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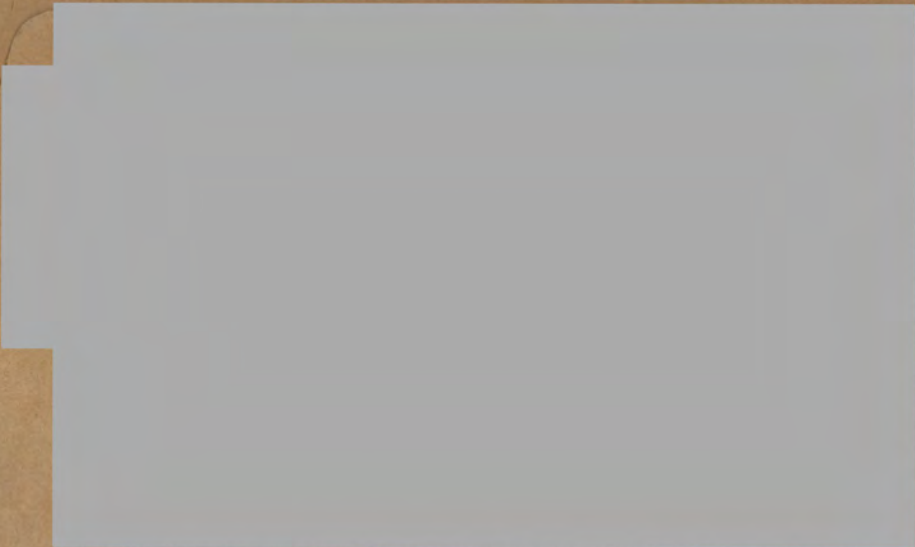
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Washington, D.C.

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1972-74 I  
O.P. - GOP - Agricultural and Rural Dev.  
Advisory Panel.



 **Archives**  
1055856  
A1994-050 Other #: 23 Box # 210258B  
Bank Administration and Policy Files - General Operating Policy - Agricultural and Rural  
Development Advisory Panel

**DECLASSIFIED**  
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This file is closed as of  
December 31, 1974  
For further correspondence,  
please see 1975/77 files.

*OP. G.O.P. Agricultural &  
Rural Adv. Panel*

Mr A. Neylan

September 4, 1974

M. Yudelman

Visit to Ottawa, September 15 to 21, 1974 -  
Terms of Reference

On or about September 15, 1974 you will arrive in Ottawa for a stay of one week to assist Sir John Crawford in work related to the Advisory Panel on Agriculture and Rural Development and other Bank matters.

Upon your return to Washington you will report on your discussions.

ANeylan:jf

*AN*

August 27, 1974

Mr E. Penalosa  
500 East 85th Street  
Apartment 20-J  
New York, NY 20028

Dear Enrique,

With regard to the Advisory Panel discussion on August 5 concerning Bank goals in agriculture and rural development, Sir John Crawford would appreciate written notes (not essays) on the following questions:

- (1) What is the role of the Bank?
- (2) Is the President's question properly posed or too narrow, e.g. implication of uniform applicability.
- (3) Should the question include instruments?
- (4) Is there conflict between absolute and relative poverty?
- (5) How can goals encompass non-farm activity?
- (6) What typology of countries should the Bank adopt?
- (7) Should the Bank put greater emphasis on certain countries having the largest concentrations of poor?
- (8) Can the Bank find better ways to influence national policies?
- (9) How can the Bank do more institution and management building?
- (10) How would it be possible to implement the massive training required, e.g. new types of EDI?
- (11) How would it be possible to speed up efforts to strengthen national research?
- (12) How would it be possible to devise joint programs of the Bank cum International Centres?
- (13) How could program feasibility studies be started to identify areas of long-term production potential?

August 27, 1974

- (14) Should the Bank reverse the trend to smaller average sized projects?
- (15) Given the time perspective, should the Bank begin preparation of very large projects possibly through a consortium mechanism?
- (16) Can the Bank develop a balance sheet of dollars inputs and output expected in terms of hectares or individuals benefitted?

Kind regards,

Yours sincerely,



*for* Anthony Neylan

ANeylan:jf

OP-G.O.P - AGRICULTURE RURAL DEV DIVISION WABEL

Form No. 27  
(3-70)

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

BOOK OF FOUR CABLES

OUTGOING WIRE

TO: SEE BELOW

DATE: AUGUST 27, 1974

CLASS OF  
SERVICE: LT (EXTN 4823)

COUNTRY:

TEXT:

Cable No.:

RE DISCUSSION AUGUST 5 BANK GOALS IN AGRICULTURE AND RURAL DEVELOPMENT  
 CHAIRMAN WOULD APPRECIATE WRITTEN ~~MEMORANDUM~~ NOTES PAREN NOT ESSAYS PAREN  
 ON FOLLOWING QUESTIONS COLON (1) WHAT IS ROLE OF BANK (2) IS PRESIDENTS  
 QUESTION PROPERLY POSED OR TOO NARROW EG IMPLICATION OF UNIFORM APPLICABILITY  
 (3) SHOULD QUESTION INCLUDE INSTRUMENTS (4) IS THERE CONFLICT BETWEEN  
 ABSOLUTE AND RELATIVE POVERTY (5) HOW CAN GOALS ENCOMPASS ON-FARM ACTIVITY  
 (6) WHAT TYPOLOGY OF COUNTRIES SHOULD BANK ADOPT (7) SHOULD BANK PUT GREATER  
 EMPHASIS ON CERTAIN COUNTRIES HAVING LARGEST CONCENTRATIONS OF POOR (8) CAN  
~~THE~~ BANK FIND BETTER WAYS TO INFLUENCE NATIONAL POLICIES (9) HOW CAN BANK DO  
 MORE INSTITUTION AND MANAGEMENT BUILDING (10) HOW IMPLEMENT MASSIVE TRAINING  
 REQUIRED EG NEW TYPES OF EDI (11) HOW SPEED UP EFFORTS TO STRENGTHEN NATIONAL  
 RESEARCH (12) HOW DEVISE JOINT PROGRAMS ~~WITH~~ BANK CUM INTERNATIONAL CENTERS  
 (13) HOW START PROGRAM FEASIBILITY STUDIES TO IDENTIFY AREAS OF LONGTERM  
 PRODUCTION POTENTIAL (14) SHOULD BANK REVERSE TREND TO SMALLER AVERAGE SIZED  
 PROJECTS (15) GIVEN TIME PERSPECTIVE SHOULD BANK BEGIN PREPARATION VERY

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

DEPT.

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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TO:

DATE:

CLASS OF  
SERVICE:

COUNTRY:

TEXT:  
Cable No.:

PAGE 2

LARGE PROJECTS POSSIBLY THROUGH CONSORTIUM MECHANISM (16) CAN BANK  
DEVELOP A BALANCE SHEET OF DOLLARS INPUTS AND OUTPUT EXPECTED IN TERMS  
OF HECTARES OR INDIVIDUALS BENEFITTED REGARDS

NEYLAN

(1)

B. SIVARAMAN  
PLANNING COMMISSION  
GOVERNMENT OF INDIA  
PARLIAMENT STREET  
DELHI  
INDIA

*LT/RCA*

(2)

HOPPER  
IDRC  
PO BOX 8500  
OTTAWA  
CANADA k1G 3H9

*TELTEX*

(3)

FALCON  
FOOD RESEARCH INSTITUTE  
STANFORD UNIVERSITY  
STANFORD, CALIF. 94305  
USA

*LT/WU*

(4)

EVANS  
THE OLD POST COTTAGE  
MOTCOMBE  
SHAFTESBURY  
DORSET SP7 9NT  
ENGLAND

*LT/RCA*

**NOT TO BE TRANSMITTED**

AUTHORIZED BY:

NAME **G.F. Darnell**

DEPT. **Agriculture & Rural Development**

SIGNATURE *[Signature]*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)  
**ANeylan:jf**

REFERENCE:

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INTERNATIONAL & LOCAL DEVELOPMENT

NAME

G.E. DELBERT

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AUG 27 6 52 PM 1974

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SHARLEEN BORN  
MOLKORBE  
THE OLD POST COLLEGE  
SAVING

(1)

INDIA  
DEPT  
ECONOMIC SERVICES  
GOVERNMENT OF INDIA  
LIVING COMMISSION  
B. SAVANNA

(1)

TELEX

UNCLASIFIED  
DEPT  
PO BOX 8200  
LSEC  
HOUSTON

(5)

UNCLASIFIED  
SAVANNAH CITY  
SAVANNAH MIAMI  
WOOD BRIDGEHILL  
LIVING

(3)

MEXICO

OF RESOURCES OF INDIVIDUALS BENEFITTED BY  
DEVELOP V SERVICE SHEET OF DOCTORS IMPALS AND OTHER EXPENSE IN TERMS  
LARGE PROBLEMS POSSIBLE THROUGH COMPOSITION MECHANISM (re) CAN BANK

PAGE 5

Copy No: 1

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ORIGINATING UNIT

ASSOCIATION

INTERNATIONAL DEVELOPMENT

Form No 33

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

Mr. Montague Yudelman

August 9, 1974

Bruce M. Cheek

Advisory Panel - Support for National Agricultural Research

At the final session of the Advisory Panel on August 6, Sir John Crawford asked that two points be called to your attention.

First, referring to the preparations for the World Food Conference, Sir John urged that (in referring to strengthening agricultural research along the lines of his Nairobi speech) McNamara should not only cite the work of the CG system but should recognize the need to increase direct support to national research. He should urge bilateral agencies to do more as they are fully capable of so doing. Also, he should clearly state that the Bank recognizes the importance of national research and plans to increase its support through its lending policy, for example by strengthening the research content of projects now being brought forward. Sir John feels that McNamara should ventilate this issue publicly even if one of the fall-outs is to point up the fact that so far the Bank has not done much in this field.

The second theme which Sir John underlined in his Panel summation was that national research should clearly be in direct support of food production. He referred to earlier remarks by Sterling Wortman and Jim Evans that the question was not just one of putting more money into national research, but of determining the foci of national research in each country, including appropriate training components. National research should be "oriented" in accord with a set of priorities analagous to the TAC priorities for the international research system. Help in research management and organization (institution building) is also necessary.

In his Centers Week presentation on July 30, 1974, Dr. U. J. Grant, Director-General of CIAT, urged stronger action by bilateral donors, including the World Bank, along the lines just outlined. Copy of the relevant portion of his address is attached. I would suggest that CPS and regional staff should consider his specific suggestions and come up with lines of action to implement the agreed objective of strengthening national agricultural research programs.

Attachment

cc: Sir John Crawford  
Mr. J. Fransen  
Mr. N. Koffsky  
Mr. T. Neylan  
Mr. L. J. C. Evans  
Mr. P. A. Oram

  
BMC:mcj

EXCERPTS FROM THE ADDRESS OF DR. U. J. GRANT, DIRECTOR CIAT  
TO CENTERS WEEK

We recognize that there is a practical limit as to how far CIAT can go in the subject without diverting from its primary concern of increasing production and productivity potentials of specific commodities. In addition, we must not become unduly involved in the decision-making process and priorities of individual countries.

However, in general, the Latin American countries do not have a regular flow of information on which to base their research allocations. We feel that data such as being collected at CIAT can be useful to the decision makers of the countries if we can find a viable way to get the pertinent data into their hands, and ways to assist and encourage them to undertake similar data-gathering activities of their own.

The second issue concerns the direct relationships of centers with national programs. Just to restate the case, I firmly believe that the needs of farmers will be met only when and if the national agencies are fully functional and effective.

Some are quick to compare the expertise of International Centers with that of National programs. When the National programs have sufficiently trained staff, and adequate and flexible budget, available on a timely basis, then such comparisons may be valid.

At least three countries where CIAT is collaborating are not receiving much more than enough of their budget to pay salaries until late in the year, and then the total, finally available, is often greatly reduced.

What I am about to suggest may sound naive, but it would certainly help the National programs if it could be implemented. A number of donor and loan agencies are making available funds for development projects. I suggest:

--that part of the loan or grant be made available for the use of appropriate research and training agencies without restriction as to necessary counterpart or matching funds.

--that these special funds be paid directly to the participating research and training agencies as soon as the loan proposal or grant proposal is signed.

--that the use of such funds be broadly outlined (if mutually agreeable) as part of the loan or grant-in-aid-terms.

--that the major donor and loan agencies continue to seek ways through which they may collaborate more effectively within a country, and eliminate competition.

--that, where feasible, the International Centers coordinate their special projects with many of the same donors or lending agencies through special bi-lateral projects involving National programs.

The International Centers should be judged in great part by their ability to collaborate with, to stimulate, and to strengthen national agencies. With 5 years experience in making a real effort to collaborate fully with national agencies, I am convinced that a major effort to help countries resolve their planning and budgetary problems for agricultural research and training would reduce substantially the obstacles to effective collaboration and accelerate development.

It would, in addition, help reduce the brain drain being experienced by many of the developing countries.

Thank you.

W.P. G.O.P. Agriculture & Rural Dev.  
Advis. Panel

Mr. Montague Yudelman

August 8, 1974

Bruce M. Cheek

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*cp/qa = spec survey  
= hrs. spent  
important*

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Mr. T. Neylan

BMC:mcj

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Thank you.

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

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				2.7



*M. D. Bell*

## OFFICE MEMORANDUM

TO: See List Below

FROM: Anthony Neylan *AN*

SUBJECT: Advisory Panel on Agriculture and Rural Development

DATE: July 23, 1974

*Frank* | *Stamps*  
|  
*Regions.*

You are invited to attend a meeting (Room E-1244) of the Panel on Tuesday, August 6, 1974 when the World Food Conference will be discussed. The schedule will be as follows:

Time

1000-1230 First Session

1500-1730 Second Session

Speakers: Messrs M. Yudelman  
D. Hopper  
N. Koffsky  
B. Sivaraman

Topics:

1. (a) Review of assessment of cereal gap.
- (b) Review of fertiliser gap.
- (c) Current situation in India - prospects for self-sufficiency

2. (a) Presentation of World Food Conference Programs to increase production in developing countries
  - land
  - water
  - fertiliser
  - research
  - post-harvest technology
  - institutions.
- (b) Investment implications.
- (c) Absorptive capacity of developing countries and implications for technical assistance, training and institution building.

3. (a) Reserve Food Stocks.

(b) Food Aid.

4. Bank input to World Food Conference.

Distribution

Messrs Darnell ✓  
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Messrs Carmignani  
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Qureshi  
S. Singh

ANeylan:jf

✓ O.P. G.O.P. Agricultural & Rural Dev. Panel

cc O.P. Research  
cc Each R.P.O.#

Mr. A. Neylan, Agriculture & Rural  
Development Department  
D. C. Rao, VPD

August 1, 1974

Advisory Panel of Agricultural and Rural  
Development - Meeting on Research

The attached papers provide the background for the Advisory Panel's meeting on research on agriculture and rural development, on August 6. The material is presented in two sections:

- (A) External Research Projects: This constitutes projects which are financed by the external research budget, rather than by the departments, usually because they are relatively large and involve the use of consultants;
- (B) Other Research and Studies: This includes policy/ issues papers and constitutes a variety of studies in this area as reported to us by the Agriculture and Rural Development Department in CPS and the Employment and Rural Development Department in DPS.

I am confident that this is an incomplete listing of all the research now going on in the Bank relating to agriculture and rural development. First, it omits research studies (other than external research projects) being undertaken in departments other than the two which are listed above. Secondly, it omits research studies which are being undertaken in the context of specific loans. For instance, the Muda River Project included an extensive socio-economic survey which would not have figured in this listing, but the analysis of the survey is an important component of the research project "The Analytics of Change in Rural Communities" (RPO 317). Similarly, the external research budget has paid for the baseline socio-economic survey to study the development impact of feeder roads in Ethiopia (RPO 271), but it is expected that the costs of the subsequent surveys will be borne by the proposed Minimum Package loan to Ethiopia.

You will understand therefore, why it is difficult to provide even a reasonably complete survey of the research being done in the Bank. However, we have made a beginning and we are in the process of improving this list.

At the meeting on August 6, Mr. King and I would be particularly interested in obtaining the views of the members of the Panel regarding the priority of topics listed here, relative to the topics that do not appear in this list. It is obviously necessary to develop a reasonably clear idea of the overall scope and balance of research in this difficult

- (b) the considerable amount of information that has been collected by the Bank in the course of its work in Mexico, Northeast Brazil, Yugoslavia and Indonesia;
- (c) the field surveys that have been completed in connection with the Muda River Irrigation Project in Malaysia, jointly by IBRD and FAO.

#### Staffing

The project is under the direction of the Development Research Center. Bank staff members (Peter Hazell, Roger Norton and others) will collaborate with consultants.

