization Planning Department (Chairman) -- Mr. J. Kearns
- Director, FAO Investment Center -- Mr. J. Huyser (Vice Chairman)
- Director, WB Department of Agriculture and Rural Development -- Mr. M. Yudelman
- Director, WB International Relations Department -- Mr. M. Hoffman
- WB Regional Assistant Projects Director -- Mr. R. Picciotto
- WB Regional Assistant Projects Director -- Mr. D. Haynes
- Chief, CP Service I -- Mr. H. Cassati
- Chief, CP Service II -- Mr. A. Jones
- Director, FAO Management Services Division -- Mr. C. de Govia
- Chief, FAO Development Research and Training Services -- Mr. Quaix
- WB/CP Coordinator -- Mr. M. Veraart

The Joint Study Steering Committee will:

1. Review these terms of reference (without meeting)
2. Receive and discuss the joint task force's progress report (in Rome)
3. Receive the final report and, if necessary, meet in Washington to discuss it
4. Recommend to FAO and Bank management appropriate action based on the task force report.

Timing and Administration

The joint task force will start work March 3 in Washington, where it will conduct analyses and interviews. Necessary space and support will be provided by the Bank's Organization Planning Department.

In the third week of April (one week earlier in the case of the CP member), the task force will move to Rome where it will interview further and prepare, deliver and discuss (on May 13 and, if necessary, May 14) its progress report to the Joint Steering Committee. In Rome, space and support will be provided by FAO/CP.

After the progress review, the joint task force will return to Washington for such further analyses and interviewing as may be necessary and for preparation of its final report. The FAO/CP member of the task force may remain in Rome (for further follow-up and to begin drafting part of the report) for one or two weeks after the progress report; then he will join the rest of the task force in Washington.

The final report will be delivered to the Joint Study Steering Committee members in June. If they consider it necessary, they will meet in Washington to discuss the report, after which they will forward their recommendations to FAO and Bank top management for approval and action.

The study's travel and subsistence expenses will be roughly as follows:

	<u>Round Trips (@ \$840)</u>	<u>Days Away (@ \$60)</u>	<u>Total (rounded)</u>
WB/OPD (Messrs. Kearns, Richardson, Groen)	3	57	\$ 7,000
WB/CPS/ARD (Messrs. Brown, Veraart, Yudelman)	3	38	5,000
OTHER WB Steering Committee Members (Messrs. Hoffman, Picciotto, Haynes)	1	3	\$ 1,000 each
FAO/CP (Mr. Macmillan)	2	47 ⁺	\$ 4,000
FAO Steering Committee Members	Contingent upon having final review meeting in Washington		
			\$17,000

+ At \$45/day in Washington.

TASK FORCE WORK PLAN

<u>Date</u>	<u>Location</u>	<u>Work</u>
	(----- = Rome)	
	PR JB AM HG	
MARCH 3- 7		Read. Prepare interviews.
10-14		Define issues. Complete early analyses.
17-21		Interview
24-28		Complete collection of hard data
31- 4		Chart processes
		Further analyze
		Develop and test hypotheses
APRIL 7-11		Mr. Macmillan to start FAO phase
14-18		Rest of team to conclude Bank interviews; outline findings
21-25		Interview in Rome
28- 2		Chart CP processes, procedures
		Develop and test hypotheses, conclusions
		Explore FAO aspects
MAY 5- 9		Write interim report of findings and tentative recommendations (in outline form)
12-16		May 13 (and 14 if necessary): Steering Committee meeting
		Evaluate Steering Committee reactions;
		map follow-up work
19-23		Test conclusions as necessary through further interviews
26-30		Complete analyses
JUNE 2- 6		Outline final report and complete first draft of each section
9-13		Consolidate and revise drafts
		Redraft and polish
16-20		Deliver final discussion draft report to Steering Committee

Assignments

Although the problem is essentially indivisible and the task force as a whole (under the Chairman's direction) is responsible for all aspects of the study, lead responsibility within the team will be assigned as follows (subject to changes that may appear necessary during the course of the study):

- | | |
|--------------------------------|--------------|
| I. CP Role/Manner of Operation | - Richardson |
| II. WB and CP Micro-Procedures | - Groen |
| III. CP Headquarters | - Brown |
| IV. CP and FAO Interactions | - Macmillan |

ILLUSTRATIVE QUESTIONS

February 7 , 1975

ILLUSTRATIVE QUESTIONS

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3. Criteria. Do the comparative advantages/disadvantages of the CP, combined with its unique role "between" the Bank and FAO, indicate any criteria that should govern determination of the role of CP? Would such criteria tend to hinge on the particular country involved, the sub-sector, or some identifiable characteristics of the project? If no such criteria are sensible, does it mean that the CP should be viewed simply as a pool of resources to handle work which cannot be handled by Bank staff or -- with equal convenience or quality -- by consultants? How should decisions be made when to call on the CP? Do the comparative advantages and disadvantages shed any light on what stage of activity CP should or should not be involved in? (See questions under I.B. below.)
4. Accountability. On project preparation work, to whom is the CP primarily accountable? Is this reasonably well understood by all affected parties? Is the CP, on preparation work, primarily working for the LDC (although partially financed by the Bank)? If so, although this does not bar giving unpopular advice -- whether rooted in considerations of technical soundness or couched under a rubric such as "you may do it that way but we really think the chances of the Bank financing the project under such circumstances are minimal" -- where do they draw the line, and refuse to reflect what may appear to be ill-advised country decisions?

If CP works primarily for the LDC, should not its preparation reports go directly to the LDC rather than through the Bank? If so, might not Bank quality control suffer and (ultimately) LDC interests too? When CP submits a confidential memorandum to the Bank outlining its areas of dissatisfaction with the project as prepared, does this constitute any implicit breach of a professional relationship with the LDC, a recognition of failure to succeed in advising the LDC effectively, or a harmless and practical procedure made necessary by the realities in which we operate?

If the view is held that the CP is primarily accountable to the Bank, then should this not make the CP more "stubborn" in resisting LDC desires which might conflict with those of the Bank? If an LDC views the CP as an agent of the Bank, will it not consider the Bank committed to positions taken by the CP and regard Bank reviews (on appraisal) of CP work as redundant and Bank departures from CP recommendations as inconsistent? Does this matter?

If the CP is primarily accountable to itself (or FAO) as a center of agricultural expertise, then is it not obligated to play a role of professional arbiter between LDCs and the Bank, resisting the demands of either whenever they seem unwise? Is it not possible that the answer to the question of accountability may vary with the type of work being performed -- e.g. the Bank will always lead its own appraisal missions and a CP person involved in such a mission would clearly be serving the Bank, while on preparation missions it is certainly conceivable that the best ultimate service to the Bank is to function reasonably independently or as the putative borrower's agent?

5. Size. How should the size of the CP be determined? Does the present size bear any rational relationship to the comparative advantages/disadvantages of the CP and criteria that may exist for using it? How has the present size been determined? If it has been limited by parochial considerations, such as recruiting capability, should the removal of them result in significant CP expansion? Conversely, is it sensible to believe that the CP's growth should not exceed that of the Bank's own agricultural personnel? Is the supply of work for which CP is best suited significantly less than or greater than CP's present capacities? Does the cost of CP work relative to that of consultants or Bank staff point to conclusions about its desirable size?