#### Schedule

The project is just getting under way and is scheduled for two years. During the first year, the primary emphasis will be on the review of available data and the solution and revisions of preliminary models incorporating the list of key characteristics.

- (a) survey and clarify conceptual issues related to the identification, valuation and measurement of different forms of real and financial savings and investment indulged by rural households;
- (b) search out and catalog a minimum inventory of farm/household survey data with relevant information on savings and capital formation;
- (c) survey and evaluate the fruitfulness of alternative analytical approaches which have been employed to study rural savings and investment such as:
  - (i) village case studies;
  - (ii) programming models;
  - (iii) simultaneous equation econometric models;
  - (iv) single equation econometric models; and
  - (v) anthropological explanations.

### Staffing

The study will be contracted out to consultants working in association with Mr. Shankar Acharya and Mr. Montek Ahluwalia of the Public Finance and Income Distribution Divisions. Close coordination will be maintained with the research for the companion project, " Analytics of Change in Rural Communities".

### Schedule

Work on this project has been initiated very recently. The report is expected in June 1975.

MALAGASY FEEDER ROADS

Transportation and Urban Projects Department

Background

In 1973 two research projects were initiated, one in the Yemen Arab Republic and the other in Ethiopia, to quantify the contribution of feeder road investments to rural development. These projects will monitor, over a period of six to ten years, the impact of rural road projects on the small local economy they serve. The Malagasy Feeder Road project is the third in the series of research projects on this subject. However, since satisfactory baseline surveys already exist and the road has been completed, the study can go directly to the final phase of the evaluation.

The Andapa basin in northeast Malagasy was the subject of an extensive socio-economic survey financed by the FAC (Fonds d'Aide et de Cooperation) and conducted by the French consulting firm BCEOM between 1964-1966. The study included surveys of household budgets and consumption, local trade and retailers, external trade, and agricultural production and productivity. A report containing all the data was prepared.

A road connecting the basin with a coastal highway was completed in 1970. Follow-up FAC/BCEOM studies planned after road completion have not been undertaken due to lack of funds.

Objectives and Methodology

The purpose of the project is to present a comparative analysis of selected socio-economic variables from 1964-66 to 1974-75. The analysis should yield insights into the traffic effects of the road

as well as the Andapa baseline study. Data will be collected on land-use and productivity, population, household budgets and consumption patterns, and local and external trade. Interview surveys among farmers, traders, and transporters will be conducted. Consumer and producer prices will be monitored and road traffic surveys taken.

#### Staffing

The Transportation and Urban Projects Department in association with the Swiss Federal Institute of Technology and BCEOM is directing the project. The survey work will be conducted by a team of graduates from the Swiss Federal Institute of Technology. Local counterparts, probably university students, will assist in the field work.

#### Schedule

The project commences in June/July 1974. The final report should be available in early 1976.

- (b) the considerable amount of information that has been collected by the Bank in the course of its work in Mexico, Northeast Brazil, Yugoslavia and Indonesia;
- (c) the field surveys that have been completed in connection with the Muda River Irrigation Project in Malaysia, jointly by IBRD and FAO.

#### Staffing

The project is under the direction of the Development Research Center. Bank staff members (Peter Hazell, Roger Norton and others) will collaborate with Michael Lipton of IDS, Sussex.

#### Schedule

The project is just getting under way and is scheduled for two years. During the first year, the primary emphasis will be on the review of available data and the solution and revisions of preliminary models incorporating the list of key characteristics.



ANALYTICS OF CHANGE IN RURAL COMMUNITIES

Development Research Center

Background

The Bank has begun to devote substantial amounts of resources to lending for rural development projects. It has become apparent that problems of project design and implementation are more difficult in this area than in more traditional areas of Bank lending. This is due to the facts that (a) the aim of a project often is to initiate or redirect a process of change in rural communities, which raises problems of consistency with the goals of the community itself, and (b) rural development projects involve a variety of activities, some of which do not have any direct short-term economic returns.

The conceptual and information base for the design of rural development projects is still very weak. There is a great deal of fragmentary knowledge about the existing socio-economic structures of rural communities, but relatively little indication of how these structures would change in response to different kinds of intervention or about how the results from specific village studies can be generalized to other villages or regions. The risks of failure are therefore greater in rural development projects than in some of our more traditional investments and complicated problems of technology, organization, land tenure and human motivation remain to be resolved.

## Objectives and Methodology

The proposed study attempts to develop a rigorous framework for -

- (a) designing and evaluating key features of integrated rural development projects;
- (b) analysis of the effects on rural communities of different policy instruments;
- (c) helping to identify those features of successful projects which can be repeated in other rural areas; and, more generally,
- (d) providing an efficient feedback system to enhance the value of project experience.

The proposed research program comprises two preliminary and interdependent undertakings:

- (a) the construction of socio-economic models of two or three illustrative cases of rural communities undergoing change; and
- (b) the identification of key characteristics which determine how the model specification must vary for different types of communities.

The latter is an attempt to meet the concern about the possibilities of generalizing from particular village studies.

The empirical basis for the studies will consist of the following:

- (a) 3,000 village studies which have been catalogued by the Institute of Development Studies, University of Sussex;

### Objectives and Methodology

The general objective of the study is to assess public works programs in six developing countries as instruments for reducing unemployment and increasing the incomes of target groups within a long term development strategy. The six countries concerned are Bangladesh, Brazil, Morocco, Tanzania, Tunisia and West Pakistan. Specific research objectives which are viewed as intermediate means to address this broad policy concern include: evaluation of economic and social benefits and costs of programs; analysis of the income distribution effects of factor payments and of benefits flowing from assets created; examination of the political motivations in the origin and design of the programs; identification of the most promising organizational, administrative, and financial arrangements; evaluation of the potential for urban programs; and examinations of the potential role for external assistance.

### Staffing

The study is being carried out by a research team at Harvard University consisting of John Thomas, Shahid Javed Burki, Richard Hook and David Davis. The Employment and Rural Development Division is the responsible unit in the Bank.

### Schedule

The project was initiated in June 1973. The final report is expected in August 1974.

### Reports and Publications

Burki, "Employment Creating Urban Public Works Programs: Outline of a Strategy", August 1973.

Davies, "An Essay on Employment Concepts", August 1973.

Thomas, "Employment Creating Public Works Programs:  
Observations on Political and Social Dimensions", August 1973.

Comparative Experience with Land Reform  
in Latin America

Development Economics Department

Background

A number of Latin American countries have developed significant agrarian reform programs. Mexico has the longest experience but Bolivia, Chile, Peru and Venezuela have also undertaken tenure reform which affect a significant percentage of rural households. The reform programs have attempted to change the basic rural income distribution and to create new agrarian institutions through which farming households could have access to resources and markets. Most of these programs have been incomplete and partial, some giving rise to a dualistic agricultural system.

Objectives and Methodology

The principal objective of the project is to determine the role land reforms play in reaching simultaneously the basic development goals of raising output, achieving a more equitable distribution of income and creating employment opportunities.

The specific problems to be analyzed are:

- (a) the role that distributive land reforms have played in the economic development process in Latin American countries;
- (b) the complementarities and trade-offs between growth promoting and income distributing effects of various kinds of reforms;

- (c) ways in which land reform can be turned into an effective tool for the redistribution of productive capacity, employment opportunities and income generation;
- (d) extent to which land reforms induced technological innovations;
- (e) the type of reform policies that can raise productivity without displacing workers;
- (f) the effect of reforms on economies of scale in production and services;
- (g) where and under what conditions has cooperative, collective or group farming worked satisfactorily;
- (h) ways in which land tenure changes can be employed as a basic or catalyst for "integrated small-holders development" programs;
- (i) extent to which an extension-credit-insurance-marketing service package is related to land tenure changes.

The experience with a variety of land reform approaches and programs will be reviewed. The project will concentrate on the Mexican experience, which is the oldest and of largest scale in the region, drawing on relevant comparative material from Venezuela, Bolivia, Chile and Peru. The comparative analysis of land reform should provide important insights into the process of land redistribution, the problems it raises and the lessons to be drawn for the design and implementation of rural development programs.

Staffing

The study is undertaken in the Employment and Rural Development Division, in collaboration with the Land Tenure Center of the University of Wisconsin, Centro de Investigaciones Agrarias (Mexico), Centro de Estudios del Desarrollo (Venezuela) and Fundacion para la Capacitacion e Investigacion Aplicada a la Reform Agraria (Venezuela).

Schedule

Completion is expected by February 1975.

Reports and Publications

S. Eckstein, "Lessons from the Mexican Experience", Paper prepared for Seminar on Land Reform, World Bank, May 1973.

S. Eckstein and T. Carroll, "Comparative Experiences with Land Reforms in Latin America: The Emerging Issues," Interim Project Report, IBRD.

D. E. Horton, "Land Reform and Reform Enterprises in Peru," June 1974, Report prepared for the Land Tenure Center and the IBRD.

DEVELOPMENT STRATEGIES FOR SMALLHOLDER AGRICULTURE:  
A CASE STUDY IN YUGOSLAVIA

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Agriculture and Rural Development Department

Background

Smallholder farming is the traditional and predominant form of agriculture in most developing countries. Although, the importance of smallholder farms is likely to decline in the long run, it will remain a dominant form of agriculture for some time. However, it is important to investigate the effects<sup>of</sup> policies, institutional arrangements and economic performance in this traditional farming sub-sector and its relationship to the growing modern large scale farming sub-sector. Further analysis is necessary to determine the role that this traditional sub-sector can play in promoting both economic development and the well-being of rural people in the context of a rapidly modernizing and relatively developed market economy.

Objectives and Methodology

This study analyzes the effects of government policies, institutional arrangements and socio-economic conditions on smallholder agriculture in Yugoslavia. The experience in three regions of Serbia (Vojvodina, Serbia proper and Kosovo) in different stages of development are being examined. To this end, research is composed of a survey analysis and a farm models study.

The survey analysis consists of a cross sectional analysis of 10,000 observations for the year 1972. For this, the data for the three regions will be stratified into four farm types --



industrial crops, livestock, mixed crops (including livestock) and mountain. The analysis will involve fitting a Cobb-Douglas production function using regression techniques. This will lead to insights into the linkages of different kinds between the social and individual sector.

The farm models study, which is particularly interested in the impact on smallholders of the inputs associated with the linkages, will use linear programming models of the average forms. From this the costs, including opportunity costs and benefits of cooperation for the various categories of farms, can be highlighted. Data from secondary sources will also be utilized.

#### Staffing

The study will be undertaken by the Agricultural and Rural Development Central Projects Staff, in collaboration with the Institute of Agricultural Economics in Belgrade.

#### Schedule

The project is expected to be completed by November 1974.

EVALUATION OF THE LILONGWE LAND DEVELOPMENT PROGRAM

Development Economics Department

Background

The Lilongwe Land Development Program in Malawi was among the first Bank-financed rural development projects. The Program is an integrated, multi-faceted project which affects a population of some 250,000 over an area of 450,000 acres. The Program involves increasing the agricultural productivity of smallholders in the Central Region of Malawi, through extension of a package of inputs including seed and fertilizer for the production of groundnuts, tobacco and maize, management practices and provisions of marketing facilities. Also included in the Program is the construction of roads, soil conservation, ditches, and boreholes for drinking water, the allocation of communally held land to family units, establishment of growth centers, and a ranch for the production of beef cattle. The Program includes a component for the training of staff, farmers and rural leaders.

Objectives and Methodology

The Lilongwe Land Development Program (LLDP) has been reviewed as part of another Bank research project, Rural Development in Africa (RPO 218). The purpose of this additional research is to analyze in greater detail the distribution of the benefits of the rural development activities between various socio-economic groups with special emphasis on the role of the delivery systems used.

The methodology used will consist of the testing, by standard econometric techniques, of a series of hypotheses related to the levels and determinants of benefits at LLDP, and supplementing this with the use of simple descriptive statistics.

Staffing

The study is being carried out in the Employment and Rural Development Division, with the participation of Bill H. Kinsey and Robert Reader (consultants).

Schedule

The analysis of the data has been completed. A final report will be completed by September 1974.

Reports and Publications

B.H. Kinsey, "Summary of Findings of the Lilongwe Land Development Program Follow-Up Study," May 1974.

POPULATION GROWTH AND RURAL POVERTY

Development Economics Department

Background

The rapid growth of population is a serious impediment to the improvement of living standards, especially among the poor, in developing countries. National family planning programs do not appear to have been successful in bringing down the rate of population increase in the poorer countries. The principal drawback is that little is known about what affects fertility rates or about the economic costs and benefits of larger families in rural households.

Objectives and Methodology

The project will consist of comparative anthropological studies in eight villages in India, Kenya, Nigeria and Sri Lanka to expand the Bank's knowledge of the economic determinants of fertility, population growth, rural labor supply and income distribution, and education in rural areas.

The contribution of different members of different types of households to the economy of the households will be studied and measured in an attempt to assess the economic determinants of family formation and household size and the factors which govern the availability of household members for work outside their own land holdings. Particular attention will be paid to the differential effects of population growth by social class and the effect on employment opportunities and wage levels.

Staffing

The study is directed by Professor Scarlett Epstein of the Institute of Development Studies, University of Sussex. The field investigations will be carried out by eight graduate students from the target countries currently attending the University, each of whom will spend a year in one of the villages.

The Population Council and the U.K. Overseas Development Ministry have joined the Bank in financing this project.

Schedule

Fieldwork will begin in July 1974 and continue for approximately one year. Provisional write-up will begin in July 1975 with a return to the field in January 1976. Final write-up will begin in May 1976. The project will be completed in September 1977.

RURAL SAVINGS AND INVESTMENT

Development Research Center/  
Development Economics Department

Background

Information on savings behavior of different socio-economic groups is a key input in many areas of analytical development research -- project analysis, models of growth and distribution, technology choice, etc. Information on corporate and public savings is usually available from national accounts. Reliable information on household savings, however, can only be obtained from household surveys which are rarely conducted in rural areas. Consequently, there exists little research information regarding the savings behavior of rural households. The close direct link between savings and investment in rural households also poses conceptual problems in measurement.

Objectives and Methodology

This project is designed to take a first step in this inadequately researched field. The study will integrate data on rural savings behavior with an examination of capital formation decisions. Such an integrated study is particularly essential for farmers who combine savings and investment functions in one decision-making unit.

The project constitutes a wide-ranging review of existing material in order to:

LABOR MARKET IN MALAYSIA

Development Economics Department

Background

Malaysia has one of the highest rates of measured unemployment in Asia -- 10% -- and the incidence of unemployment is most manifest among secondary school leavers. Students who do not achieve a satisfactory grade on the final examination of the lower secondary level either enter vocational schools or go into the labor market. It is important to compare the experience of these two groups as well as to analyze the entire labor force situation.

Objectives and Methodology

The principal objective of the study is to develop a comprehensive picture of the operation of the labor force market in Malaysia. The research project was initiated originally with the single purpose of exploring the nature and course of unemployment among the secondary school leavers. The scope of the study has now been broadened to include an analysis of income differentials, participation rates and other relevant aspects of labor market behavior which is being attempted as a component of RPO 245, Labor Force Participation, Income and Unemployment.

The first phase of the study was a survey by mailed questionnaire to various groups of school leavers selected by school registers and Employment Office or registrants. The survey, carried out with the cooperation of the Malaysian Government, covered such

LABOR FORCE PARTICIPATION, INCOME AND UNEMPLOYMENT

Development Economics Department

Background

The study of urban labor markets has an important role in improving the design of development projects that are aimed at improving the productivity of the poor in urban areas. In many cities recent migrants from rural areas constitute a significant proportion of the increase in the urban labor force. Thus, these studies are also useful in improving our understanding of the economic impact of rural development projects. Several research projects -- RPO's 243, 245, 290 -- have been developed in this area. The emphasis for this project has been placed on employment and earnings in the "informal" sector of the market, and on the relationship between participation rates, individual earnings and family income among households in different sectors of the economy.

Objectives and Methodology

The research effort will be most concerned with the contrast between the "formal" and "informal" sectors, as well as linkages between the two. A portion of the study consists of an analysis of data from urban household surveys in Malaysia and Korea. The two target areas have quite diverse labor markets. In recent years, Korea has experienced a large expansion of the demand for labor with rising real wages. On the other hand, Malaysia is a "labor surplus" economy with a high rate of unemployment.



topics as the school leavers' job experience, period of waiting, initial and expected earnings, nature of job search as well as their family and school background.

The second phase of the research effort will begin in October 1974. This component will include a survey of a sample of the employed population with special emphasis placed on job history and mobility. In addition, a questionnaire inquiring about the process of wage determination, hiring practices, and employers attitudes will be submitted to employers of these workers.