6. Borderline Areas

- a. Education. In agricultural or rural education, can a clear and rational line be drawn between the Bank's FAO/CP and UNESCO/CP? Should there ever be a case where both are involved in the same project? If there are differences in their methods of operation on similar work, are they justifiable? If not, should the UNESCO or the FAO/CP methods prevail?

Should there be some kind of a "treaty" defining a boundary of responsibility -- e.g. establishing perhaps that the FAO/CP is responsible for extension-related or specifically agricultural education and rural education which is part of integrated rural development projects, while UNESCO/CP would be responsible for all other education even if in rural areas? Are the degrees of detail reached at identification, preparation and appraisal different with respect to FAO/CP education work and FAO/CP non-education work or UNESCO/CP education work? Are the differences justifiable? (Might it not be possible, as is apparently sometimes done in the education sector, to combine preparation and appraisal work with respect to agricultural education?) Should FAO/CP help coordinate the Bank's agricultural and rural educational activities where it is involved and there may be overlap?

- b. Agro-industries. Are there significant problems in defining where FAO/CP and UNIDO/CP on the one hand and Bank agriculture and Bank industrial projects responsibilities on the other hand begin and end -- e.g. with respect to forestry and fisheries undertakings, food processing, and agricultural supply activities? If real problems do exist in this area, what useful guidelines might be considered?
- c. Rural Development. With respect to integrated rural development projects encompassing sectors other than agriculture, can the CP play a useful role? If so, is it the same role -- and subject to the same procedures -- as pertains with respect to orthodox agriculture projects? Is it conceivable that on such

projects preparation work would be more likely to be headed by the Bank itself (partly purely in order to gain expertise in an emerging area) with CP providing inputs alongside of specialists from other sectors and even other CPs?

B. Phase of Involvement

1. Research and Policy Formulation. Is it not sensible to make the fullest possible use of the CP and FAO in the Bank's own efforts to do research, assemble worldwide data and improve the state of the art? Is there any reason to suppose that this need endanger the Bank's independence? Might not CP (perhaps with FAO) be asked to develop proposed Bank policies in subsectors where it has more expertise than the Bank -- e.g. fisheries? (It did this for IDB.) Are its suggestions for research or for policy changes ever solicited? Or is the CP necessarily too remote from Bank thinking to be effective in such a role?
2. Sector Work. What, if any, should be the CP's role in the Bank's sector work? Does the CP have any comparative advantage (or at least a capacity equal to the Bank's) with respect to any of the five principal purposes of sector work -- i.e. (i) the collection of basic country data about the sector, (2) evaluation of the country's sector development strategy, (3) development of a strategy governing what the Bank will seek to do in the sector, (4) identification of likely project possibilities, and (5) clarification of specific measures whose accomplishment the Bank will seek to further through conditions applied to (or perhaps training built into) Bank loans?

Does not the CP through its FAO relationship have a potential comparative advantage with respect to the data gathering function at least? Can it be assumed to have a comparative disadvantage with respect to developing a Bank financing strategy and identifying conditions to be applied subsequently? With respect, however, to evaluating the country's own sector strategy, may not the CP people be as well qualified as those in the Bank?

3. Reconnaissance/Identification. What should be the CP role in reconnaissance/identification? Where these are performed as part of a sector survey mission (assumedly towards the end), would not the CP's role depend on what its role had been in the mission? Where the reconnaissance/identification work is done through a separate mission, what criteria should govern whether the CP or the Bank should do it? How frequently are projects identified by CP now? Has the Bank been receptive to CP project identification ideas that have been put forward?

In those cases where there are reasonable grounds for expecting that CP would be asked to do the preparation work subsequently, can a good case be made that benefits will result from having them also do the identification work -- e.g. the gearing-up time for preparation might then be less as the CP's understanding of what was desired would

be fuller at the outset? To the extent, however, that it is a Bank objective first to thoroughly understand country thinking about a given sector and then to have an impact on their sector policies through a close, continuing dialogue -- and to the extent that reconnaissance and identification (as well as sector) work constitute an excellent pretext for such a dialogue -- does it not follow that the Bank might be unwise to have CP perform these functions, except in countries where the dialogue is either impossible or so well developed that further input is unnecessary to the Bank? On the other hand, might it be difficult for CP to retain staff of the caliber it needs were it to be held almost exclusively to preparation functions?

4. Project Preparation. Does the usage of CP resources preponderantly for project preparation make sense? Given the apparent agreement by Bank and CP people that preparation assistance is preferred to actual preparation, are there not implications for the conduct of preparation activities? Should we not now prefer, where feasible, frequent short inputs to the preparation process rather than a three-week or one-month preparation mission that -- after writing and review at headquarters -- substantially accomplishes the job?

Might we not consider favoring perhaps an initial visit of one week to map out the work to be done and get it started, followed perhaps every other week by a "look-in" or "pot-stirring" visit, followed -- perhaps as much as one or two years later -- by a one-week "wrap-up" mission to review, complete and perhaps finally package what has been done? Could not the interim visits -- which might also involve the provision of some general advice -- be conducted by resident staff of FAO (whether regular or UNDP-funded)? Alternatively, might it be sensible in a few countries with a high level of CP preparation activity to out-station a CP staff member for that purpose? Might he not then be able to perform other miscellaneous tasks for the Bank -- e.g. sector trouble-shooting or assistance to supervision activities -- and, given his affinities with FAO, might not the dangers of professional isolation be considerably less than they would be with a Bank staff member?

Is it reasonable to suppose that the CP might play a significantly more limited role in preparation activities in countries and subsectors served by Bank regional missions charged with preparation responsibilities -- e.g. those served by the regional missions in East and West Africa and the country mission in Indonesia? Are the greater degrees of slowness, administrative complexity, and travel expenses caused by emphasizing preparation assistance over actual preparation offset by the benefits that may result in increased country understanding and commitment (and perhaps accelerated negotiations and improved implementation as a result) and improved country capacity to prepare their own projects in the future? To the extent that a preparation assistance approach is at odds with the rapid filling of a project pipeline, is the Bank itself or the CP in a better position appropriately to balance the two needs?

Can preparation reports be streamlined? For example, might not sector or economic reports sometimes be referenced or quoted rather than paraphrased in the background sections of preparation reports?

5. Appraisal. Recognizing that appraisal is a non-delegable Bank function, is there a role for CP people to play as members of appraisal teams? At a minimum, is it not desirable with respect to difficult or controversial CP-prepared projects to have one of the CP men who was involved in the preparation join the appraisal mission during its field work in order to facilitate review of the preparation data and assist the country and Bank in communicating about the project efficiently? Has this not worked reasonably well with respect to projects where members of the Nairobi mission have assisted in preparation and subsequently accompanied the appraisal mission? Can such a role be justified even where the "preparation" member of the appraisal mission does not return to Washington to participate in writing the report? If not, would not the prolonged absence of a CP staff member from Rome be impracticable?
6. Supervision. What is the degree of CP involvement in project supervision and is it what it should be? Can CP members be expected to continue to do practical and effective preparation work if they are not, through supervision experience, exposed to the same feedback that Bank people consider essential to their own effectiveness? Are CP members any less or more competent to perform supervision than Bank members? Does the answer turn on the comparative emphasis to be accorded to the supervision objectives of compliance review and implementation assistance? Might it be sensible to favor supervision by Bank people where compliance problems are anticipated or with respect to problem projects -- to provide desirable continuity and follow through? Might it be sensible to limit the use of CP people in supervision to those instances where implementation assistance is the major consideration?

C. World Bank Substantive Coordination

1. Guidance. What general guidance exists to indicate to the CP the Bank's overall needs, preferences, standards, desires, etc.? Is the guidance that exists reasonably adequate and up-to-date? Are CP staff adequately aware of the guidance that exists? If not, why not? Are Bank staff adequately aware of it so that when they have a situation calling for departure from the guidance they can flag this to CP attention?

To the extent that such guidance does not exist, or does exist and needs updating, should CP be given a role in improving it or should this be done exclusively by the Bank? Is any systematic effort made to ascertain departures of CP work from the guidance with a view -- where such departures are common -- to either amending the guidance or calling it more clearly to the CP's attention? Would such an effort be practicable? If further guidance is to be developed or existing guidance amended, should we not initially seek CP suggestions as well as those of line people in the Bank's regional offices?

2. Terms of Reference. To what extent are whatever CP report shortcomings exist attributable to inadequate or loosely developed terms of reference for CP work assignments? Where the CP has developed the terms of reference itself, to what extent do subsequent shortcomings in the work done reflect Bank haste or superficiality in reviewing and approving the terms of reference? What is the quality of Bank-conducted pre-CP-mission briefings? Are they worth the time and extra travel (if any) entailed? If not, why not, and what can be done to change the situation?
3. Mission Coordination. Does the Bank's failure generally to follow the proposed "Blue Book" procedure -- "to try to arrange for a regional projects staff member or loan officer to accompany the mission in order to provide continuity with other Bank-related work, facilitate later Bank review, and promote desirable interchange at the formative stages where positions are still fluid" -- indicate that that procedure is impracticable and should be changed? Or does it merely reflect staff shortages? If the procedure is not practical as a general matter should it nevertheless be used on certain categories of projects -- e.g. particularly complex or sensitive ones or ones with non-agricultural aspects?

Are "joint missions" generally made impractical by the leadership problem -- i.e. if they do not have a designated leader responsibility will be diffused, the team effort less efficient and the danger of advising with two voices heightened? Yet if a leader is designated and he is from CP, will he not (unless the Bank member is rather junior) have difficulty overruling a Bank member because the latter's views have a good chance of prevailing ultimately? If the designated leader is from the Bank, then is there any substantive role for CP headquarters? If so, is the reporting relationship of CP mission members tenable? If not, are the CP mission members any different from consultants?

What is the quality and timeliness of the Bank pre-appraisal review given to CP preparation work? Where problems are found that do not merely reflect changed circumstances or funding constraints, is CP fully informed? Are pre-appraisal and appraisal reports for projects on which CP has worked routinely sent to CP? If so, do the reports get sent to and read by the appropriate CP staff members? If not, should this not routinely occur for "feedback" purposes?

4. Overall. To what extent does the CP find itself in the position of coordinating the Bank's own regions? How common is it for CP to identify areas where regional policies differ but not apparently for reasons which are justifiable? When this occurs, is it routinely brought to regional and CPS attention? To what extent does the CP -- because of the Investment Center's involvement with the other regional banks -- find itself in the role of coordinating the World Bank with other donors? Is this a natural and proper CP function or does it reflect some broader inadequacy that should be addressed through other means?

D. Location

1. Report Writing. Laying aside the question of preparation assistance where much of the report writing would be done by the country or its contractors, might the advantages of having CP preparation teams do their report writing in the field -- e.g. proximity to the data and to those who will propose and manage the project -- offset the disadvantages of being remote from the inputs that could be made by CP headquarters or FAO in Rome? Even if so, is field preparation of such reports practical given the amount of time away from home that it would necessitate on the part of mission members? How significant might be the advantages of preparing the report in Washington, perhaps as a means of accelerating the Bank's decision to appraise and assuring a full Bank understanding of the project that has been prepared? Would the loss of CP headquarters (and FAO) input in such a case and the consequent need for the Bank directly to exert quality control over the work offset the possible benefits? Would this too be impractical for CP staff based in Rome?
2. Home Base. What are the benefits and detriments of basing FAO/CP staff in Rome, Washington, FAO field offices, or overseas Bank posts that have been assigned project responsibilities (e.g. Nairobi, Abidjan, Zaire, Indonesia, India)? If CP were headquartered in Washington, would the benefits of Bank proximity offset the loss of practical access to FAO? Would the CP's capacity to take issue with the Bank be reduced to the Bank's detriment? Is the experience of IDB (whose CP is based in Washington) of any relevance? Is the greater ease of access from Rome to Africa, EMENA, and South Asia than from Washington an important consideration? Is the question in any event academic because CP people would be likely to leave CP if it relocated? How would a CP man stationed in a Bank post like Nairobi retain his CP identity? If he did not retain it, what would be the advantages to the Bank or CP of any such arrangement over simply converting the man to status as a regular Bank staff member? What is the present frequency of staff exchanges between the CP and the Bank and is it desirable or practicable to have more of them?

II. BANK AND CP MICRO-PROCEDURES

1. Budgeting. How is the budget established and what are the major budget trends? Given, within limits, the at least partial interchangeability of Bank staff, CP staff and consultants, how and where are "trade-off" decisions made? If the work demands on CP exceed its capacity, is this because Bank managers are short of regular Bank staff and/or consultant funds or does it indicate that Bank managers would like to see the CP staffed at a higher level even if this were at their own expense? If the latter, what are the constraints? If the former, should some of the resources now put into CP be devoted to increasing Bank staff levels?

What are the comparative costs? How realistic and equitable is the 75/25 cost-sharing formula? Does Rome's greater proximity to LDCs other than those in Latin America create substantial savings? Does the CP's management overhead perform work which would otherwise need to be done by Bank managers or is it an "additional" expense?

Does not the CP's partial interchangeability with Bank and consultant staff mean that the size of their work program can only realistically be determined after decisions have been reached on the levels of Bank staffing and consultant funding? Since the CP budgeting is not done after reaching other budget decisions, is it not clear that it must contain a major element of "top down" reasoning -- i.e. an a priori determination of the CP level which would precede the decision of how to divide the CP resources among regions? If so, what are the ingredients and criteria affecting the a priori decision about total CP size?

How is the level of CP consultant funding determined? Is the process rational and are the results reasonable?