The material from these two surveys is being supplemented by the analysis of primary and secondary data obtained from the Malaysian Government to build up a reasonably complete picture of the labor market.

#### Staffing

The Employment and Rural Development Division is directing the research project with the cooperation of several branches of the Malaysian Government. Much of the sample survey work is conducted by Survey Research Malaysia.

#### Schedule

The report on the first phase of the project should be ready by the end of 1974. The entire project is expected to be completed by September 1975.

#### Reports and Publications

D. Mazumdar, "The Problems of Unemployment in Peninsular Malaysia".

The major part of the project is devoted to a new survey of the labor market in Bombay. In the first phase, which began in January 1974, a survey of casual workers was taken. The results and final report of this phase are expected by the end of 1974. The second phase will be a survey of 2,500 workers in establishments in the "informal" sector and of another 2,500 workers in establishments in the "formal" sectors.

#### Staffing

The survey work in Bombay will be undertaken with the cooperation of the Economics Department of Bombay University. Dipak Mazumdar, a Bank staff member, has the major responsibility for the project.

#### Schedule

The first phase of the project is expected to be completed in February 1975; the second phase in September 1976.

#### Reports and Publications

D. Mazumdar, "The Theory of Urban Underemployment in Less Development Countries".

D. Mazumdar, "The Rural-Urban Wage Gap, Migration and the Shadow Wages".

ETHIOPIA FEEDER ROAD STUDY

Transportation and Urban Projects Department

Background

The Ethiopian road network is comprised of fairly adequate main roads but is severely lacking in the development of low cost rural roads. All-weather feeder roads constitute roughly 5% of all roads, while the comparative figure for the neighboring country of Kenya is approximately 90%. The development of an effective feeder road construction program is of crucial importance for the success of Ethiopia's rural development effort.

Objectives and Methodology

This is the second in a series of research projects undertaken by the Bank in its evaluation of the impact of feeder roads. The Agaro-Chira road southwest of Jimma, a Bank project, and two local roads comprise the base of the target area. The road is expected to open up an area to settlement and more systematic cultivation, where hitherto only wild-growing coffee has been exploited. The research consists of a series of socio-economic surveys of the area influenced by the road development, before, during and after completion of the roads.

The initial surveys concentrate on establishing basic data on the physical and social institutional resources of the region, in particular its demographic and labor force characteristics, land use patterns, agricultural production yields and costs, transportation characteristics and costs, and local markets and their structure.

Repeat surveys during construction and after completion of the road will monitor changes occurring in the study areas and attempt to relate these to investments. It is expected that from this analysis formulas relating the net value of agricultural production to varying levels of total investments for areas of differing physical and social institutional endowments can be developed.

In subsequent phases of the study, it is envisaged to monitor two or more additional feeder road projects in the highlands where subsistence agriculture predominates.

#### Staffing

The Transportation and Urban Projects Department is directing the study in association with the Institute of Development Research, Haile Sellassie I University. Field work was carried out by a team of students under the supervision of a senior research fellow of the Institute between December 1972 and April 1973.

#### Schedule

The Agaro-Chira Area baseline socio-economy survey has been completed and the report is under preparation

#### Reports and Publications

Inception Report: Agaro-Chira Area Baseline Socio-Economic Survey.

Draft Report: Agaro-Chira Area Baseline Socio-Economic Survey (expected in )

RURAL DEVELOPMENT IN NORTHEAST BRAZIL

Development Research Center

Background

Inequitable development patterns have evolved in northeast Brazil with vast numbers of peasants living in feudal, subsistence conditions alongside increasingly dynamic industrial sectors. The Brazilian Government has recently created some new action programs for the northeast. Both the Government and the Bank are contemplating the possibility of large-scale regional development lending programs. This research project has been designed partly to assist in developing the necessary informational and analytical base for such programs and, more generally, to provide an analytic framework for assessing the role of tenure reform, technological innovation and other elements of development strategy for this kind of region.

Objectives and Methodology

The study has the following major research objectives:

- (a) to analyze at the micro-economic level the restrictions that prevent resources from being channeled to the rural poor;
- (b) to evaluate the efficiency of farms of different sizes and tenure arrangements under various technological, geographic and ecological conditions;
- (c) to provide an adequate data base to help the identification and implementation of rural development projects.

Reports and Publications

Hazell and Scandizzo, "An Economic Analysis of Peasant Agriculture under Risk", March 1973.

Hazell and Scandizzo, "What Policies for Subsistence Agriculture under Risk".

Hazell and Scandizzo, "Competitive Demand Structures under Risk in Agriculture Linear Programming Models", June 1973.

Kutcher and Scandizzo, "Notes on Sample Design for the Northeast Brazil Regional Studies Project: The Selection of Municipios", July 1973.

Kutcher and Scandizzo, "Notes on Sample Design for Northeast Brazil Regional Studies Project: The Selection of Farms", August 1973.

Hazell, "A Methodological Proposal for Policy Analysis of 'Peasant' Agriculture", July 1973.

Hazell, Scandizzo, and Bergendorff, "On the Equilibrium of a Competitive Market when Production is Risky", July 1973.

Kutcher and de Castro Silva, "Northeast Brazil Farm Survey: Design for Initial Tabulations", August 1973.

Kutcher and Scandizzo, "Northeast Brazil. Regional Studies Project: Sampling Procedures", (Revised) March 1974.

Costa Lima and Scandizzo, "The Northeast Farm Survey as a Basis for Project Work", January 1974.

Kutcher, "Northeast Brazil Regional Studies Project: Prototype Farm Model", February 1974.

Scandizzo, "Resistance to Innovation and Economic Dependence in Northeast Brazil", February 1974.

Kutcher and Scandizzo, "Prototype Models of Share Tenancy: Initial Results", March 1974.

Moscoso and Scandizzo, "Pesquisa por Areas Geograficas de Unidades Produtoras", February 1974.

RURAL AND URBAN PUBLIC WORKS

Development Economics Department

Background

Poverty has remained a serious problems even in nations experiencing rapid growth. Large portions of the population of many developing countries remain outside the sectors of the economy which are expanding. As a result, attention has increasingly focussed on ways to alleviate persistent poverty. One way of raising the incomes of the poorer strata of society is to provide employment opportunities for those without jobs and with minimal skills and training.

A few developing nations have undertaken public works programs which mobilize unskilled, unemployed workers to carry out simple, low cost, labor intensive development projects. The rationale behind the development of such programs was that they provide both additional employment benefits and needed physical facilities, at a reasonable cost, that represent a net increase in total output. However, critics of public works projects claim that the productivity of such projects is so low as to be more in the nature of welfare, that they tend to promote corruption and become a budgetary drain that slows growth and new job creation in the long-run. These and other aspects of public work programs have not been fully examined.



Mr. A. Neylan

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August 1, 1974

area before we can intelligently design specific research projects. The members of the Panel have the advantage of a different perspective on the research being done outside the Bank and we would hope to benefit from this at the meeting.

Attachment

cc: Messrs. B. King  
Duloy  
Darnell  
Christoffersen  
Leiserson  
Bruce

DCRao:gm

## A. EXTERNAL RESEARCH PROJECTS

(Abstracts for each of the research projects listed in this section are attached)

### I. Agriculture and Rural Development Department, Central Projects Staff

#### 1. Evaluation of Alternative Methods for Specifying Agricultural Sector Development Strategies: Portugal and Brazil (RPO 213)

The purpose of this study is to improve the methods for defining integrated agricultural development strategies. The report will be based on case studies in Brazil and Portugal.

#### 2. Agricultural Mechanization in India (RPO 214)

The objective is to test the validity of the hypothesis that investments in tractors earn a high return and do not displace farm labor. Field studies in Punjab and Gujarat states in India.

#### 3. Development Strategies for Smallholder Agriculture (RPO 289)

A Study of the effects on smallholder agriculture of institutional arrangements, government policies and socio-economic conditions in three regions in Serbia, Yugoslavia.

### II. Employment and Rural Development Division, Development Economics Department, Development Policy Staff

#### 1. Rural Development in Africa (RPO 218)

The study explores the major elements involved in promoting the goals of rural development on the basis of a review of 13 projects in sub-Saharan Africa.

2. Evaluation of the Lilongwe Land Development Program (RPO 293)

The Lilongwe Land Development Project in Malawi has been reviewed as part of the study on Rural Development in Africa, RPO 218. This study will examine in-depth the benefits accruing from the Program and its distribution between various socio-economic groups.

3. Comparative Experience with Land Reform in Latin America (RPO 280)

This research project evaluates the role land reform can play in reaching simultaneously the basic development goals of raising output, achieving a more equitable distribution of income and creating employment opportunities.

4. Rural and Urban Public Works (RPO 275)

The general objective of this study is to assess public works programs in developing countries as an instrument for reducing unemployment and increasing the incomes of target groups within a long-term development strategy.

5. Labor Market in Malaysia (RPO 243)

The objective of this project is to develop a fairly comprehensive picture of the working of the labor market in Malaysia.

6. Labor Force Participation, Income and Employment (RPO 245)

The purpose of this research project is to increase the knowledge available concerning urban labor markets in developing countries, with emphasis on employment and

earnings in the "informal" sectors of the market, and on the relationship between participation rates, individual earnings and family income.

### III. Other Departments

1. Rural Development in Northeast Brazil (RPO 273)  
Development Research Center

The Bank and the Government of Brazil are contemplating the institution of large-scale regional development lending programs. This study attempts to provide the necessary informational and analytical base for such programs and also attempts to provide an improved framework for understanding the role of technological innovation, land tenure, and other issues in the context of backward agriculture.

2. The Agricultural Sector in Mexico (RPO 216)  
Development Research Center

This project follows the analysis of the agricultural sector model for Mexico included in the Bank study which is reported in the book Multi-level Planning: Case Studies in Mexico. It constitutes extensions and further applications of the model to a number of policy planning issues. A collection of the analyses is now being edited into a monograph.

3. Yemen Arab Republic Feeder Road Study (RPO 229)  
Ethiopia Feeder Road Study (RPO 271)  
Malagasy Feeder Road Study (RPO 314)  
Transportation and Urban Projects Department

These projects are a series of case studies of rural development impact of feeder roads. The studies analyze the effects on agricultural production and household incomes of different levels of transportation investments.

4. Analysis of Problems and Issues in Village Electrification (RPO 238) - Public Utilities Department

This project was established to develop criteria for evaluating the scale and composition of village electrification programs.

The study is based on the experience of such programs in El Salvador.

5. Population Growth and Rural Poverty (RPO 302)  
Development Economics Department

This project consists of comparative anthropological studies in eight villages in India, Kenya, Nigeria and Sri Lanka concerned with the economic determinants of fertility, population growth, rural labor supply and income distribution, and education in rural areas.

6. Rural Savings and Investment (RPO 304)  
Development Economics Department

This project is directed jointly by the Development Economics Department and the Development Research Center. It will integrate data on rural savings with an examination of capital formation decisions.

7. Analytics of Change in Rural Communities (RPC 317)  
Development Research Center

This research project attempts to develop a rigorous framework for the design and evaluation of integrated rural development project. It will construct socio-economic models of change based on data from village studies and other Bank research.

## B. Other Research Studies

### I. Agriculture and Rural Development Department Central Projects Staff

#### 1. Other Research Studies

##### (a) On-farm Irrigation Development

This project is designed to estimate the optimum levels of on-farm irrigation development (land levelling, cadastral surveys, land consolidation and extent of tertiary and quaternary canals and drains) under varying ecological, terrain, climatic and institutional conditions etc. Work in FY75 may be limited to a first stage desk study of the available literature to find out what information is available on the incremental costs and benefits of successively greater amounts of on-farm irrigation development. The second stage envisages seeking the cooperation of national and international agricultural research stations in order to monitor the results of a number of on-going irrigation projects. Work is unlikely to start on Stage II until FY76.

##### (b) The Small Farm Sector

There are two research projects here -- (a) a cooperative project with the FAO, designed to obtain a more accurate profile of small farmers -- size distributions, economic and social characteristics and location; (b) a study on the development strategies for smallholder agriculture, based on field research being carried out in Yugoslavia.

The Yugoslav small-farm sector with linkages to other sectors is being examined and assessed for applicability to other rural development areas. Work commenced in July 1973, field work has been completed and a final

report is expected by March 1975. A second case study in Egypt is being considered.

- (c) Potential for Grain Production in Asia (with particular reference to rice and wheat). This joint Asia Region/Agriculture and Rural Development Department research project will supplement the work being carried out by USDA and the Stanford Food Research Institute, by concentrating on the factors affecting the supply potential. The study will consist of a desk study of Bank reports and other literature and an attempt to find out more about what the international and national research institutes are doing, and what they could do by way of further research. A possible second stage will consist of in-depth studies of a number of Asian countries -- probably India and Indonesia, concentrating on rice followed by a study of wheat production in Pakistan and the Punjab in India.

- (d) World Food, Fertilizer and Energy Problems

Some research and some papers have already been written about the world food, fertilizer and energy crisis, exacerbated by the fourfold increase in the price of oil. This work has been partly for internal use and partly for outside agencies. Thus, papers have been prepared for the World Food Conference in Rome in November. One Bank staff member has been provided to assist the Secretariat prepare

for the World Food Conference. Some peripheral research may be required during the rest of 1974.

(e) Farm Budget/Income-Expenditure Studies

The Department is collaborating with FAO and DPS (Development Research Center) in some additional analysis of the Muda Irrigation Area Farm Budget/Income Expenditure survey in northern Malaysia. This will produce valuable data about expenditure patterns, savings and intersectoral linkages, besides the usual farm budget data.

(f) Computer Programs for Standardized Farm Budget Tables

The Dept. is working with the Regions to produce programs which will enable changes in input data to be speedily transferred into output data. This will facilitate the handling of rapidly changing prices and sensitivity analysis.

2. Policy/Issues/Guidelines Papers

(a) Rural Development

The current outline of the Paper indicates that it will have five chapters -- I - The Nature and Extent of the Problem, with sections on "Definition of rural development", "The Identification of 'Target Groups'", "The dimensions of rural poverty and the universe of the rural poor", "The dynamics of the problem", "Correlations of rural poverty with low productivity and inadequate employment opportunities" and "Some categorization of rural poverty". Chapter II will survey each Governments' commitment to rural development. Chapter III will detail the trends in



program and project development, having sections on "Typologies", "Project Illustrations" and "Development Constraints". There will follow in Chapter IV a description of the Bank approach -- existing trends and new requirements. Chapter V is called "The Way Ahead - An Action Program" and will include three sections on "Economic, Sector and Pre-investment Work", a "5-Year Lending Program, FY75-79" and "Internal Organization and Procedures".

(b) Forest Development

The first part of the paper will assess the significance of forestry and forest industries development as a factor in economic growth and employment creation in rural areas. The second part will review past Bank Group experience and the lessons to be learned from it. The final section will recommend a strategy for Bank lending.

(c) Water Charges

This paper will analyze the theoretical issues of efficiency and equity involved in any system of charging for irrigation water and proceed to enumerate the practical problems involved in any form of volumetric metering and efficiency pricing. It will discuss the need to place any system of water charges in the wider fiscal context. Work is in progress and due to be completed in August 1974.

(d) Farm Mechanization

This issues paper will focus attention on tractors and the issues which they raise with respect to their effects on productivity and employment. The paper will draw heavily on Bank Group financed research studies already completed in Pakistan and under way in India. It is hoped to have the paper ready by December 1974.

(e) Land Settlement

This paper will examine the possibilities of planned settlement as a means of raising the standard of living of the rural poor. It will deal with the history of such settlements and the lesson to be learned from experience. In particular it will tackle the issue of whether land settlement schemes can be used as a means of reaching the rural poor at relatively low cost and without creating rural elites. Work will not start until September, when a new staff member comes on board.

(f) Cooperatives

The policy paper on rural credit drew attention to the need for finding practical and viable means of getting credit, and the inputs which go with it, to a large number of the rural poor. This issues paper will examine the role of cooperatives as credit instruments. It will cull past Bank and other experience to try and distill the common denominators of the reason for success and

failure and to see whether any guidelines can be evolved. Work in this project will probably not start until the beginning of 1975.

(g) Animal Disease Control

In the first part of this paper, it will highlight the issues involved in the controversy about the relative merits of investment in disease control rather than improving animal nutrition (and the calving ratio), and draw appropriate conclusions for Bank considerations with special reference to small-scale producers. In the second part, the economic feasibility of financing country-wide animal disease control and project for disease eradication will be discussed with particular reference to two African regions. In the last part of the paper the issues involved in the Bank Group financing of large disease control and eradication schemes will be discussed. Work is about to start and is scheduled for completion by March 1975.

(h) National Agricultural Research

This Issues Paper will essentially attempt to clarify the conditions under which it would be desirable for the Bank Group to finance national programs of research or research components of projects. Is there a conflict? Bank experience with 60 projects in some 40 countries will be analyzed. Work is scheduled to commence in September 1974 and completed by March 1975.

(i) Guidelines for standardizing a number of analytic procedures and formats in the appraisal of agriculture and rural development are to be developed. There will be particular reference to:

- (a) social cost/benefit analysis;
- (b) farm budgets;
- (c) financial cash flows; and
- (d) information systems and control procedures for monitoring progress.

Work will start in FY75 and be completed by the end of FY75.

II. Employment and Rural Development Division  
Development Economics Department  
Development Policy Staff

1. Working Papers and Other Studies

(a) Design and Evaluation of Rural Development Projects

A series of four working papers are being prepared by Raj Krishna. The papers will be concerned with the determination of the objective and activity mix for rural development projects, rural organization and administration, regional and national policies for rural development and the evaluation and appraisal of rural development projects, respectively. Much of the policy related material in these papers will be incorporated in the Rural Development Policy Paper.

(b) Productivity and Farm Size in India

D. P. Chaudhuri is preparing a report on "Factors Affecting Productivity on Different Size Class of Farm Holdings in India". The report is based on a survey of the results of other studies in this field on an examination of recent evidence from farm management studies carried out for different States of India in the 1960's and compares it with some reported results for the 1950's. The implications of the so-called Green Revolution for input and output relationships of farms of different sizes are also examined in some detail.

(c) Tractor and Mechanization in Pakistan

A working paper is being prepared analyzing consequences of the introduction of farm tractors in Pakistan. This work, being carried out by a consultant, Mr. John P. McInerney, was initiated in connection with the evaluation of IDA credits for financing mechanization of farms in Pakistan, 1966-70.

(d) Internal Migration

As part of the program of studies being carried out under the supervision of the Urban Poverty Task Force, a consultant in the division is undertaking a review of the studies on rural-urban as well as intro-urban migration patterns focusing on the effects of the city size and other variables. The paper will also survey findings concerning the determinants of migration on the level of household and individuals, make suggestions for future research, and discuss some implication for Bank policy.

(e) Informal Urban Sector

Another paper for the Urban Poverty Task Force on the informal sector is indirectly connected with rural issues. This paper will consist of a general survey of the theory of the informal sector and an analysis of the comparative structure of earnings from the urban surveys available.

Policy/Issues Papers

(a) Rural Development Policy Paper

The Employment and Rural Dev. Division is participating in the preparation of this policy paper for which Agriculture and Rural Development Department/Central Projects Staff has the primary responsibility.

(b) Public Works as a Policy Instrument

This issues paper will be based on the results of a major research project which examined rural and urban public works programs. The research was conducted by the Development Advisory Service of Harvard University. (See Research Projects (RPO 275). The objective of the paper is to identify those circumstances in which public works programs may be used for increasing employment.

EVALUATION OF ALTERNATIVE METHODS FOR SPECIFYING  
AGRICULTURAL SECTOR DEVELOPMENT STRATEGIES:  
PORTUGAL AND BRAZIL

Agriculture and Rural Development

Background

Work was initiated on this project in 1969. It seeks to improve methods for defining integrated agricultural development strategies, on the basis of case studies in Brazil and Portugal.

Objectives and Methodology

The objective of the project is to develop integrated regional programming models for the purpose of evaluating the impact of alternative investments, such as forestry, irrigation, livestock, farm mechanization and improved farm production practices. A regional programming model for the agriculture sector in each country has been tested and is being applied to produce

information on such aspects as efficient production patterns, levels of prices and consumption, foreign trade in agricultural commodities, and employment and income levels.

The basic disaggregated models are costly to operate. Therefore, the study is also exploring the use of more aggregated models and ways of dealing with the resulting aggregation bias.

#### Staffing

The Center for Agricultural Economic Studies of the Gulbenkian Foundation of Portugal and the Institute for Economics and Social Planning in the Ministry of Planning and General Coordination of Brazil are collaborating with the Agriculture and Rural Development Department in this research.

#### Schedule

The project is expected to be completed in 1974.

#### Reports and Publications

"Brazilian Agricultural Sector Planning Model -- An Application of Mathematical Regional Programming. A Summary Report", Agriculture and Rural Development Department Working Paper No. 1, December 1973.

"A Development Model for the Agricultural Sector of Portugal -- Main Report", April 1974 (in review for publication as Bank Occasional Paper).

"A Regional Planning Model for the Agricultural Sector of Portugal", to be published in Book of Linear Programming Studies edited by H. M. Salkin and B. Sabu, Case Western Reserve University.



"Regional Agricultural Planning", paper for presentation at Symposium on the Study of Agricultural Systems; Reading, England; September 15-18, 1974; and for publication in the Proceedings of the Symposium.

"Analysis of Aggregation Errors in Linear Programming Planning Models", for publication in American Journal of Agricultural Economics.

### Objectives and Methodology

The study aims to measure the effects of tractors and tractor-drawn implements on farm and non-farm employment, and output in two states in India, Punjab and Gujarat. The objective of the research project is to test the hypothesis that tractors earn a high rate of return on their investment and do not displace farm labor under present conditions in India. Auxiliary hypotheses concerned with the ways in which tractors affect yields, cropping patterns and cropping intensity will also be tested.

Field survey data is collected from a sample of 600 farms in Punjab and Gujarat. Some of these use tractors and modern implements. The remainder rely on bullocks and more traditional implements.

### Staffing

The Indian Institute of Management, led by D. K. Desai have collected data for the 1971-72 and 1972-73 crop for the Gujarat area. Material for the Rabi 1971-72 and 1973-74 crop years was collected by a team from the Punjab Agricultural University led by A. S. Kahlon.

### Schedule

Final reports are expected by the end of 1974.

THE AGRICULTURE SECTOR IN MEXICO

The Chac Model and its Policy Applications

The Mexican government and the World Bank have collaborated for five years (since 1970) in the formulation and application of agricultural sector planning models. The work was carried out in three phases: the first which continued up to early 1972, focussed on development of the basic methodology and demonstration of illustrative numerical results for the planning models. The Bank of Mexico was the principal Mexican sponsoring institution in this first phase, which culminated in the drafting of the agricultural chapters of the Goreux-Manne volume published in 1973. The agricultural model was named Chac, after the Mayan rain god, and that name has become a short-hand description of the entire project.

At the conclusion of this demonstration phase, the Mexican government broadened the scope of the work and invited one of the participating Bank staff members to reside in Mexico for two years and work in the Ministry of the Presidency in order to continue further development of the methods and also to assist in making concrete

applications to Mexican agricultural policy questions. During this second phase, the model analyses served as the basis for a number of governmental policy papers on specific issues and for a more general plan document which has helped guide policy formulation in the Echevarría administration (1970-76). The second phase has culminated in the preparation of a forthcoming book which presents many of the analyses used in the planning process; it is to be published both in English and in Spanish.

In the third phase the main thrust of the work has been carried on by the Mexican working group in the Presidency, with a small amount of continuing collaboration by the World Bank. Chac and associated submodels have been functioning on Mexican government and World Bank computers for

about three years as of this writing. At the invitation of the United Nations Food and Agriculture Organization in Rome, a joint project is being undertaken by their staff, by the World Bank, and by analysts from participating countries, to make further extensions and applications of the method in other parts of the world.

#### The Nature of the Problem and the Model

Agriculture often presents complex issues in which many elements are interrelated. Strategies regarding product pricing policies, for example, can significantly affect the rate of expansion and composition of the sector's output and hence can affect employment rates, the income distribution, and the foreign trade balance. Mexico, with its diversity of ecological regions and agricultural products, was faced with several complex agricultural policy issues. In particular, in 1968-70 Mexican officials began to have doubts about whether the agricultural sector could be expected to continue to both provide for domestic consumption needs and generate most of the country's foreign exchange needs, as it had for the preceding two decades. It was becoming increasingly costly to open new arable lands and to tap new irrigation supplies, and signs of a long-term slowdown in agricultural growth had been appearing. A related concern was the capacity of the sector to absorb in productive employment a significant portion of each year's new entrants to the labor force. Thus it was being asked how fast the sector could grow, what were the employment possibilities, and how would the answers to these questions be affected by changes in factor and product pricing policies and associated changes in crop composition and production technologies.

The attempt to meet these kinds of issues and concerns led to the formulation of the model Chac. The model describes both the local production conditions, for all major producing localities in Mexico, and the sector-wide behavior on agricultural markets, in terms of equilibrium price levels and quantities marketed domestically and internationally. On the production side, the model is based on micro-economic farm production cost and input data, by crop and technique, for each locality. This feature makes it possible for agronomists and other field specialists to contribute directly to the specification and annual updating of the model's production relationships. On the market side, estimated consumer demand functions and export-import and transport cost parameters are utilized, and a linear programming solution algorithm is used to guarantee the appropriate market equilibrium points.

Essentially, the production aspects of the model are based on agronomic information; and economic concepts such as crop supply functions are derived by solving the model, rather than serving as inputs to the model. In this respect, Chac helps transform engineering-style data into economic relationships.

Thirty-three products are included in the model and their interdependence in both demand and supply are reflected. In most producing areas of Mexico, many alternative crops can be grown, so an increase in production incentives for one crop is likely to influence output levels of other crops. The linear programming format, which allows alternative crops and technologies to compete for the same limited endowments of land and other local resources, is quite appropriate for capturing this kind of

interdependence. For yet more detailed studies of local choices, some of the regional production "submodels" of Chac have been detached and solved as separate models. In many cases, they were considerably refined in order to more adequately address local problems.

The format of Chac and the submodels is detailed yet flexible and simple to alter for different kinds of analyses. For example, the use of land, irrigation water, and labor is represented on a monthly basis throughout the annual cropping cycle, but for some studies water use has been specified fortnightly and for others, annually, depending on whether irrigation management is of concern. Several distinctions are made in the representation of labor, according to whether it is provided by farm family members or under a hiring arrangement, and according to regional differences in wage rates.

With this kind of structure, Chac's solutions simultaneously describe aggregate characteristics of agriculture - such as total output levels, prices, producer income levels, and foreign trade - and more concrete details such as output by crop and technology and region and employment by month in each region.

Although Chac is an optimization model in the mathematical sense, it is structured so that the optimization serves only to guarantee simulation of certain types of market equilibria, e.g., perfect competition or monopoly. In this context, alternative policy instruments, or packages of instruments, were put in the model to simulate the sector's likely responses. In this way, the probable consequences of each package could

be outlined in terms of many variables, such as employment, sector output, income levels, the regional distribution of income price levels, exports and imports, use levels of other factors besides labor, etc. The model, therefore, emphatically was not used to devise "an optimal" program, but rather to assist policy makers by estimating the manifold consequences of many alternative possible programs.

### Specific Applications

In making applications, the models were managed initially by a working group in the Mexican ministry of the Presidency and later jointly by the Presidency and a newly established Agricultural Sector Coordinating Commission. The applications of Chac and its submodels primarily concerned the following areas: a) overall sectoral strategies, in terms of output, employment, foreign trade, and associated investment requirements, b) pricing policies for corn and wheat and other crops, c) factor pricing, particularly for agricultural machinery and water, d) export strategies to take account of comparative advantage rankings among crops, and e) project appraisal for irrigation works.

Mention may be made of some specific examples of model results which played a significant role in the policy discussion process. It was estimated that the national growth GNP target of 8% (in real terms) implied an agricultural growth rate in excess of 5%. Corresponding estimates of the necessary rates of increase in arable land and irrigation supplies were made. It was also shown that this growth rate alone would not provide absorption of all the new entrants into the rural labor force, after adjusting for likely rates of rural-urban migration. Complementary



employment-creation measures were outlined with the model which involved a) raising the price of agricultural machinery relative to labor, to slow somewhat the rate of displacement of field labor, b) incentives for promoting the export of labor intensive crops, and c) making livestock grazing operations more intensive in order to free up land for crops, which provide more employment per hectare. Calculations were also made with Chac of the level of comparative advantage by crop on international markets, and it was shown that to achieve significant further increases in agricultural exports it would be necessary to induce a fairly radical shift in the types of crops exported. Finally, calculations of crop responsiveness to price changes, and cross-price effects on other crops, aided in establishing new price support levels for food grains.

Continuing methodological studies by the Chac group involve the incorporation in models of measures of risk faced by producers, the estimation of capital-labor substitution parameters, the incorporation of consumer demand structures in linear programming, methods of project appraisal, and related topics.

Although many specific applications were made, the Chac exercises were probably equally useful in the more general sense of helping provide a focus for the continuing policy discussions, by indicating rather specific trade-offs and kinds of interdependence. It is also quite clear that it would not have been possible to use a model in this way without there being well-trained personnel in high positions in the Mexican government who were willing to sponsor and help interpret the work.

## REPORTS AND PUBLICATIONS

1. John H. Duloy and Roger D. Norton, "CHAC, a programming model of Mexican agriculture", in Multi-level Planning: Case Studies in Mexico, edited by L.M. Goreux and A.S. Manne, North-Holland Publishing Co., 1973.
2. Luz María Bassoco and Teresa Rendón, "The technology set and data base for CHAC", in L.M. Goreux and A.S. Manne, 1973.
3. John H. Duloy and Roger D. Norton, "CHAC results: economic alternatives for Mexican agriculture", in L.M. Goreux and A.S. Manne, 1973.
4. Luz María Bassoco, John H. Duloy, Roger D. Norton and Donald L. Winkelmann, "A programming model of an agricultural district", in L.M. Goreux and A.S. Manne, 1973.
5. John H. Duloy, Gary P. Kutcher and Roger D. Norton, "Investment and employment alternatives in the agricultural district model", in L.M. Goreux and A.S. Manne, 1973.
6. John H. Duloy and Roger D. Norton, "Linking the agricultural model and the economy-wide model", in L.M. Goreux and A.S. Manne, 1973.
7. Luciano Barraza and Leopoldo Solís, "Agricultural policies and the role of the sectoral model", in L.M. Goreux and A.S. Manne, 1973.
8. Luz María Bassoco and Roger D. Norton, "A Quantitative Agricultural Planning Methodology", paper presented to the VI International Input-Output Conference, Vienna, 1974 (Bank Staff Working Paper No. 180).
9. John H. Duloy and Roger D. Norton, "Competitive and Noncompetitive Demand Structures in Linear Programming Models", DRC Discussion Paper No. 3.
10. Luz María Bassoco, Roger D. Norton, and José S. Silos, "Appraisal of Irrigation Projects and Related Policies and Investment", forthcoming in Water Resources Research.
11. John H. Duloy, Peter B.R. Hazell and Roger D. Norton, "Agriculture and the Energy Crisis: A Case Study in Mexico", paper presented to the meetings of the American Agricultural Economics Association, Austin, Texas, August 1974.

12. Peter B.R. Hazell and Pasquale L. Scandizzo, "Competitive Demand Structures under Risk in Agricultural Linear Programming Models", American Journal of Agricultural Economics, May, 1974.
13. Secretaría de la Presidencia, Mexico, "Lineamientos para el Programa de Desarrollo Económico y Social, 1974-80, Sector Agropecuario", November, 1973.
14. Alfred H. Howell, Jr., A Study of Capital-Labor Substitution in Mexican Agriculture, Ph.D thesis, University of Pennsylvania, August 1974.
15. Carlos Pomareda and Richard F. Simmons, "A Model of Mexican Vegetable Exports", August, 1974.
16. Luz María Bassoco, A. Mutsaers, and Roger D. Norton, "The Sectoral Viewpoint in Project Appraisal", 1974.

[Many of the above reports, plus several others, are scheduled to be published in a forthcoming book tentatively titled Quantitative Studies in Mexican Agriculture, edited by L.M. Bassoco, R.D. Norton, J.S. Silos, and L. Solis M., Johns Hopkins Press and Fondo de Cultura Economica.]

RURAL DEVELOPMENT IN AFRICA

Background

This study originated from the need to analyze the design of programs intended to reach large numbers of the rural population and which require low financial inputs and trained manpower per capita. Several draft papers on rural development issues and research proposals were prepared and reviewed by Bank staff. As a result of these discussions it was decided to initiate this study in Africa.