2. Priority Setting. Assuming a given level of CP funding and assuming that -- for whatever reasons -- the demands for CP work exceed the available CP staff time, how is it determined what CP will and will not do? Where choices must be made among competing regions, to what extent are they made by CPS, by Bank senior management, or de facto by CP management? How important are such choices -- given the fact that if the work cannot be done by CP it may, if it has sufficient priority, get done by regular Bank staff or consultants?
3. Scheduling/Coordination Mechanisms. Is the system for scheduling and operational coordination effective? What, if anything, can be done to simplify the process, improve its functioning or both? What is the role of the Bank's CP Coordinator and how is the function performed? To what extent do changes in Bank schedules impair CP efficiency? What proportion of such changes might be avoidable? With respect to subsectors whose staff are located in CPS -- i.e. fisheries and forestry -- does it make sense for the regions to deal individually with CP? Might it not be simpler and more rational for regional demands in such subsectors to be relayed to CPS, with CPS being left to decide which to satisfy through the use of Bank staff and which to satisfy through the use of CP staff? Are there other scheduling issues?
4. CP Reporting. What management type (i.e. non-substantive) reports does CP submit to the Bank? Are they necessary, sufficient, sensibly designed, appropriate in frequency, timely, and reasonably accurate? Are they or can they be prepared as by-products of reporting that would be necessary for CP management itself? Is the utility of such reports sufficient to justify the cost of their preparation?
5. Billing/Payment. What problems exist in this area and how should they be solved? Are there cases where differing Bank and FAO accounting requirements create work which might otherwise be avoided? If so, what measures can be recommended to alleviate the problem?

III. CP HEADQUARTERS

1. Organization. Is the organization structure of the Investment Center in Rome what it should be? Should consideration be given to further regional sub-division within the Bank CP? Should consideration be given to functional rather than regional sub-division in the Bank CP? Should there be a combination of both?

Is it sensible for parts of the Investment Center which service the regional banks and for the "bankers program" to be run separately from the World Bank CP? Might this not entail some sacrifice of economies of scale without offsetting benefits? On the other hand, if the groups were not separate, how would conflicting scheduling priorities be resolved?

If the Investment Center is asked to do a large volume of work for OPEC financing agencies, will it be in the Bank's and FAO's long-term interest to have a unified Investment Center or to have separate and distinct units performing service for each category of client? In the latter case, would there not be a danger that a large OPEC CP unit might either have to be staffed with people who were comparatively inexperienced in project preparation or be staffed by experienced people transferred from the Bank CP? In the first case, the LDCs as well as the OPEC lenders would suffer; in the second case, the Bank would suffer.

If the elements of the Investment Center had a unified structure, might problems result from differing requirements by the various financing agencies? On the other hand, would not the objectives of donor coordination be furthered and the quality of all the work improved by the increased cross-fertilization? As the most experienced financing agency, is not the Bank well situated -- through an integrated FAO Investment Center -- to communicate its experience and quality standards to other financing agencies using the Center? Would this not enhance the Bank's capacity to benefit LDCs and reduce to some extent the dangers to project quality that might result from LDCs' seeking to have lenders compete for projects?

What implications, if any, will the new Agricultural Fund and the nascent Consultative Group have for the role and structure of the FAO Investment Center?

2. Administrative Procedures. Within the Investment Center, can administrative procedures -- e.g. for time reporting, provision of support services, preparation of timetables, etc. -- be improved?
3. Review Procedures. What procedures govern the review by CP management of CP work? Are they efficient and effective? What is their "value added"? To what extent is the expertise of FAO-proper brought to bear in the review of CP work? How relevant is that expertise to the work under review and could it be brought to bear more effectively?

4. Climate. What is the work "climate" at CP headquarters? What are the significant staff dissatisfactions, if any, with Bank behaviour? What is the staff turnover rate? Is there a good understanding of and sympathy with Bank objectives and methods of operation? Is there a desire for Bank/CP or FAO/CP staff exchanges? How practicable might these be? Are there fringe benefit anomalies which serve as dissatisfiers? Is there a climate of industriousness and institutional pride?

IV. CP AND FAO INTERACTIONS

1. Overall. Most questions of relevance to this area of concern have been raised under other sections above. Particularly significant will be questions concerning the use that might be made of FAO field staff. Also, it might be useful to consider whether FAO could be deriving benefits from the CP to a greater extent than at present. For example, might not the practical project financing orientation of CP be usefully brought to bear on other activities of FAO? To the extent this were possible on a strictly limited scale, might not CP advice and assistance to FAO-proper constitute useful "filler" work to be done during scheduling hiatuses which inevitably result from unforeseen disruptions in Bank work? Assuming the Bank would not be billed for time so spent and that such time is available, would not such activity -- in addition to benefiting FAO -- improve the efficiency with which CP staff time was used (by eliminating "down time")? Lastly, are the benefits to the Bank of locating the CP at FAO headquarters being fully realized?

LE - FAO/IBRD coop
Rut

Letter No. 3

Mr. J.P. Huyser
Director
Investment Center
FAO/IBRD Cooperative Program
Via delle Terme di Caracalla
00100 Rome
ITALY.

January 31, 1975.

Dear Jan,

IBRD is financing a research project on Grain Project in Asia from its external research fund. The objective of this project is to identify constraints to increasing grain output which could be relieved through projects financed by international donors.

The research project is to be executed in 3 phases:

1. A reconnaissance to gather information which is available in the region and to identify work to be done in subsequent phases.
2. An in-depth investigation of grain production problems in two countries, to be selected during the First Phase.
3. Additional in-depth investigations of 3 to 6 countries, depending upon the success of Phase 2.

The first or reconnaissance phase is now underway. We have hired M.B. Russell, Agriculturalist, and W.E. Hendrix, Agricultural Economist, as consultants to execute this phase of the project. Copies of their CV's are attached. We are also attaching copies of the Outline Work Program and Plan of Operation.

Messrs. Russell and Hendrix are leaving Washington this week to visit several Asian countries concerning this project and would like to return through Rome to discuss the project with you, members of your staff, and other interested staff in FAO.

They plan to arrive in Rome about the end of March and will cable confirmation to you before their arrival. Commodity and Statistics Divisions might be interested in this work. Could you please arrange for appropriate contacts.

Yours sincerely,

cc: Mr. Lowenstein

MVeraart:cms

Marius Veraart
Planning Officer/FAO Coordinator
Agriculture & Rural Development Dept.
CPS

ORGANISATION DES NATIONS UNIES POUR
L'ALIMENTATION ET L'AGRICULTURE



ORGANIZACION DE LAS NACIONES UNIDAS
PARA LA AGRICULTURA Y LA ALIMENTACION

FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS

Via delle Terme di Caracalla, 00100-ROME

Cables: FOODAGRI ROME

Telex: 61181 FOODAGRI

Telephone: 5797

Ref.

28 January 1975

Dear Mr. McNamara,

Your letter of 9 January concerning the conduct of a joint FAO/World Bank review of our Cooperative Programme arrived on 20 January, a few days before the Director-General left for a visit to a number of Asian countries. He discussed your letter with me and asked me to inform you that he fully supports this proposal, looks forward with interest to our participation in the work and hopes there will be positive results leading to a greater effectiveness of our joint efforts.

We understand from Mr. Huyser that the first job of the Task Force set up for this purpose will be to draft its own detailed terms of reference, which will be subject to scrutiny and approval by the Review Committee, hopefully by correspondence and without a formal meeting. With this the Director-General agrees. We also understand that it is envisaged that the Task Force will commence work on about 15 February 1975 and that an outline of its report with the main findings should be ready for discussion by the Steering Committee by mid-April 1975. The draft report could then be available towards the last week of May for comments by the members of the Review Committee. It is envisaged however that it will not be necessary for the Committee to meet again at that time, since the draft report will presumably follow the guidelines decided earlier by the Committee itself.

We are in agreement with your proposals regarding the Review Committee, though I understand from Mr. Huyser that the Bank will now have in total five members on this Committee. On the FAO side, we propose to nominate Mr. Huyser, Mr. Cohen de Govia, Director of our Management Services Division, Mr. Quaix, Chief of the Development Research and Training Services of our Policy Analysis Division, and Messrs. Jones and Casati of the FAO/World Bank Cooperative Programme. I understand that it has been agreed that, while Mr. Kearns will serve as Chairman, Mr. Huyser would serve as Vice-Chairman. We are designating Mr. Andrew Macmillan, of the FAO/World Bank Cooperative Programme to cooperate with Mr. Richardson in the Task Force, and our Management Services Division will arrange for participation of its staff as appropriate and will also take steps to see that there is the necessary administrative backing during the work of the Task Force in Rome.

Mr. Robert S. McNamara
President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C.
U.S.A.

Rec'd in IRD

2/4/75



FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS

Telephone: 2787

Telex: 6181 FOODAGRI

Cables: FOODAGRI ROME

Via delle Terme di Caracalla, 00100-ROME

Ref.

28 January 1975

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Washington, D.C.
1818 H Street, N.W.
and Development
International Bank for Reconstruction
President
Mr. Robert S. McNamara

Rec'd in HRD

2/4/75

We understand that the final report will be submitted to you and Mr. Boerma for discussion and agreement on measures for implementation. Mr. Boerma therefore plans to review the report carefully himself with his most senior advisers.

I look forward to this review as an important contribution to improved collaboration between our two institutions on all fronts and hope we shall be able to get it under way as scheduled.

With kind regards.

Yours sincerely,



Roy I. Jackson
Deputy Director-General

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: YRIART
FOODAGRI
ROME
X

DATE: JANURY 16, 1975

CLASS OF
SERVICE: TELEX
(Ext. 5320)

COUNTRY: ~~XXXXX~~ ITALY

TEXT: # 14

PAGE ONE

Cable No.:

FOLLOWING LETTER MAILED TO BOERMA QUOTE AS YOU ARE PROBABLY AWARE, MR. HUYSER, MR. YUDELMAN, DIRECTOR OF OUR AGRICULTURE AND RURAL DEVELOPMENT DEPARTMENT, AND MR. JAMES KEARNS, DIRECTOR OF THE BANK'S ORGANIZATION PLANNING DEPARTMENT, HAVE HAD OCCASIONAL CONVERSATIONS OVER THE PAST TWO YEARS ABOUT A POSSIBLE SURVEY OF FAO-CP/ BANK MANAGEMENT AND COORDINATION PROBLEMS STOP THEY AGREE--AND I NOW FEEL--THAT THIS IS AN APPROPRIATE TIME TO CONDUCT A JOINT FAO/IBRD REVIEW OF OUR COOPERATIVE PROGRAM STOP

THE REORGANIZATION OF THE BANK HAS NOW BEEN IN EFFECT LONG ENOUGH TO PERMIT AN ASSESSMENT OF PROCEDURAL OR RELATIONSHIP CHANGES IT MIGHT HAVE MADE ADVISABLE STOP THE BANK AND FAO WILL SOON HAVE TO ESTABLISH THE JOINT BUDGET FOR THE CP COVERING 1976/77 STOP ALSO, THERE IS NEED TO CONSIDER THE POSSIBLE EFFECTS ON THE PROGRAM OF ANY INSTITUTIONAL CHANGES THAT MAY RESULT FROM THE FOLLOW-UP TO THE WORLD FOOD CONFERENCE STOP

MORE GENERALLY, INCREASING DEMANDS ARE BEING PLACED ON INSTITUTIONS SUCH AS OURS TO COPE WITH THE WORLD'S FOOD NEEDS WHILE AT THE SAME TIME IT IS APPARENT THAT WE WILL BE OPERATING UNDER GROWING BUDGETARY CONSTRAINTS STOP WE, IN THE BANK, ARE

NOT TO BE TRANSMITTED

(CONTINUED)

AUTHORIZED BY:

NAME Mr. Marius Veraart

DEPT. Ag. & Rural Dev. Dept., CPS

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: Mveraart:cms

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FROM: ROME
X

COUNTRY: ITALY

PAGE ONE

TEXT: 11
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NAME: Mr. Martin Vetsch

DEPT: A. & Rural Dev. Dept.

SIGNATURE: [Signature]

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PAGE TWO

EXAMINING ALL ASPECTS OF OUR OPERATIONS TO SEE HOW WE CAN IMPROVE THEIR QUALITY AND
RAISE OUR PRODUCTIVITY STOP I'M SURE YOUR ORGANIZATION HAS SIMILAR OBJECTIVES STOP

I PROPOSE THAT TO CONDUCT THE STUDY WE ESTABLISH A THREE OR FOUR-MAN JOINT TASK
FORCE WORKING FULL-TIME FOR AT MOST FIVE MONTHS STOP IT WOULD INTERVIEW WIDELY IN
FAO AND THE BANK, PERFORM NEEDED ANALYSES AND DEVELOP A JOINT REPORT STOP THE STUDY
WOULD BE OVERSEEN AND THE REPORT REVIEWED BY A REVIEW GROUP OF SEVEN OR EIGHT PEOPLE
WHICH WOULD INCLUDE REPRESENTATIVES FROM BOTH OUR ORGANIZATIONS STOP THE GROUP
COULD BE CHAIRED BY MR. KEARNS, DIRECTOR OF OUR ORGANIZATION AND PLANNING DEPARTMENT
STOP WE WOULD EXPECT MR. YUDELMAN AND OUR SENIOR ADVISOR ON AGRICULTURE AS WELL AS
TWO OR THREE REPRESENTATIVES FROM OTHER PARTS OF THE BANK TO BE ON THE COMMITTEE STOP
WE WOULD HOPE THAT THE REPRESENTATIVES FROM FAO ON THE REVIEW GROUP WOULD MATCH THE
SENIORITY OF THE BANK REPRESENTATION. STOP

THE TASK FORCE WOULD BE HEADED BY PETER RICHARDSON, THE ORGANIZATION PLANNING
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REORGANIZATION STUDY AND HEADED A SUBSEQUENT STUDY TO ASSESS REMAINING BANK
MANAGEMENT PROBLEMS STOP HE HAS ALSO REVIEWED THE ROLE OF THE BANK'S OVERSEAS

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NAME Mr. Marius Veraart

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PAGE TWO

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COUNTRY: ITALY

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PAGE THREE

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POSTS STOP MR. KEARNS' DEPARTMENT WOULD SUPPLY A SECOND EXPERIENCED ANALYST TO HELP MR. RICHARDSON AND THE BANK MIGHT ALSO CONTRIBUTE AN AGRICULTURE MISSION LEADER TO THE EFFORT STOP FAO-CP WOULD HOPEFULLY HAVE A MAN ON THE TASK FORCE, AS MIGHT--I ASSUME--FAO PROPER STOP