Objectives and Methodology

The purpose of the study is to improve the basis for designing rural development projects in varying circumstances. The study is composed of three sections. Phase I consists of an analysis of the major elements involved in promoting the goals of rural development and evaluates 13 projects in sub-Saharan Africa. The projects are:

- (1) Malawi: Lilongwe Land Development Program;
- (2) Ethiopia: The Chilalo Agricultural Development Unit (CADU), the Wolomo Agricultural Development Unit (WADU) and the Minimum Package Program;
- (3) Tanzania: Ujamaa;
- (4) Tanzania: Sukumaland Cotton Development;
- (5) Tanzania: Smallholder Tobacco Development;
- (6) Kenya: Range Development;
- (7) Kenya: Smallholder Tea Development;
- (8) Kenya: Small Farmer Credit;
- (9) Kenya: Spontaneous Land Settlement, the Squatter Problem in the Context of Rural Development;

- (10) Kenya: Special Rural Development Program;
- (11) Cameroon: French Technical Assistance, Integrated Price Action Areas (ZAPI);
- (12) Mali: French Technical Assistance, Groundnut Scheme (BDPA); and
- (13) Nigeria: Small-scale Rural Industries.

These projects were selected because they represent diverse environments and project designs. All of the reviews were based on data which had already been collected. The reviews are combined with field investigations which consists of interviews with (1) persons involved in the design, implementation, supervision and evaluation of the projects and (2) search of additional sources of data. An extensive literature review has also been conducted to substantiate information gathered in the field investigations component.

Phase II consists of rural sector surveys in Kenya and Tanzania. The information compiled and analyzed from these surveys will form the basis of lending criteria for the rural sectors of the two countries. Phase III will integrate the findings of the first two phases.

#### Staffing

The research will be undertaken in the Rural Development Division, in collaboration with staff from universities and government agencies in Africa, France, the United Kingdom and the United States.

#### Schedule

The project reviews of Phase I were completed in June 1973. The final report analyzing the results and discussing the implications for Bank policies will be completed in August 1974. The Kenya Sector

Survey was carried out in the fall of 1972. The Tanzania Survey was undertaken in the fall of 1973.

Reports and Publications (in draft form)

- B.H. Kinsey, "Malawi: Lilongwe Land Development Program,"
- T. Tecle, "Ethiopia: The CADU, The WADU and the Minimum Package Program."
- F. Robinson and P. Abraham, "Tanzania: Ujamaa."
- M. Collinson, "Tanzania: Sukumaland Cotton Development."
- D. Linsenmeyer and M. Agarwal, "Tanzania: Smallholder Tobacco Development."
- H. Jahnke, H. Ruthenberg and H. Thimm, "Kenya: Range Development."
- D. Sullivan, "Kenya: Smallholder Tea Development."
- J.D. von Pischke, "Kenya: Small Farmer Credit."
- P. Mbithi and C. Barnes, "Kenya: Spontaneous Land Settlement, The Squatter Problem in the Context of Rural Development in Kenya."
- N. Bedi, "Kenya: Special Rural Development Program."
- D. Gentil and G. Belloncle, "Cameroon: French Technical Assistance, Integrated Price Action Areas (ZAPI)"
- W. Anderson, "Mali: French Technical Assistance, Groundnut Scheme (BDPA)."
- H. Turner and M. Shah, "Nigeria: Small-Scale Rural Industries."
- S. Velji, "Bibliography for African Rural Development Study."
- U. Lele, "African Rural Development Study Overall Report."

YEMEN ARAB REPUBLIC FEEDER ROAD STUDY

Transportation and Urban Projects Department

Background

At present little or no systematic empirical data exists on the interrelationship between different levels of transportation investment on "farm to market" roads and agricultural production, specially in the traditional rural economies in developing countries.

Objectives and Methodology

This study is the first in a series of research projects undertaken by the Bank to develop systematic information for the evaluation of rural development projects involving feeder roads. The study areas are two regions of considerable agricultural potential in the Yemen Arab Republic which are presently served by low standard transportation facilities -- Taiz Turba region in the south and the Wadi-Mawr region in the north.

Research consists primarily of a series of regional surveys of specified sub-areas, within the area of influence of a Bank-financed road project, before, during and after construction of the road. The study is designed to develop formulae relating the net value of agricultural production to varying levels of total investment in the study area, taking into consideration relevant socio-economic demographic and environmental factors. The initial surveys concentrate on collecting and analyzing data on land use, agricultural production costs, transportation characteristics and costs, local markets and their structure, demographic and labor force characteristics and

other factors such as climate, geography and geology. Follow-up studies during construction and after completion of the road will monitor changes occurring in those areas and attempt to relate these to transportation investment.

Analysis of interview survey data from the base situation study of the Taiz-Turba road is substantially completed and supplementary data on traffic and imports and exports from the area have been collected. Aerial photo interpretation for determination of overall land-use patterns in the road-influenced area has been carried out by the Geographical Institute of the University of Zurich, and an attempt has been also made to analyze local cropping patterns using ERTS satellite images. The summary survey report of the base situation is expected in September 1974. Follow-up surveys planned in 1975 will have to be deferred, however, as road construction activities have not yet started. Base situation interview surveys in the Wadi Mawr region were undertaken between November 1973 to February 1974 and a draft report will be completed in October 1974.

#### Staffing

The Research Division of the Transportation and Urban Projects Department is carrying out the study in collaboration with the Swiss Federal Institute of Technology. A research team consisting of three graduate students and their advisors from the Institute and two Yemeni counterparts from the Central Planning Organization of the YAR are conducting the field work.

#### Schedule

The study will operate for an initial period of three years beginning January 1972, with the possibility of extensions



for two-year periods thereafter. The final report is expected in March 1975.

Reports and Publications

Inception Report: Taiz-Turba Area Baseline Socio-Economic Survey.

Preliminary Draft Report: Taiz-Turba Baseline Socio-Economic Survey.

Inception and Draft Reports: Wadi-Mawr Baseline Socio-Economic Survey (expected in current fiscal year).

ANALYSIS OF PROBLEMS AND ISSUES IN VILLAGE  
ELECTRIFICATION

---

Public Utilities Department

Background

The Bank has been gradually refining its investment criteria in the appraisal of public utilities projects. However, it has not been very active, so far, in village electrification programs. These programs pose particular difficulties because of high capital costs of installation and high operating costs per unit, but low density, low utilization and low rates of consumer growth. As a result there is a low annual financial return to the utility. The Bank is interested in developing village electrification investment standards in the context of its rural development activities. The research that has been done in this area has shown that electrification may accomplish little if it is not part of a total rural program.

Objectives and Methodology

The purpose of the study is to develop criteria for evaluating the scale and composition of village electrification programs. The research is intended to identify and measure the social costs and benefits of these programs. El Salvador was chosen for this study because their electrification program was well established and had several interesting features. The study is particularly concerned with the effects of providing electricity on agricultural and village industrial output, employment, wages

and consumption patterns, social development and migration from rural to urban areas. In addition, the importance of electricity will be examined in relation to infrastructure projects, such as water supplies, schools, feeder roads, and support programs for rural industries and agriculture. The costs and benefits of building up local manufacturing capacity for concrete poles, cement, and small electrical equipment will be studied.

#### Staffing

The study is being conducted in association with a team from Universidad Centra Americana and with the cooperation of Comision Ejectiva del Rio Lempa in El Salvador.

#### Schedule

The project was initiated in April 1972. A preliminary report has been completed. The final report is expected in September 1974.

#### Reports and Publications

Falla, "Costos y Beneficios Sociales de la Electrificacion Rural in El Salvador" (Study by an Anthropologist in a Village", Rosario de la Paz"), University's Journal (March 1973).

Public Utilities Department, "Public Utility Note No. 6, "The Appraisal of Village Electrification Projects", August 1973.

Mr Anders Ljungh

July 31, 1974

Anthony Neylan

Advisory Panel on Agriculture and Rural Development

The Advisory Panel will hold its fourth meeting on August 5 and 6, 1974, in Room E-1244.

August 5

Objectives in Agriculture and Rural Development

The Panel will begin work on the question: What goals or targets should the Bank now be setting itself in order to achieve its objectives in agriculture and rural development?

Sessions: 1000 - with Bank staff  
11:30 - closed

August 6

1000 World Food Conference

The Panel will review preparations for the Conference and discuss the Bank's proposed input.

11:00 Bank Research in Agriculture and Rural Development

A statement of current research will be presented to the Panel.

1500 World Food Conference (continued)

ANeylan:jf



This letter sent to: Dr W. David Hopper  
Dr Sterling Wortman  
Mr B. Sivaraman  
Professor Walter P. Falcon  
Mr L.J.C. Evans  
Mr E. Penalosa

July 24, 1974

The Fourth Meeting of the Advisory Panel on Agriculture and Rural Development will be held as scheduled on August 5 and 6, 1974 in the Bank, Room E-1244.

The following program is proposed:

Monday, August 5

- 1000      Objectives in Agriculture and Rural Development  
Bank activity and ideas presented by the Director and staff.
- 1230      Lunch hosted by Mr Yudelman.
- 1430 -      Closed Session.  
1730

Tuesday, August 6

- 1000      World Food Conference
- Speakers: Mr M. Yudelman  
Dr D. Hopper  
Mr N. Koffsky  
Mr B. Sivaraman
- Topics: 1. (a) Review of assessment of cereal gap.  
(b) Review of fertiliser gap.  
(c) Current situation in India - prospects for self-sufficiency  
(Mr Sivaraman).

2. (a) Presentation of World Food Conference Programs to increase production in developing countries

- land
- water
- fertiliser
- research
- post-harvest technology
- institutions

(b) Investment implications.

(c) Absorptive capacity of developing countries and implications for technical assistance, training and institution building.

3. (a) Reserve food stocks.

(b) Food aid.

4. Bank input to World Food Conference.

1230 Lunch - free.

1400 Bank Research in Agriculture and Rural Development

As requested by the Panel at its last meeting, a statement will be presented by Bank staff.

1500 World Food Conference (continued).

1500

Enclosed for your confidential use is a copy of the revised IBRD/IDA program FY 74-78.

Yours sincerely,

Anthony Neylan  
Secretary of Advisory Panel on  
Agriculture and Rural Development

Attachment  
ANeylan:jf



See List Below

July 24, 1974

Anthony Neylan

Advisory Panel on Agriculture and Rural Development

You are invited to attend a meeting (Room E-1244) of the Panel on Tuesday, August 6, 1974 when the World Food Conference will be discussed. The schedule will be as follows:

Time

1000-1230 First Session

1500-1730 Second Session

Speakers: Messrs M. Yudelman  
D. Hopper  
N. Koffsky  
B. Sivaraman

- Topics:
1. (a) Review of assessment of cereal gap.
  - (b) Review of fertiliser gap.
  - (c) Current situation in India - prospects for self-sufficiency
  
  2. (a) Presentation of World Food Conference Programs to increase production in developing countries
    - land
    - water
    - fertiliser
    - research
    - post-harvest technology
    - institutions.
  - (b) Investment implications.
  - (c) Absorptive capacity of developing countries and implications for technical assistance, training and institution building.

3. (a) Reserve Food Stocks.

(b) Food Aid.

4. Bank input to World Food Conference.

Distribution

Messrs Darnell  
Christoffersen  
Bruce  
Donaldson  
Koffsky  
Pickering  
Veraart

Messrs Carnignani  
Kraske  
Picciotto  
Qureshi  
Singh

ANeylan:jf

AN



*D.P. G.O.P. Agricultural  
Rural Adv. Panel*

**OUTGOING WIRE**

TO: SIR JOHN CRAWFORD  
MELBAVE  
CANBERRA

DATE: JULY 18, 1974

CLASS OF  
SERVICE: LT (EXTN 4823)

*RCA*

COUNTRY: AUSTRALIA

TEXT:  
Cable No.:

FOLLOWING PROPOSED FOR ADVISORY PANEL ~~7:00 PM~~ AUGUST FIFTH 1000 HOURS  
OBJECTIVES AND GOALS IN AGRICULTURE RURAL DEVELOPMENT COLON BANK  
ACTIVITY IDEAS AND ISSUES WILL BE PRESENTED BY DIRECTOR AND STAFF STOP  
11:30 HOURS PANEL CLOSED SESSION  
PARA AUGUST SIXTH ~~2~~ 1000 HOURS WORLD FOOD CONFERENCE SPEAKERS YUDELMAN  
HOPPER KOFFSKY SIVARAMAN TOPICS AAA REVIEW OF CEREAL AND FERTILISER GAP  
COMMA SITUATION IN INDIA BBB PRESENTATION OF WORLD FOOD CONFERENCE PROGRAMS  
COMMA ~~RESEARCH~~ INVESTMENT IMPLICATIONS AND LDC ABSORPTIVE CAPACITY  
CCC RESERVE FOOD STOCKS AND FOOD AID DDD BANK INPUT TO WFC 1400 HOURS  
STATEMENT BANK RESEARCH IN AGRICULTURE RURAL DEVELOPMENT 1500 HOURS  
CONTINUATION WFC DISCUSSION REGARDS

NEYLAN

**NOT TO BE TRANSMITTED**

AUTHORIZED BY:

NAME A.A. Neylan

DEPT. Agriculture & Rural Development

SIGNATURE *A.A. Neylan*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: ANeylan:jf

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OUTGOING MESSAGE

NEGOTIATION INTERNATIONAL DEVELOPMENT (3-10) Form No. 33	RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL BANK FOR	CORPORATION INTERNATIONAL FINANCE
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Handwritten notes at bottom right: 110 000 (110 000)

Mr Montague Yudelman

July 17, 1974

Anthony Neylan

Advisory Panel on Agriculture  
and Rural Development  
August 5 and 6, 1974

As discussed, the following arrangements are being made for the Fourth Meeting of the Advisory Panel.

On Monday, August 5, the Panel will begin working on the question which the President put to the Panel at its third meeting in April 1974, namely "What goals or targets should the Bank Group now be setting itself in order to achieve its objectives in agriculture and rural development?".

Monday, August 5

1000 Objectives in Agriculture and Rural Development

Bank activity and ideas will be presented by you, supported by those invited to attend the meeting:

Mr Darnell	Mr Leiserson	Mr David Knox
Christoffersen	Raj Krishna	(or representative)
Bruce	Burki	Hendry
Pickering		Roger Rowe
Donaldson		Picciotto
Turnham		Vergin
Veraart		Haynes

1230 Lunch hosted by you

1430- Panel - Closed Session  
1730

Tuesday, August 6

World Food Conference

1000 Panel Session begins

Speakers: Mr Yudelman  
Mr D. Hopper  
Mr Koffsky  
Mr Sivaraman

- Topics:
1. (a) Review of assessment of cereal gap.  
(b) Review of fertiliser gap.  
(c) Current situation in India - prospects for self-sufficiency (Mr Sivaraman).
  
  2. (a) Presentation of World Food Conference Programs to increase production in developing countries
    - land
    - water
    - fertiliser
    - research
    - post-harvest technology
    - institutions.(b) Investment implications.  
(c) Absorbptive capacity of developing countries and implications for technical assistance, training and institution building.
  
  3. (a) Reserve food stocks.  
(b) Food aid.
  
  4. Bank input to World Food Conference.

Invited:

Mr Darnell  
Bruce  
Koffsky

Mr Qureshi  
Carmignani

1230

Lunch - free.

Mr Montague Yudelman

- 3 -

July 17, 1974

- 1400      Bank Research in Agriculture and Rural Development  
Statement collated by Messrs Ben King and D.C. Rao.  
Also invited: Mr Duloy, Mr Leiserson
- 1500      Continuation of morning's discussion of World Food Conference.

cc: Mr Baum  
Mr Veraart

ANeylan:jf

*AN*

SIMILAR LETTER SENT TO ALL MEMBERS OF ADVISORY PANEL

April 8, 1974

Sir John Crawford, CBE  
32 Melbourne Avenue  
Deakin  
Canberra, ACT  
Australia 2600

As indicated in my letter of March 29, 1974, the Panel will meet in private session on May 1. The following agenda is proposed.

Wednesday, May 1 - Private Session

1000 National Agricultural Research

Mr Evans will put before the Panel a draft position paper on policy and operational guidelines. The draft will be distributed to you shortly.

1115 Rural Development Case Study

Mr James Dalton will present to the Panel a draft paper (already distributed) entitled, "The Accelerated Rural Development Program - Thailand".

1230 Lunch free.

1430 Village Electrification

A paper entitled "Problems and Issues in Village Electrification" is enclosed. While it is not expected that this paper be given the same degree of attention as those papers to be discussed in the formal sessions on April 29 and 30, comments by the Panel will be appreciated.

April 8, 1974

1545

Final Session

Panel's Report.

Date of next meeting.