THE REVIEW MIGHT WELL EXAMINE THE FOLLOWING ITEMS:

- (A) THE EFFECTIVENESS ON RESOURCE USE OF HAVING THE FAO-CP CONCENTRATE ALMOST EXCLUSIVELY ON IDENTIFICATION AND PREPARATION TO THE ALMOST COMPLETE EXCLUSION OF PARTICIPATION IN SECTOR WORK, APPRAISAL AND SUPERVISION;
- (B) THE APPROPRIATENESS OF EXISTING WORKING ARRANGEMENTS FOR ESTABLISHING PRIORITIES;
- (C) THE ADEQUACY OF COORDINATION IN THE BANK WITH REGARD TO CP;
- (D) THE EFFECTIVENESS OF RELATIONSHIP BETWEEN THE CP AND FAO AS A MEANS OF TAPPING THE FULL KNOWLEDGE OF FAO IN THE TASK OF IMPROVING THE WORLD AGRICULTURAL SITUATION;
- (E) THE EFFICIENCY OF THE INTERNAL ORGANIZATION OF THE CP BOTH AS IT RELATES TO THE BANK'S ORGANIZATION AS WELL AS TO THE CONTRIBUTION THE CP CAN MAKE TO THE WORK OF BOTH FAO AND THE BANK;
- (F) THE EFFECTIVENESS OF THE RELATIONSHIP BETWEEN THE BANK AND THE INVESTMENT

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AUTHORIZED BY:

NAME Mr. Marius Veraart

DEPT. Ag. & Rural Dev. Dept., CPS

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DATE

15. 1. 1975 15. 1. 1975 15. 1. 1975

NAME

MR. JAMES J. JAMES

REFERENCE

15. 1. 1975

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(E) THE RELATIONSHIP OF THE RELATIONSHIP BETWEEN THE BANK AND THE MANAGEMENT
BOTH BY AND THE BANK

BANK'S OBSERVATION AS WELL AS TO THE COMBINATION THE CB CAN MAKE TO THE WORK OF

(F) THE RELATIONSHIP OF THE RELATIONSHIP OBSERVATION OF THE CB BOTH AS IT RELATES TO THE
THE BOLT KNOWLEDGE OF BY IN THE BANK OF IMMOBILIZING THE WORLD VERTICALITY SITUATION?

(G) THE RELATIONSHIP OF RELATIONSHIP BETWEEN THE CB AND BY AS A MEANS OF LIVING

(H) THE VERTICALITY OF COORDINATION IN THE BANK WITH REGARD TO CB?

(I) THE VERTICALITY OF EXISTING WORKING RELATIONSHIP FOR ESTABLISHING RELATIONSHIP
RELATIONSHIP IN SECTION WORK, RELATIONSHIP AND RELATIONSHIP?

EXPERIENCE ON IDENTIFICATION AND RELATIONSHIP TO THE VERTICAL COMPLETE EXCLUSION OF

(J) THE RELATIONSHIP ON RELATIONSHIP AS OF AVOIDING THE BY-CB COMBINATION VERTICAL

THE RELATIONSHIP WILL EXAMINE THE RELATIONSHIP ITEMS:

RELATIONSHIP--BY BY-CB 2105

THE RELATIONSHIP 2105 BY-CB RELATIONSHIP RELATIONSHIP HAVE A RELATIONSHIP ON THE BANK RELATIONSHIP AS WELL--I

MR. RICHARDSON AND THE BANK WILL ALSO COMBINATION IN RELATIONSHIP RELATIONSHIP RELATIONSHIP TO

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DATE: JANUARY 16, 1975.

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(Ext. 5320)

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COUNTRY: ITALY

TEXT: # 14
Cable No.:

PAGE FOUR

CENTER AND MAINTAINING CP'S IDENTITY WITHIN THE INVESTMENT CENTER;

(G) EFFECTIVENESS OF ADMINISTRATIVE AND BUDGETARY PROCEDURES WITH EMPHASIS ON
EXPENDITURE REPORTING AND BILLING ARRANGEMENTS. STOP

AS I MENTIONED ABOVE, I FEEL THAT THIS IS AN APPROPRIATE TIME FOR A REVIEW OF
THE KIND DESCRIBED ABOVE STOP I LOOK FORWARD TO YOUR VIEWS ON THIS ~~AN~~ AND AN
EARLY INDICATION OF WHO YOU WOULD LIKE TO PARTICIPATE IN THE INITIAL DISCUSSIONS ON
THE TERMS OF REFERENCE FOR THE REVIEW STOP THEREAFTER WE CAN ARRANGE A MUTUALLY
AGREEABLE MEANS OF PROCEEDING STOP

I AM CONFIDENT THAT THE KIND OF REVIEW ENVISAGED CAN CONTRIBUTE ~~IMPRX~~ IMPORTANTLY
TO THE QUALITY AND PRODUCTIVITY OF OUR FUTURE COLLABORATION STOP

SINCERELY (SIGNED) ROBERT S. McNAMARA UNQUOTE

HUYSER

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Mr. Marius Veraart

DEPT. Ag. & Rural Dev. Dept., CPS

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: CHATTERJIE

DATE: JANUARY 16, 1975.

FOODAGRI

CLASS OF
SERVICE: TELEX

ROME

(Ext. 5320)

COUNTRY: ITALY

TEXT: # 12

Cable No.:

RESULT OF DISCUSSION BETWEEN ADLER AND ME IS THAT WILLIAM LEWIS OF PROGRAMMING
AND BUDGETING WILL VISIT ROME JANUARY 30 AND 31 TO DISCUSS REVISED SUBMISSION
OF EXPENSE, MANPOWER AND BUDGET TABLES TO IBRD AND TO BE BRIEFED ON FAO
ACCOUNTING METHODS AND DIFFICULTY OF TRANSLATING RESULTS INTO IBRD TABLES STOP
PLEASE SCHEDULE MEETING BETWEEN YOU AND ~~KW~~ LEWIS ON MORNING JANUARY 30 MEETING
AMONG LEWIS, YOU, AND ME ON AFTERNOON JANUARY 30 AND MEETING WITH FINANCE ON
MORNING JANUARY 31 ~~STOP~~

HUYSER

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Mr. Marius Veraart

DEPT. Ag. & Rural Dev. Dept., CPS

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: M Veraart:cms

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cc: Messrs. Bowron, Lewis

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INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: YRIART

DATE: JANUARY 14, 1975

FAO *of UNATIONS*
NEW YORK

CLASS OF ~~TELEX~~ *Telex*
SERVICE: ~~TELEX NO. 236350~~
(Ext. 5320) *WH*

COUNTRY: U.S.A.