Yours sincerely,

Anthony Neylan  
Secretary of Advisory Panel on  
Agriculture and Rural Development

Attachment

ANeylan:jf

## OFFICE MEMORANDUM

*D.P., G.A.P. Agui & Ruo  
Advis. Panel*

TO: Files

DATE: March 20, 1974

FROM: Anthony Neylan *AN*SUBJECT: Advisory Panel - Village Water Supply

1. I met with Messrs Rovani and Shipman on March 19 to discuss the inclusion of village water supply on the agenda of the Panel. *Agui & Ruo* Mr Rovani offered to provide me with a revised draft of the Water Supply Paper for distribution to the Panel by March 23. He also agreed to let me have for distribution to the Panel the report of a research project but this would not be available until later. He further suggested that copies of the Green Cover Appraisal Report for the Minas Gerias project in Brazil and the Water Supply Sector Guidelines paper be provided to the Panel. *Advis. Panel*

2. Mr Shipman mentioned that WHO had been preparing a monograph on rural water supply and he undertook to check and let me know where that stood.

3. I undertook to check with my Department to see if there was any way of discovering how many agricultural projects had included financing for village water supply systems.

4. I raised the question whether there might be value in preparing a list of questions which the Bank felt remained to be answered, in order to focus the Panel's discussion. Mr Rovani said this could be decided at a later date; possibly a short agenda might assist the discussion.

5. On the basis of reading the Village Water Supply paper I told Messrs Rovani and Shipman that the following points seemed to me to be of interest:

- (i) Where does water supply fit into the overall health sector; do we know anything about trade-offs with nutrition, health and population service, irradiation of specific disease?
- (ii) What is the rationale for treating water supply separately from sanitation?
- (iii) The suggestion that water supply might be the first service to be provided for a rural development program as a basis for building village institutions.

6. I offered to check with the cognoscenti in my Department re expansion of relation between water supply and rural development.

cc: Sir John Crawford

ANeylan:jf



OP-60.P. AGRICULTURE & RURAL DEV. ADVISORY  
PANEL

Form No. 27  
(3-70)  
INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

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(see below)

DATE: March 19, 1974

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Cable No.:

WISH CONFIRM ADVISORY PANEL WILL MEET APRIL 29 TO MAY 1 STOP MAIN  
SUBJECTS WILL BE AGRICULTURAL CREDIT COMMA WORLD FOOD AND FERTILISER  
SITUATIONS COMMA VILLAGE WATER SUPPLY STOP LETTER AND PAPERS FOLLOW  
REGARDS

NEYLAN

(1)

EVANS *LT/ITT*  
OLD POST COTTAGE  
MOTCOMBE  
SHAFTESBURY  
DORSET SP7 9NT  
ENGLAND

(2)

HOPPER  
IDRC *LT*  
PO BOX 8500  
OTTAWA K1G 3H9  
CANADA  
*WU*

(3)

FALCON *LT*  
FOOD RESEARCH INSTITUTE  
STANFORD UNIVERSITY  
STANFORD, CALIF. 94305  
USA  
*WU*

(4)

WORTMAN *LT*  
ROCKEFELLER FOUNDATION  
111 WEST 50TH STREET  
NEW YORK, NY 10020  
USA  
*WU*

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME A.A. Neylan

DEPT. Agriculture & Rural Development

SIGNATURE *A.A. Neylan*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: A.A. Neylan:jf

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OED BOEL COLLAKE  
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INTERNATIONAL DEVELOPMENT

(330)

Form No 33

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

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INTERNATIONAL FINANCE

Handwritten notes at the bottom of the page.

Mr Warren C. Baum

March 15, 1974

Montague Yudelman

Third Meeting of Advisory Panel on Agriculture  
and Rural Development: April 29 - April 30

Following our discussion on March 13, I envisage that the April meeting of the Advisory Panel would follow the program set out below:

Monday, April 29 - Open

- 1000 Opening Remarks by Messrs Baum, Yudelman
- 1015 Presentation and discussion of Credit Paper
- 1230 Lunch hosted by Mr Baum
- 1430 World Fertiliser Situation -  
Discussion of Bank papers
- 1630 World Food Situation -  
Introduced by Mr Yudelman

Tuesday, April 30 - Open

- 1000 Village Water Supply -  
Discussion of Bank papers
- 1300 Lunch hosted by Mr Yudelman
- 1500 Panel's Meeting with Management  
(Restricted Session)

Wednesday, May 1 - Closed Session

PANEL TO MEET IN PRIVATE SESSION.

I have recommended basically two days of open meetings to be attended by the Regional Agricultural Division Chiefs together with such staff as has been actively engaged in the preparation of the papers under discussion. The Panel, however, may want to meet privately (without Bank participants) on May 1 to prepare their report and to discuss carry-over items from the previous Panel meeting which may well appear on the agenda of the next Panel meeting. Items in this category include: (i) national agricultural research and (ii) agricultural and rural education.

Mr Warren C. Baum

- 2 -

March 15, 1974

With regard to the Panel's meeting with Management, I draw your attention to the last paragraph on the first page of the Panel's Report (attached) on its October meeting. I suggest we invite the Regional Project Directors to meet with the Panel as indicated at 1500 hours on April 30. The Regional Vice Presidents will have an opportunity to meet Panel members at the lunch you will host on April 29. A suggested guest list for the lunch is attached.

Attachments

Mindelman/Alleylan:jf

AN

OP - G.O.P. - AGRICULTURE & RURAL DEV  
ADVISORY PANEL

32 MELBOURNE AVENUE,  
DEAKIN,  
CANBERRA, A.C.T. 2600

23 November 1973

Mr A. Neylan,  
International Bank for Reconstruction and  
Development,  
1818 H Street, N.W.,  
WASHINGTON, D.C. 20433,  
U.S.A.

Dear Tony,

This will acknowledge your two letters of November 16 concerning the concerning the Advisory Panel agenda. I am delighted to have two such significant subjects as fertilizer and village electrification. The timetable of three steps mentioned in each letter is satisfactory to me. We can, of course, discuss the subjects further with Mr Rovani and Mr Qureschi.

Warm regards,

Yours sincerely,



(J.G. Crawford)



November 16, 1973

Sir John Crawford, CBE  
c/o Research School of Pacific Studies  
The Australian National University  
PO Box 4  
Canberra, A.C.T.  
Australia 2600

Dear Sir John,

Advisory Panel on Agriculture and Rural Development -  
Fertilizer

A policy paper on fertilizer is currently under preparation in the office of Mr Moeen Qureshi, the Economic Advisor of IFC. Both Mr Yudelman and Mr Qureshi believe that it would be valuable to have the comments of the Advisory Panel on this subject.

I have discussed with Mr Qureshi the question of timing and we would like to seek your agreement to the following schedule:

- (i) On or before February 15 a draft paper, together with a list of specific issues, would be circulated to members of the Advisory Panel.
- (ii) Panel members would be invited to comment in writing.
- (iii) Subject to be discussed and recommendations formulated in the course of the next Panel meeting, April 29 - May 1, 1974.

With kind regards,

Yours sincerely,

Anthony Neylan

cleared with and cc: Mr Qureshi

cc: Messrs Baum  
Yudelman

ANeylan:jf

*Ad*

November 16, 1973

Sir John Crawford, CBE  
c/o Research School of Pacific Studies  
The Australian National University  
PO Box 4  
Canberra, A.C.T.  
Australia 2600

Dear Sir John,

Advisory Panel on Agriculture and Rural Development -  
Village Electrification

A policy paper on village electrification is currently under preparation in the Public Utilities Department. Mr Yudelman and Mr Rovani believe that it would be helpful if the Advisory Panel could offer comments on the paper before it goes to the Policy Review Committee in June 1974. I have discussed with Mr Rovani a method of proceeding and if you are agreeable the following schedule might be followed:

- (i) By March 15 Mr Rovani would distribute to Panel members draft material on village electrification, together with a paper giving a list of specific issues on which the Bank would like to have the views of the Panel.
- (ii) Panel members would be asked to comment in writing.
- (iii) The Panel would discuss the subject and make recommendations in the course of its next meeting, April 29 - May 1, 1974.

Within the next two weeks, Mr Rovani will write informing you of the preparatory steps undertaken by his department. He would like to discuss the subject with you during your visit to Washington in late December.

With kind regards,

Yours sincerely,

Cleared with and cc: Mr Rovani

Anthony Neylan

Messrs. Baum  
Yudelman

ANeylan:if



Distribution

Messrs R.S. McNamara  
J.B. Knapp  
G. Alter  
W.C. Baum  
B. Bell  
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Messrs S. Please  
S. Reutlinger  
R. Rowe  
J. Stewart  
D. Stoops  
K. Thint  
C. Walton  
Ms G. Le Blanc  
Mrs U. Lele

ANeylan:jf

AN

November 6, 1973

Advisory Panel on Agriculture and Rural Development

The second meeting of the Advisory Panel on Agriculture and Rural Development was held in the Bank on October 29, 30 and 31. Members present were: Sir John Crawford (Chairman), Mr L.J.C. Evans, Professor W. Falcon, Dr W.D. Hopper, Mr E. Penelosa and Dr S. Wortman. Mr B. Sivaraman was unable to attend and sent his apologies.

The Bank was represented in Panel discussions principally by Mr W.C. Baum, Mr M. Yudelman, Mr D.S. Ballantine, the Regional Agricultural Division Chiefs, and for the session on agricultural and rural education by the Regional Education Division Chiefs.

Dr L.S. Hardin of the Ford Foundation participated in the discussion on the "World Food Situation" and Mr O.V. Wells, a consultant to the Ford Foundation, gave a summary of the report he is preparing on this subject.

The principal topics discussed by the Panel were:

Policy Guidelines on National Agricultural Research

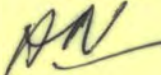
Policy Guidelines on Rural Development

Review of Bank Operations in Agricultural and Rural Education

World Food Situation

The Panel proposed that its next meeting be held in Washington on April 29, 30 and 31, 1974.

The Report of the Panel on its recent meetings is attached. <sup>✓ NOT</sup> ATTACHED

  
A. Neylan  
Secretary

## OFFICE MEMORANDUM

✓ OP 6. OP - AGRICULTURAL &  
RURAL DEV ADVISORY PANEL

CC: F-1

DATE: November 6, 1973

TO: Mr. F. van Gigh

FROM: J. Pelissier *MAP*SUBJECT: Advisory Panel on Agriculture and Rural  
Development - October 29-31

- ① H2 *[initials]*
- ② H2 *[initials]*
- ③ *Consult Dr. Staff*

Below are the highlights of the sessions on Agricultural Research and the World Food situation, which I attended.

Policy Guidelines on National Agricultural Research

1. Mr. S. Wortman of the Rockefeller Foundation made a presentation on criteria for effective international agricultural research and its problems. Regarding small farmer programs: we must "cast a net" for small farmers; the larger farmers can take care of themselves. But small farmer programs should lead to production increases and should bring reasonable rates of return. Feasibility studies are required before embarking into production campaigns.
2. Mr. Fransen discussed the Bank financing of agricultural research: from 1967 to 1973, 69 projects had research components; a full research project is being financed in Spain, and several others are under consideration.

The Central Projects staff feels that the following points are important:

- research is really training; as such it deserves top priority.
- the production aspects should be strengthened.
- the crop oriented approach is the only type of research that the Bank should support at this time.
- the feasibility approach should be followed.
- there is a danger of building monuments, centers of excellence.
- governments have a tendency of requesting several separate institutes, but the institutes should be combined to work on crop programs.
- investments in research should have well defined goals.
- problems are encountered with poor administrative structures (Spain) and ill-defined priorities (ICA, Colombia).
- self-contained development projects that include a research component (Ethiopia, Indonesia) have attractive features but also disadvantages.

3. Another speaker stressed the need for guidelines for staff use on research financing (what the Bank can or cannot support). Well conceived research can reach the rural poor more than anything else, but most present research has a low payoff. The guidelines should include criteria to measure performance against targets.

4. There was some discussion of the program approach vs the project approach. It was generally felt that the program approach should be left to FAO, the UNDP and bilateral agencies.

5. Sir John Crawford stated that TAC stresses international research but does not ignore the importance of national research. TAC will develop policy guidelines.

#### World Food Situation

6. The Commodities and Export Projection Division presented the present world food situation and outlook (text attached). Briefly the food situation has eased, but not in developing countries (India excepted). Self sufficiency of the developing countries will not improve during this decade.

The Bank reserves its position on the support of a worldwide early warning system.

7. Mr. Wells, a commodity consultant presented the data of a study that had been commissioned by the Ford Foundation. The study included an assessment of the food intelligence systems (adequate for the wheat producers in temperate countries, inadequate for the rice producing countries).

The FAO early warning system on food shortages was started 4 years ago for the WFP program. Intelligence is supplied by the FAO country representatives; there is no permanent staff assigned to the warning system at HQ. Prospects for improvement are slim because of budgetary limitations.

Mr. Wells proposed the creation of an independent International Institute of food policy patterned after the International Institute of Strategic Affairs. The Institute would deal with such matters as protein policy, the use of earth satellites, foreign trade policy. Its terms of reference would be

- monitor the world food situation
- issue bi-yearly reports on the world food situation
- encourage improvements of intelligence activities
- examine world food policies
- provide training

8. A discussion was held on security food stocks, and on a world food conference. The Bank has not altered its policy on food purchasing but is prepared to finance building of storage facilities at the national level. The Bank would cooperate on an early warning system.

JPELISSIER/LM

## WORLD GRAIN AND RICE SITUATION AND OUTLOOK\*

1. Since our last report in June 1973, several new developments have taken place in the world grain situation which make the outlook for the coming year slightly better. In particular there is less concern now about the adequacy of foodgrains supplies in India and in West Africa and production prospects for rice in Asia appear promising. World grain crops should establish a new record in 1973-74 although localized shortages will occur in several countries. Imports by developing countries will probably increase also because of the need to replenish stocks; the cost of these imports will be heavy in terms of foreign exchange expenditure because of the high prices and freight rates likely to prevail, and the short availability of grains on concessional terms.

2. The 1972/73 grains season will be remembered for many years for the marked fall in production, record levels of trade and the unprecedented rise in prices. The 1972/73 season closed on June 30, 1973 with stocks of wheat in the major exporting countries 1/ sharply reduced to 29 million tons, their lowest level since 1951/52 and stocks of coarse grain down to 74 million tons. However, the favorable development of the growing season and measures taken by almost every country to expand output are expected to result in world record crops for all grains and rice in 1973/74.

3. World production of wheat for the 1973/74 season is presently estimated by the USDA 2/ to amount to 355 million tons, an increase of 7 percent from 1972/73 and a new record (Table 1). Larger crops are expected in all major exporting countries with the exception of Argentina and record crops in the USSR and Eastern Europe. Among the developing countries, India harvested a good wheat crop, estimated at 27 million tons, slightly above the previous year, but reduced production is forecast for the Near East. Total world import demand is forecast at 65.3 million tons 3/ about  $4\frac{1}{2}$  percent lower than in 1972/73. However, the decline is accounted entirely by the USSR; imports of the People's Republic of China and developing countries in Asia and Africa will actually rise. The assumption of a comfortable wheat supply situation in the USSR is further reinforced by the recent loan-in-kind of 2 million tons of wheat to India for arrival before the end of November 1973. This amount is expected to fill the gap in India's demand until supplies

---

\* This note and the accompanying tables are meant to update the previous assessment to the TAC and to furnish the latest forecasts for the 1973/74 season.

1/ Argentina, Australia, Canada and the USA.

2/ The USDA assessment of the production and trade prospects is confirmed by reports from the International Wheat Council.

3/ Excluding EEC intratrade.

from the Autumn crop become available. Although world export availabilities are expected to be sufficient to satisfy import demand, a farther drawdown in exporters stock might be necessary. On the other hand, the high prices likely to prevail might reduce the size of imports by several developing countries. Wheat prices have in fact increased sharply since the beginning of the 1973/74 season (Table 3) and are not expected to decline appreciably until early 1974.

4. Prospects for coarse grains production in 1973/74 are very good. Current data indicate that production would increase by some 34 million tons above last year to a new record of 578 million tons (Table 2). Increases are forecast in all exporting countries and in the USSR; favorable monsoon rains have improved conditions for coarse grains crops in South Asia. Imports for 1973/74 are presently estimated at 59 million tons, some 3 million higher than in 1972/73; this is explained by larger imports expected for Japan and Western Europe in the developed countries group and increased needs by many developing countries affected by last years reduction of foodgrains crops. This development is envisaged also because prices of coarse grains in the coming season are forecast to remain lower relative to those of wheat and rice.