TEXT:
Cable No.:

PAGE ONE

FOLLOWING LETTER MAILED TO BOERMA QUOTE AS YOU ARE PROBABLY AWARE, MR. HUYSER, MR. YUDELMAN, DIRECTOR OF OUR AGRICULTURE AND RURAL DEVELOPMENT DEPARTMENT, AND MR. JAMES KEARNS, DIRECTOR OF THE BANK'S ORGANIZATION ~~AND~~ PLANNING DEPARTMENT, HAVE HAD OCCASIONAL CONVERSATIONS OVER THE PAST TWO YEARS ABOUT A POSSIBLE SURVEY OF FAO-CP/BANK MANAGEMENT AND COORDINATION PROBLEMS STOP THEY AGREE--AND I NOW FEEL-- THAT THIS IS AN APPROPRIATE TIME TO CONDUCT A JOINT FAO/IBRD REVIEW OF OUR COOPERATIVE PROGRAM STOP

THE REORGANIZATION OF THE BANK HAS NOW BEEN IN ~~XXX~~ ~~XXXX~~ EFFECT LONG ENOUGH TO PERMIT AN ~~X~~ ASSESSMENT OF PROCEDURAL OR RELATIONSHIP CHANGES IT MIGHT HAVE MADE ~~XXX~~ ADVISABLE STOP THE BANK AND FAO WILL SOON HAVE TO ESTABLISH THE JOINT BUDGET FOR THE CP COVERING 1976/77 STOP ALSO, THERE IS NEED TO CONSIDER THE POSSIBLE EFFECTS ON THE PROGRAM OF ANY INSTITUTIONAL CHANGES THAT MAY RESULT FROM THE FOLLOW-UP TO THE WORLD FOOD CONFERENCE STOP

MORE GENERALLY, INCREASING DEMANDS ARE BEING PLACED ON INSTITUTIONS SUCH AS OURS TO COPE WITH THE WORLD'S FOOD NEEDS WHILE AT THE SAME TIME IT IS APPARENT THAT WE WILL BE OPERATING UNDER GROWING BUDGETARY CONSTRAINTS STOP WE, IN THE BANK,

NOT TO BE TRANSMITTED

(CONTINUED)

AUTHORIZED BY:

NAME Mr. Marius Veraart

DEPT. Ag. & Rural Dev. Dept., CPS

SIGNATURE *[Signature]*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: YRIART

DATE: JANUARY 14, 1975

FAO

CLASS OF

NEW YORK

SERVICE:

TELEX NO. ~~23636~~ 236350
(Ext 5320)

COUNTRY: U.S.A.

TEXT:
Cable No.:

PAGE TWO

ARE EXAMINING ALL ASPECTS OF OUR OPERATIONS TO SEE HOW WE CAN IMPROVE THEIR QUALITY
AND RAISE OUR PRODUCTIVITY STOP I'M SURE YOUR ORGANIZATION HAS SIMILAR
OBJECTIVES STOP

I PROPOSE THAT TO CONDUCT THE STUDY WE ESTABLISH A THREE OR FOUR-MAN JOINT
TASK FORCE WORKING FULL-TIME FOR AT MOST FIVE MONTHS STOP IT WOULD INTERVIEW
WIDELY IN FAO AND THE BANK, PERFORM NEEDED ANALYSES AND DEVELOP A JOINT REPORT STOP
THE STUDY WOULD BE OVERSEEN AND THE REPORT REVIEWED BY A REVIEW GROUP OF SEVEN OR
EIGHT PEOPLE WHICH WOULD INCLUDE REPRESENTATIVES FROM BOTH OUR ORGANIZATIONS STOP
GROUP
THE ~~XXXX~~ COULD BE CHAIRED BY MR. ~~KE~~ KEARNS, DIRECTOR OF OUR ~~XXXX~~ ORGANIZATION
AND PLANNING DEPARTMENT STOP WE WOULD EXPECT MR. YUDELMAN AND OUR SENIOR ADVISER
ON AGRICULTURE AS WELL AS TWO OR THREE REPRESENTATIVES FROM OTHER PARTS OF THE
BANK TO BE ON THE COMMITTEE STOP WE WOULD HOPE THAT THE REPRESENTATIVES FROM FAO
ON THE REVIEW GROUP WOULD MATCH THE ~~XX~~ SENIORITY OF THE BANK REPRESENTATION STOP

THE TASK FORCE WOULD BE HEADED BY PETER RICHARDSON, THE ORGANIZATION PLANNING
DEPARTMENT'S SENIOR MANAGEMENT ANALYST STOP HE WAS INVOLVED IN THE BANK'S
REORGANIZATION STUDY AND HEADED A SUBSEQUENT STUDY TO ASSESS REMAINING BANK

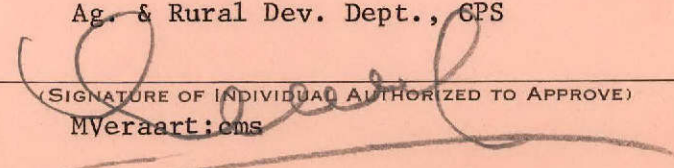
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FAO

CLASS OF

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PAGE THREE

MANAGEMENT PROBLEMS STOP HE HAS ALSO REVIEWED THE ROLE OF THE BANK'S OVERSEAS
POSTS STOP MR. KEARNS' DEPARTMENT WOULD SUPPLY A SECOND EXPERIENCED ANALYST TO
HELP MR. RICHARDSON AND THE BANK MIGHT ALSO CONTRIBUTE AN AGRICULTURE MISSION
LEADER TO THE EFFORT STOP FAO-CP WOULD HOPEFULLY HAVE A MAN ON THE TASK FORCE,
AS MIGHT--I ASSUME--FAO PROPER STOP

THE REVIEW MIGHT WELL EXAMINE THE FOLLOWING ITEMS:

- (A) THE EFFECTIVENESS ON RESOURCE USE OF HAVING THE FAO-CP CONCENTRATE ALMOST
EXCLUSIVELY ON IDENTIFICATION AND PREPARATION TO THE ALMOST COMPLETE EXCLUSION OF
PARTICIPATION IN SECTOR WORK, APPRAISAL AND SUPERVISION;
- (B) THE APPROPRIATENESS OF EXISTING WORKING ARRANGEMENTS FOR ESTABLISHING
PRIORITIES;
- (C) THE ADEQUACY OF COORDINATION IN THE BANK WITH REGARD TO CP;
- (D) THE EFFECTIVENESS OF RELATIONSHIP BETWEEN THE CP AND FAO AS A MEANS OF TAPPING
THE FULL KNOWLEDGE OF FAO IN THE TASK OF IMPROVING THE WORLD AGRICULTURAL SITUATION;
- (E) THE EFFICIENCY OF THE INTERNAL ORGANIZATION OF THE CP BOTH AS IT RELATES TO THE
BANK'S ORGANIZATION AS WELL AS TO THE CONTRIBUTION THE CP CAN MAKE TO THE WORK OF

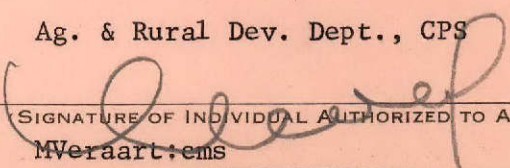
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NAME Mr. Marius Veraart

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RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

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DATE: JANUARY 14, 1975

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PAGE FOUR

BOTH FAO AND THE BANK;

(F) THE EFFECTIVENESS OF THE RELATIONSHIP BETWEEN THE BANK AND THE INVESTMENT CENTER AND MAINTAINING CP'S IDENTITY WITHIN THE INVESTMENT CENTER;

(G) EFFECTIVENESS OF ADMINISTRATIVE AND BUDGETARY PROCEDURES WITH EMPHASIS ON EXPENDITURE REPORTING AND BILLING ARRANGEMENTS STOP

AS I MENTIONED ABOVE, I FEEL THAT THIS IS AN APPROPRIATE TIME FOR A REVIEW OF THE KIND DESCRIBED ABOVE STOP I LOOK FORWARD TO YOUR VIEWS ON ~~THE~~ THIS AND AN EARLY INDICATION OF WHO YOU WOULD LIKE TO PARTICIPATE IN THE INITIAL DISCUSSIONS ON THE TERMS OF REFERENCE FOR THE REVIEW STOP THEREAFTER WE CAN ARRANGE A MUTUALLY AGREEABLE MEANS OF PROCEEDING STOP

I AM CONFIDENT THAT THE KIND OF REVIEW ENVISAGED CAN CONTRIBUTE IMPORTANTLY TO THE QUALITY AND PRODUCTIVITY OF OUR FUTURE COLLABORATION STOP

SINCERELY

(SIGNED) ROBERT S. McNAMARA UNQUOTE

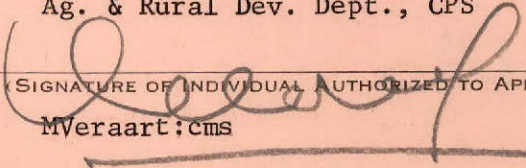
HUYSER

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AUTHORIZED BY:

NAME Mr. Marius Veraart

DEPT. Ag. & Rural Dev. Dept., CPS

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

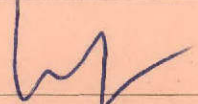
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JAN 14 3 14 PM 1975

COMMUNICATIONS

NOT TO BE REPRODUCED

MAZEE

(SIGNED) ROBERT S. MANNING DELORE

SIGNATURE

THE OFFICIAL AND PROFESSIONAL OF ONE PERSON CONTRIBUTION 2105

I AM CONFIDENT THAT THE KIND OF REASON ENLIGHTENED CAN CONTRIBUTE IMPROVEMENT TO
VOLUME OF MEANS OF PROCEEDING 2105

THE LEADS OF REASON FOR THE REASON 2105 THEREFORE WE CAN VARIOUS Y HULLY
EVERY INDICATION OF WHO AND HOW TO PROCEED IN THE INITIAL DISCUSSIONS ON
THE KIND DESCRIBED ABOVE 2105 I LOOK FORWARD TO YOUR AIDS ON THE LINE AND AM

AS I REMEMBERED ABOVE I MEET THAT THIS IS A VARIOUS LINE FOR A REASON OF
EXPERIENCE PROCEEDING AND RITING VARIOUS 2105

(C) REASONABLENESS OF ADMINISTRATIVE AND JUDICIAL PROCEEDINGS WITH EMPHASIS ON
CRIMINAL AND INVESTIGATIVE CASES IDENTIFY WITHIN THE INVESTIGATIVE CRIMINAL

(L) THE REASONABLENESS OF THE INVESTIGATIVE CRIMINAL THE WORK AND THE INVESTIGATIVE
BOTH TWO AND THE WORK?

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TEXT 1841

FACE 101

COPY NO. 101

NEW YORK

FO

TO: ALBANY

(EX- 2330)

SERVICE: 1/14/75

CLASS OF

DATE: 1/14/75

OUTGOING MAIL

ASSOCIATION

INTERNATIONAL

(10)

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL

COOPERATION

INTERNATIONAL

January 9, 1975

Mr. A. H. Boerma
Director General
Food and Agriculture Organization of
the United Nations
Via delle Terme di Caracalla
00100 Rome, Italy

Dear Ad:

As you are probably aware, Mr. Huyser, Mr. Yudelman, Director of our Agriculture and Rural Development Department, and Mr. James Kearns, Director of the Bank's Organization Planning Department, have had occasional conversations over the past two years about a possible survey of FAO-CP/Bank management and coordination problems. They agree—and I now feel—that this is an appropriate time to conduct a joint FAO/IBRD review of our cooperative program.

The reorganization of the Bank has now been in effect long enough to permit an assessment of procedural or relationship changes it might have made advisable. The Bank and FAO will soon have to establish the joint budget for the CP covering 1976/77. Also, there is need to consider the possible effects on the program of any institutional changes that may result from the follow-up to the World Food Conference.

More generally, increasing demands are being placed on institutions such as ours to cope with the world's food needs while at the same time it is apparent that we will be operating under growing budgetary constraints. We, in the Bank, are examining all aspects of our operations to see how we can improve their quality and raise our productivity. I'm sure your organization has similar objectives.

I propose that to conduct the study we establish a three or four-man joint task force working full-time for at most five months. It would interview widely in FAO and the Bank, perform needed analyses and develop a joint report. The study would be overseen and the report reviewed by a

review group of seven or eight people which would include representatives from both our organizations. The group could be chaired by Mr. Kearns, Director of our Organization and Planning Department. We would expect Mr. Yudelman and our Senior Advisor on Agriculture as well as two or three representatives from other parts of the Bank to be on the Committee. We would hope that the representatives from FAO on the review group would match the seniority of the Bank representation.

The task force would be headed by Peter Richardson, the Organization Planning Department's senior management analyst. He was involved in the Bank's reorganization study and headed a subsequent study to assess remaining Bank management problems. He has also reviewed the role of the Bank's overseas posts. Mr. Kearns' department would supply a second experienced analyst to help Mr. Richardson and the Bank might also contribute an agriculture mission leader to the effort. FAO-CP would hopefully have a man on the task force, as might--I assume--FAO proper.

The review might well examine the following items:

- a) the effectiveness on resource use of having the FAO-CP concentrate almost exclusively on identification and preparation to the almost complete exclusion of participation in sector work, appraisal and supervision;
- b) the appropriateness of existing working arrangements for establishing priorities;
- c) the adequacy of coordination in the Bank with regard to CP;
- d) the effectiveness of relationship between the CP and FAO as a means of tapping the full knowledge of FAO in the task of improving the world agricultural situation;
- e) the efficiency of the internal organization of the CP both as it relates to the Bank's organization as well as to the contribution the CP can make to the work of both FAO and the Bank;
- f) the effectiveness of the relationship between the Bank and the Investment Center and maintaining CP's identity within the Investment Center;
- g) effectiveness of administrative and budgetary procedures with emphasis on expenditure reporting and billing arrangements.

As I mentioned above, I feel that this is an appropriate time for a review of the kind described above. I look forward to your views on this

and an early indication of who you would like to participate in the initial discussions on the terms of reference for the review. Thereafter we can arrange a mutually agreeable means of proceeding.

I am confident that the kind of review envisaged can contribute importantly to the quality and productivity of our future collaboration.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

CC: Mr. J. Kearns
Mr. M. Hoffman
Mr. S. Burmester

met
PRichardson
MYudelman:JKearns:PRichardson:nw