5. As the 1972/73 rice season draws to a close, the supplies are dwindling and the shortage of rice in the international markets has become even more acute. Importers have continued their desperate search for supplies, but with very little success. The second Thai rice crop, which was supposed to make some 200,000 tons available for exports by September, exceeded expectations, but due to Thai domestic shortages only 52,000 tons were put on the market in October for export to traditional Thai customers. Some additional rice has become available from the People's Republic of China and Japan has shipped some 90,000 tons of old crop rice to Bangladesh in form of aid. In spite of these measures it is estimated that some 2 million tons of import demand for rice will not be satisfied in 1973 and that other grains will be imported to fill the gap. Prices for the limited supplies of rice available for exports have skyrocketed: Thai rice available for export in October 1973 was quoted at between \$325 and \$600 depending on the variety as compared to \$100 and \$175 in October 1972 (Table 3).

6. Prospects for the 1973/74 rice crops are quite promising. The monsoon season has developed very well in most of Asia and as a consequence the world rice crop is expected to increase substantially from last year and possibly will reach a new record. Between the largest Asian producers, Thailand, Philippines, Bangladesh, and the People's Republic of China are expected to harvest record crops and Burma, India, Indonesia, Japan, Republic of Korea and Viet-Nam should harvest a larger crop than last year's. Pakistan, on the contrary, because of floods, could have a reduced crop and there is uncertainty about the Khmer Republic crop because of disruption from military activities. In other regions, the US rice production is estimated to have increased by 12 percent and Europe and Latin America have harvested larger crops.

7. In spite of better crops, world import demand will continue to be very strong because of the necessity to replenish stocks which will be completely depleted before new crop supplies become available towards the end of 1973. International prices are expected to start declining by year end from present record levels, but to remain in 1974 sharply above the pre-shortage 1972 values.

Commodities and Export Projections Division  
Economic Analysis and Projections Department  
Development Policy Staff  
October 30, 1973

**Table 1: WHEAT: World trade, production and stocks for 1971-72, 1972-73, and projected levels for 1973-74, Years beginning July 1 (In million metric tons)**

Country or Region	1971-72	1972-73 (preliminary)	Projected for 1973-74
<b>Exports:</b>			
Canada	13.7	15.7	13.7
Australia	8.4	5.4	6.8
Argentina	1.2	3.3	1.3
Sub-total	23.3	24.4	21.8
W. Europe (Excluding intra EC 9)	8.6 (4.6)	12.0 (7.5)	12.0 (7.0)
USSR	5.5	2.5	4.0
All Others	1.2	2.4	1.5
Total non-U.S.	38.6	41.3	39.3
USA 1/	16.9	32.0	31.0
World total	55.5	73.5	70.3
(World total excluding intra EC 9)	(51.5)	(69.0)	(65.3)
<b>Imports:</b>			
W. Europe (Excluding intra EC 9)	12.2 (8.2)	13.0 (8.5)	13.5 (8.5)
Japan	5.0	5.5	5.5
E. Europe	4.8	4.7	4.0
China, People's Rep. of	3.0	5.4	6.5
USSR	3.4	14.9	5.5
All Others	27.1	30.0	35.3
World Total	55.5	73.5	70.3
(World total excluding intra EC 9)	(51.5)	(69.0)	(65.3)
<b>Production: 2/</b>			
Canada	14.4	14.5	17.0
Australia	8.5	6.6	13.2
Argentina	5.7	6.8	5.4
W. Europe	51.0	51.3	49.8
USSR 3/	98.8	85.8	100.0
E. Europe	30.0	30.7	31.5
All other foreign	88.2	93.4	90.9
Total foreign	296.6	289.1	307.8
USA	44.0	42.0	47.0
World Total	340.6	331.1	354.8
<b>Stocks, ending (June 30):</b>			
Major Competitors 4/	26.0	17.3	18.1
USA	23.5	11.6	6.8
Total	49.5	28.9	24.9
<b>Consumption:</b>			
World total 5/	336.6	355.4	360.4

1/ Include transshipments through Canadian ports, excludes products other than flour.

2/ Production data includes all harvests occurring within the July-June year shown, except that small grain crops from the early-harvesting Northern Hemisphere areas are "moved forward"; i.e.; the May 1972 harvests in areas such as India, North Africa and southern USA are actually included in "1972/73" accounting period which begins July 1, 1972.

3/ Beginning with the current report, production figures and estimates for all years for the USSR are expressed in terms of gross weight, the same as official Soviet data; this adjustment causes a corresponding increase in all data for total world production.

4/ Canada, Australia, and Argentina.

5/ Based on an aggregate of local marketing year data for individual countries.

Source: USDA, Foreign Agricultural Service, October 30, 1973.



**Table 2: FEEDGRAINS: World trade, production and stocks for 1971-72, 1972-73, and projected levels for 1973-74, Years beginning July 1 (In million metric tons)**

Country or Region	1971-72	1972-73 (preliminary)	Projected for 1973-74
<b>Exports: 1/</b>			
Canada	4.4	3.6	3.5
Australia	3.2	1.8	1.9
Argentina	6.3	4.3	7.1
South Africa	2.2	3.3	0.3
Thailand	2.3	1.4	2.3
Sub-total	18.4	14.4	15.1
W. Europe	11.4	11.0	11.5
(Excluding intra EC 9)	(7.2)	(4.5)	(4.5)
All Others	2.9	1.7	2.1
Total non U.S.	32.7	27.1	29.7
USA 2/	20.7	35.3	37.3
World total	53.4	62.4	67.0
(World total ex. intra EC 9)	(49.2)	(56.1)	(59.0)
(USA, mktg., yr., mil. short tons) 3/	(27.3)	(43.0)	(39.7)
<b>Imports: 1/</b>			
W. Europe	26.4	28.0	29.0
(Excluding intra EC 9)	(22.2)	(21.5)	(22.0)
Japan	10.0	12.0	13.1
USSR	3.9	4.9	5.0
E. Europe	5.0	3.7	3.7
All Others	8.1	14.0	15.2
World total	53.4	62.6	68.0
(World total excl. intra EC 9)	(49.2)	(56.1)	(59.0)
<b>Production: 4/</b>			
Canada	22.2	18.9	19.2
Australia	5.8	3.6	5.3
Argentina	9.5	15.5	15.6
South Africa	10.2	4.6	10.0
Thailand	2.3	1.4	2.6
USSR 5/	70.6	70.2	85.0
E. Europe	50.1	55.1	55.3
All other foreign	203.0	193.6	193.5
Total foreign	373.7	366.9	386.5
USA	189.7	181.9	161.3
World total	563.4	548.8	547.8
<b>Stocks, ending (June 30): 6/</b>			
Selected competitors 7/	14.1	16.1	14.7
USA	68.1	57.7	52.3
Total	82.2	73.8	67.0
<b>Consumption</b>			
World total 9/	547.7	563.4	582.4

1/ Corn, barley, oats and sorghum, excluding products.

2/ Includes transshipments through Canadian ports.

3/ Includes products and transshipments through Canadian ports.

4/ Rye, corn, barley, oats and sorghum. Production data include all harvests occurring within the July-June year indicated, except that small grain crops from the early-harvesting Northern Hemisphere areas are "moved forward"; i.e., the May 1972 harvests in areas such as India, North Africa and southern USA are actually included in "1972-73" accounting period which begins July 1, 1972.

5/ Beginning with current report, production figures and estimates for all years for the USSR are expressed in terms of gross weight, the same as official Soviet data; this adjustment causes a corresponding increase in all data for total world production.

6/ Includes corn, barley, oats and rye.

7/ Canada, Australia, and Argentina.

8/ Less than 500,000 metric tons.

9/ Based on an aggregate of local marketing year data for individual countries.

Source: USDA, Foreign Agricultural Service, October 30, 1973.

Table 3: GRAINS AND RICE - INTERNATIONAL MARKET PRICES, 1964-1973

(US\$ metric tons)

July/June	Wheat		Maize	Sorghum	Rice <sup>/1</sup>
	Canadian No.1, in store Thunder Bay	US No.2 Soft Red Winter fob Atlantic	US No. 2 Yellow fob Gulf	US No. 2 fob Gulf	Thai, 5/7% br. fob Bangkok
1964/65	67.68	60.26	55.84	48.22	137.70
1965/66	68.20	58.79	55.03	47.21	136.30
1966/67	72.02	64.67	59.38	51.71	163.20
1967/68	66.04	57.32	49.88	50.40	205.80
1968/69	66.88	59.16	49.10	46.51	201.60
1969/70	62.50	54.01	53.85	50.05	186.90
1970/71	64.59	61.73	63.37	56.87	144.00
1971/72	62.44	59.52	52.31	52.11	129.00
1972/73	91.20	90.43	71.71	69.64	146.70
<u>1973/74</u>					
July	132.61	118.32	109.44	99.65	n.q. <sup>/2</sup>
August	193.47	171.59	122.43	113.32	n.q. <sup>/2</sup>
September	206.53	187.76	107.09	105.82	n.q. <sup>/2</sup>
October	206.15 <sup>/3</sup>	182.62 <sup>/3</sup>	108.66 <sup>/3</sup>	112.00 <sup>/3</sup>	400 <sup>/4</sup>

<sup>/1</sup> Calendar year of first year shown.

<sup>/2</sup> Thai rice was last quoted on March 5, 1973 at \$205 per metric tons and in July exports were suspended; late in September 1973, 52,000 tons of rice were released for exports at prices ranging from \$325-600 according to quality and destination.

<sup>/3</sup> Average of first two weeks only.

<sup>/4</sup> Partly estimated.

Source: Commodities and Export Projections Division, Economic Analysis and Projections Department.

**Table 4: RICE - PRODUCTION, EXPORTS AND IMPORTS, 1971 AND 1972 AND FORECAST FOR 1973**

(Million tons, milled rice equivalent)

	Production (Milled)			Exports			Imports		
	1970/71	1971/72	Preliminary 1972/73	1971	Preliminary 1972	Forecast 1973 /1	1971	Preliminary 1972	Forecast 1973 /2
<b>Asia and Far East</b>									
Bangladesh	11.1	9.8	9.7	-	-	-	0.40	0.70	1.10-1.20
Burma	5.4	5.5	5.0	0.81	0.45	0.30	-	-	-
China, Peoples Rep.	68.0	70.7	67.3	0.90	0.96	0.80	-	-	-
China, Rep. of	2.2	2.0	2.3	0.05	0.05	0.10	-	-	-
Hong Kong	-	-	-	-	-	-	0.34	0.36	0.38
Khmer Rep.	2.5	1.8	1.3	0.03	-	-	-	0.10	0.25
India	42.2	42.7	37.0	-	-	-	0.24	0.13	0.20
Indonesia	12.9	13.5	13.0	-	-	-	0.51	0.73	1.20-1.30
Japan	11.5	9.9	10.8	0.91	0.20	0.70	-	-	-
Korea, Rep.	3.7	3.8	3.6	-	-	-	1.01	0.57	0.50
Malaysia	1.1	1.2	1.3	-	-	-	0.25	0.12	0.10
Pakistan	2.2	2.2	2.4	0.20	0.30	0.60	-	-	-
Philippines	3.6	3.4	3.2	-	-	-	0.44	0.43	0.60
Singapore	-	-	-	-	-	-	0.23	0.29	0.25
Sri Lanka	1.1	0.9	0.9	-	-	-	0.34	0.26	0.30
Thailand	8.8	9.0	7.9	1.57	2.15	0.80	-	-	-
Viet-Nam Rep.	3.8	4.2	4.1	-	-	-	0.14	0.38	0.44
Others /3	7.8	7.3	7.3	0.16	0.14	0.20	0.23	0.25	0.25
<b>Total</b>	<b>187.9</b>	<b>187.9</b>	<b>177.1</b>	<b>4.63</b>	<b>4.25</b>	<b>3.50</b>	<b>4.13</b>	<b>4.32</b>	<b>5.57-5.77</b>
<b>Far East</b>									
	3.0	3.0	3.1	0.52	0.50	0.60	0.58	0.50	0.60
<b>America</b>									
	3.2	3.3	3.2	0.05	0.05	0.05	0.95	0.90	1.10
<b>Latin America</b>									
	7.9	7.1	7.8	0.40	0.20	0.40	0.51	0.50	0.50
<b>North America</b>									
	2.5	2.6	2.6	1.48	1.94	1.90	0.14	0.10	0.10
<b>Europe and USSR</b>									
	2.1	2.1	2.1	0.46	0.40	0.30	1.24	1.21	1.20
<b>Oceania</b>									
	0.2	0.2	0.2	0.18	0.14	0.15	0.10	0.10	0.10
<b>WORLD</b>	<b>206.8</b>	<b>206.2</b>	<b>196.1</b>	<b>7.72</b>	<b>7.48</b>	<b>6.90</b>	<b>7.65</b>	<b>7.63</b>	<b>9.17-9.37</b>

Export availabilities.

Import requirements.

Includes North Korea and North Viet-Nam.

Source: FAO - Intergovernmental Group on Rice, Report of New Delhi Meeting, April 1973, and Economic Analysis and Projections Department estimates.

OFFICE MEMORANDUM URGENT

TO: See Distribution Below

FROM: Anthony Neylan *AN*

SUBJECT: Advisory Panel on Agriculture and Rural Development

DATE: October 26, 1973

*CP - G.O.P. - AGRICULTURE &  
RURAL DEV. ADVISORY PANEL*

This is to confirm arrangements for the forthcoming meeting of the Advisory Panel on Agriculture and Rural Development.

Please note that the venue has been changed to the OLD FUND BOARD ROOM, E-1244.

<u>Oct 29</u> Monday	1100	Policy Guidelines on National Agricultural Research	<i>Mr Pelloux</i>
	1430	Policy Guidelines on Rural Development, Session I.	<i>Rowe</i>
<u>Oct 30</u> Tuesday	1000	Review of Bank Operations in Agricultural and Rural Education	<i>Mr Bowen</i>
	1430	Rural Development, Session II	<i>Van Gueh</i>
<u>Oct 31</u> Wednesday	1000	World Food Situation	<i>Pelloux</i>

Distribution

Messrs Baum  
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Ms Le Blanc  
Messrs Burt  
Lethem  
Stewart  
Pennisi  
Thint  
Crosnier  
Reutlinger  
Mrs Lele

ANeylan:jf

*D:*  
*What did you write down?*  
*egander*  
*10/30/73*

August 15, 1973

Advisory Panel on Agriculture and Rural Development

The first meeting of the Advisory Panel on Agriculture and Rural Development was held in the Bank on June 28 and 29, 1973. Members present were: Sir John Crawford (Chairman), Mr L.J.C. Evans, Dr W.D. Hopper, Mr E. Penalosa, Mr B. Sivaraman and Dr S. Wortman. Professor W. Falcon was overseas and sent his apologies.

The Bank was represented in Panel discussions by Mr W.C. Baum, Mr M. Yudelman, the Regional Agriculture Division Chiefs, Messrs Goffin, Roger Rowe and Walton, the Acting Regional Agriculture Division Chiefs, Messrs Frank and Parsons, and the Senior Advisors in the Agriculture Department. Mr L.S. Hardin of the Ford Foundation participated in the discussion of the "World Food Situation".

The principal topics discussed by the Panel were

Past, Present and Future Activities of  
the Bank

Land Reform

Rural Development

World Food Situation.

The Panel was guided in its discussion by a series of questions raised in a letter (Annex A) dated June 11, 1973 from Mr Baum to members of the Panel. *NOT ATTACHED*

As agreed in the course of the meeting, the following appraisal reports have been sent to members of the Panel:

Report No 84-ET	Agricultural Minimum Package Project	Ethiopia	May 14, 1973
TO-610a	Lilongwe Development Project	Malawi	January 3, 1968
PA-76a	Lilongwe Agricultural Development Project - Phase II	Malawi	April 16, 1971

Report No PA-106a	Karonga Rural Development Project	Malawi	December 30, 1971
161a-MAS	Rural Development Project	Mauritius	June 5, 1973
133a-ME	Fourth Livestock and Agriculture Development Project	Mexico	May 25, 1973
PA-127a	Rural Development Fund Project	Upper Volta	May 16, 1972

The attached notes give a summary of the meeting.

*NOT ATTACHED*

A. Neylan  
Secretary

*A. Neylan*

Distribution

Messrs R.S. McNamara  
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G. Alter  
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J. Gittinger  
P. Goffin  
D. Haynes/R. Frank  
J. Hendry  
A. Karaosmanoglu  
R. Picciotto/D. Parsons  
S. Please  
S. Reutlinger  
R. Rowe  
D. Stoops  
C. Walton

ANeylan:jf *[Signature]*

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SecM73-367

June 14, 1973

FROM: The Secretary

ADVISORY PANEL ON AGRICULTURE AND RURAL DEVELOPMENT

1. The Bank has recently organized a small advisory panel on agricultural and rural development. The main function of this panel will be to give advice to the management of the Bank on policies and strategies that might be followed by the Bank in promoting agricultural and rural development in developing countries. The panel will consider a wide range of subjects including innovations in approaches to rural and agricultural development and policies on particular facets of development such as land reform, small farmer credit, assistance in developing rural institutions, and research on agricultural development in the Bank.
2. Initial members of the panel, which will be chaired by Sir John Crawford of Australia, are Mr. L. J. C. Evans of the United Kingdom, Professor Walter Falcon of U.S.A., Dr. David Hopper of Canada, Mr. Enrique Penalosa of Colombia, Mr. B. Sivaraman of India and Dr. Sterling Wortman of U.S.A. The secretary of the panel will be Mr. Anthony Neylan of the Agriculture Department.
3. The panel will meet in Washington normally twice a year. All panel members will participate in a personal capacity. It is anticipated that the composition of the panel will change from time to time.

Distribution:

Executive Directors and Alternates  
President  
Senior Vice President, Operations  
Vice Presidents, Bank, and Officers of IFC  
Directors and Department Heads, Bank and IFC

O.P. - G.O.P. Agric + Rural Dev.  
Adv. Panel

Form No. 27  
(3-70)

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

**OUTGOING WIRE**

~~62172~~

TO: SIR JOHN CRAWFORD  
NATUNIV  
CANBERRA

DATE: APRIL 23 1973  
CLASS OF SERVICE: LT *Stan 1/4*

COUNTRY: AUSTRALIA

TEXT: THIS IS TO CONFIRM FOLLOWING TELEGRAM DESPATCHED TO YOU APRIL ELEVEN  
Cable No.: TEXT BEGINS OPEN QUOTES DUE CONFLICTING COMMITMENT COMMA JUNE TWENTY  
EIGHT AND TWENTY NINTH DATES FOR ADVISORY PANEL MEETING WOULD BE RATHER  
INCONVENIENT STOP WOULD IT BE POSSIBLE MOVE MEETING FORWARD ONE WEEK  
COMMA OR BACK QUERY CLOSE QUOTES TEXT ENDS REGARDS

YUDELMAN

**NOT TO BE TRANSMITTED**

AUTHORIZED BY: Montague Yudelman  
NAME: Director,  
Agriculture Department  
DEPT.  
SIGNATURE: *Monty Yu*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:  
cc Mr. H. Graves  
Mr. A. Neylan  
COMMUNICATIONS SECTION  
APR 23 1973

REFERENCE: Advisory Panel on Agriculture and Rural  
Development mal  
ORIGINAL (File Copy)  
(IMPORTANT: See Secretaries Guide for preparing form)

For Use By Communications Section  
Checked for Dispatch: *[Signature]*



(ORIGINALS are destroyed after 100 days)

Checked for Release

ORIGINAL (aka copy)  
delegation letter  
Advisory Panel on Antarctica and U.S.A.

SECRET

For Use by Communications Section

REFERENCE: (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

SIGNATURE: *[Handwritten Signature]*

APR 23 10 48 PM 1973  
COMMUNICATIONS SECTION  
CC MR. H. STEVENS

DEPT: Antarctica Department  
NAME: Director

AUTHORIZED BY: Honorable Director

CLASSIFICATION AND COPY DISTRIBUTION

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UNCLASSIFIED

CONRY ON BACK SHEET CROSS CHECKS NEXT WEEK BEGINS  
INFORMATIONAL JOB WOULD IT BE POSSIBLE HOLD MEETING FORWARD ONE WEEK  
EPOCH AND JUNE 14 MARCH DATES FOR ADVISORY PANEL MEETING WOULD BE FINISHED  
NEXT BEGINS OPEN CROOKS DUE COMPETING COMMITMENT COMVA TIME JUNE 14  
THIS IS TO COMPLY FOLLOWING MESSAGE DISPATCHED TO YOU VIKIP ESTATE

Copy No:  
TEXT:

COPIES:

UNCLASSIFIED

TO: COMMISSIONER  
NATIONAL  
SIR JOHN STAMFORD

SERVICE  
CLASS OF: *[Handwritten]*  
DATE: APRIL 23 1973

OUTGOING WIRE

ASSOCIATION INTERNATIONAL DELEGATION	RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL BANK FOR	CORPORATION INTERNATIONAL FINANCE
---	--	--------------------------------------

*[Handwritten notes and signatures at bottom right]*

O.P.G. O.P. Agricultural & Rural Dev  
Adv. Panel

Form No. 27  
(3-70)

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

**OUTGOING WIRE**

TO: B. SIVARAMAN  
PLANNING COMMISSION  
GOVERNMENT OF INDIA  
NEW DELHI

DATE: 24 APRIL 1973

CLASS OF LT  
SERVICE: *Ro*

COUNTRY: INDIA

TEXT: LETTER WAS DESPATCHED APRIL SIXTEEN INVITING YOU PARTICIPATE ON IBRD  
Cable No.: ADVISORY PANEL ON AGRICULTURAL AND RURAL DEVELOPMENT COMMA TO MEET  
TWICE YEARLY IN WASHINGTON STOP FIRST PANEL MEETING SCHEDULED FOR  
TWO DAYS END JUNE OR EARLY JULY STOP WOULD APPRECIATE CABLED REPLY  
REGARDS NEYLAN

INTBAFRAD

**NOT TO BE TRANSMITTED**

AUTHORIZED BY: Anthony Neylan  
NAME  
DEPT. Agriculture Dept (C.P.Staff)  
SIGNATURE *AA Neylan*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)  
REFERENCE:

CLEARANCES AND COPY DISTRIBUTION:

*APR 25 1973*

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(Inverted text at top of page)

ORIGINATOR (Name/Dept)

Checked for Discrepancy



DISPATCHED FOR THE DIRECTOR

REFERENCE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

SIGNATURE

DEPT: AGRICULTURE DEPT (G.P. Staff)

NAME

AUTHORIZED BY: Anthony Nelson

APR 24 7 22 PM 1973  
COMMUNICATIONS

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INFORMATION

RECEIVED MESSAGE

Two days and some of every last day would appreciate covered letters  
since letters in Washington state first panel meeting scheduled for  
Wednesday panel on agricultural and forest development comm to meet

Copy No:

TEXT:

Letter was dispatched April sixteen mailing for publication on land

COPIES:

INDIV

MEM DEPT  
GOVERNMENT OF INDIA  
PLANNING COMMISSION  
B. SIVARAMAN

SERVICE

CLASS OF II

DATE

27 APR 1973

OUTGOING MESSAGE

ASSOCIATION INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL BANK FOR

CORPORATION INTERNATIONAL FINANCE

FORM NO. 33

Handwritten notes at bottom right

Letter No. 150

16 April, 1973.

Mr. William M. Gilmartin,  
Chief, World Bank Resident Mission,  
P.O. Box 416,  
New Delhi,  
India.

I have today transferred to the Central Agriculture Projects Department to work with Sir John - and am pleased to find that one of my first tasks gives me an opportunity to drop you a note.

You are no doubt aware from Sir John of the attached letter. The original apparently did not reach Mr. Sivaraman so we have had the letter retyped and sent off today to the address indicated. Would you be kind enough to have someone in your office check that the Bank's invitation has finally got to Mr. Sivaraman? *✓ Mar. 14/73*

Trust all goes well with you.

Kindest regards,

ANTHONY NEYLAN

ANeyland:mal  
Bank

*Q.P. G.O.P. Agricultural & Rural Dev. Adv. Panel*

Form No. 27  
(3-70)

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

**OUTGOING WIRE**

*62172*

TO: CRAWFORD  
NATUNIV  
CANBERRA

DATE: APRIL 11, 1973

CLASS OF SERVICE: *LT telex*  
*TL*

COUNTRY: AUSTRALIA

TEXT:  
Cable No.:

DUE CONFLICTING COMMITMENTS *COMMA* JUNE 28/29 DATES FOR ADVISORY PANEL MEETING  
WOULD BE RATHER INCONVENIENT STOP WOULD IT BE POSSIBLE MOVE MEETING  
FORWARD ONE WEEK COMMA OR BACK QUERY

REGARDS

YUDELMAN

**NOT TO BE TRANSMITTED**

AUTHORIZED BY:  
NAME S.N. McIvor  
DEPT. Agriculture Department  
SIGNATURE *[Signature]*

CLEARANCES AND COPY DISTRIBUTION:  
cc: Mr. H. GRAVES  
Mr. A. Neylan o.r.

REFERENCE: Advisory Panel on Agriculture and Rural  
Development :lkt  
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Checked for Dispatch: *[Signature]*

(IMPORTANT: See Secretaries Guide for preparing form)

(INSTRUCTIONS: See instructions on the back of this form)

Checked for Dispatch

ORIGINATOR (File Copy)

DEVELOPMENT : JKC

REFERENCE: VDAIWOXU BANEI ON VETICUATE AND KULEJ

For Use by Communications Section

SIGNATURE: (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE) DISPATCHED

DEPT: VETICUATE DEPARTMENT

NAME: S.M. MCLAOE

APR 11 1 30 PM 1973

MR. A. MCLAOE O.T.

COMMUNICATIONS SECTION

CC: MR. H. CHVARS

AUTHORIZED BY:

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INDEXED

RECORDED

FORWARD ONE WEEK COPY OF BACK COPY

WOULD BE KUTERK INCOMPLETION SLOB WOULD IT BE POSSIBLE MORE MEETING

DUE CONFLICTING COMMITMENTS TIME 28/30 DATES FOR VDAIWOXU BANEI MEETING

Copy No:

TEXT:

COPY: VASLEVAIA

NUMBER

INITIAL

TO: SKAMFOED

SERVICE

CLASS OF

DATE

*Handwritten initials/signature*

APR 11, 1973

OUTGOING WIRE

5555

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

*Handwritten notes at the bottom of the page*

14 March 1973.

Mr. B. Sivaraman,  
Chairman of National Commission on Agriculture,  
Planning Commission,  
Government of India,  
Parliament Street,  
New Delhi,  
India.

Dear Mr. Sivaraman,

The International Bank for Reconstruction and Development is organizing a small advisory panel on agricultural and rural development. The main function of this panel will be to advise the management of the Bank on policies and strategies that might be followed by the Bank in promoting agricultural and rural development in developing countries. The panel will be expected to consider a wide range of policy issues including those that pertain to widening and deepening the scope of Bank lending for rural development, innovations in approaches to rural and agricultural development and policies on particular facets of development such as land reform, small farmer credit, and assistance in developing rural institutions. The panel will also be expected to advise on appropriate policy for guiding research on agricultural development in the Bank. The members of the panel may also be called on from time to time to assist in preparing papers on specific policy issues as well as to review policy papers prepared by the staff.

It is anticipated that the panel will meet in Washington twice a year and that each meeting will probably last three to four days. Initial appointments to the panel will be for three years beginning in 1973. All panel members are invited in a personal capacity.

I am writing at this time to inquire about your availability and possible interest in serving on this panel. The panel will be chaired by Sir John Crawford of Australia. Other members who are being invited include:

Mr. L.J.C. Evans  
Mr. E. Penalosa  
Dr. Sterling Wortman

Dr. David Hopper  
Professor Walter Falcon

Mr. B. Sivaraman

14 March, 1973

The Bank would pay a daily fee for the services of panel members and would also pay for the cost of travel and subsistence. If, as I hope, you are able to respond favorably to this invitation, I would ask our Personnel Department to arrange with you the details and to send you an appropriate letter of appointment.

I look forward to hearing from you at your earliest convenience.

Yours sincerely,

Warren C. Baum

Warren C. Baum  
Vice President, Projects Staff

Letter also sent to:

Mr. L. J. C. Evans, I.B.R.D.,

Mr. E. Penalosa, Inter-American Development Bank,  
Washington, D.C.,

Dr. S. Wortman, Rockefeller Foundation, 111 West 50th St.,  
New York, N.Y. 10020.

Dr. David Hopper, President, IDRC, 2197 Riverside Drive,  
Ottawa, Ontario K1G 3H9, Canada

Professor W. Falcon, Director, Food Research Institute,  
Stanford University, Stanford, Calif. 94305.

LJCEvans:MYudelman:lkt:mal



08. 9/10. Adv. & Rec.  
Dev. Adv. Pan.

March 14, 1973

Mr. L.J.C. Evans  
International Bank for  
Reconstruction and Development  
1818 H Street N.W.  
Washington, D.C. 20433

Dear Jim,

The International Bank for Reconstruction and Development is organizing a small advisory panel on agricultural and rural development. The main function of this panel will be to advise the management of the Bank on policies and strategies that might be followed by the Bank in promoting agricultural and rural development in developing countries. The panel will be expected to consider a wide range of policy issues including those that pertain to widening and deepening the scope of Bank lending for rural development, innovations in approaches to rural and agricultural development and policies on particular facets of development such as land reform, small farmer credit, and assistance in developing rural institutions. The panel will also be expected to advise on an appropriate policy for guiding research on agricultural development in the Bank. The members of the panel may also be called on from time to time to assist in preparing papers on specific policy issues as well as to review policy papers prepared by the staff.

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- |                      |                         |
|----------------------|-------------------------|
| Mr. B. Sivaraman     | Dr. David Hopper        |
| Mr. E. Penalosa      | Professor Walter Falcon |
| Dr. Sterling Wortman |                         |

Mr. L.J.C. Evans

- 2 -

March 14, 1973

The Bank would pay a daily fee for the services of panel members and would also pay for the cost of travel and subsistence. If, as I hope, you are able to respond favorably to this invitation, I would ask our Personnel Department to arrange with you the details and to send you an appropriate letter of appointment.

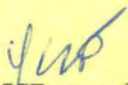
I look forward to hearing from you at your earliest convenience,

Yours sincerely,

Warren C. Baum  
Vice President  
Projects Staff

cc: Mr. C. Denton - Personnel Department

Letter also sent to: Mr. B. Sivaraman, Chairman of National Commission on Agriculture, Vigyan Bhavan Annexe, New Delhi, India  
Mr. E. Penalosa, Inter-American Development Bank, Washington, D.C.  
Dr. S. Wortman, Rockefeller Foundation, 111 West 50th St., New York, N.Y. 10020  
Dr. David Hopper, President, IDRC, 2197 Riverside Drive, Ottawa, Ontario K1G 3H9, Canada  
Prof. W. Falcon, Director, Food Research Institute, Stanford University, Stanford, Calif. 94305

  
LJCEvans:MYudelman:lkt

March 14, 1973

Sir John Crawford  
32 Melbourne Avenue  
Deakin A.C.T.  
Canberra  
Australia

Dear Sir John,

The International Bank for Reconstruction and Development is organizing a small advisory panel on agricultural and rural development. The main function of this panel will be to advise the management of the Bank on policies and strategies that might be followed by the Bank in promoting agricultural and rural development in developing countries. The panel will be expected to consider a wide range of policy issues including those that pertain to widening and deepening the scope of Bank lending for rural development, innovations in approaches to rural and agricultural development and policies on particular facets of development such as land reform, small farmer credit, and assistance in developing rural institutions. The panel will also be expected to advise on an appropriate policy for guiding research on agricultural development in the Bank. The members of the panel may also be called on from time to time to assist in preparing papers on specific policy issues as well as to review policy papers prepared by the staff.

It is anticipated that the panel will meet in Washington twice a year and that each meeting will probably last three to four days. Initial appointments to the panel will be for three years beginning in 1973. All panel members are invited in a personal capacity.

I am writing at this time to ask you to confirm your willingness to be Chairman of this panel. As you know, other members who are being invited include:

Mr. L.J.C. Evans  
Mr. B. Sivaraman  
Mr. E. Penalosa

Dr. Sterling Wortman  
Dr. David Hopper  
Professor Walter Falcon

Sir John Crawford

- 2 -

March 14, 1973

The Bank would pay a daily fee for the services of panel members and would also pay for the cost of travel and subsistence. If, as I hope, you are able to respond favorably to this invitation, I would ask our Personnel Department to arrange with you the details and to send you an appropriate letter of appointment.

I look forward to hearing from you at your earliest convenience,

Yours sincerely,

Warren C. Baum  
Vice President  
Projects Staff

cc: Mr. C. Denton - Personnel Department

*HCB*

LJCEvans:MYudelman:lkt

*Adv. Panel*

**OUTGOING WIRE**

TO: CRAWFORD  
NATUNIV  
CANBERRA

DATE: MARCH 2, 1973

CLASS OF  
SERVICE: LT

*Rca*

COUNTRY: AUSTRALIA

TEXT:  
Cable No.:

FOR ADVISORY PANEL ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ I RECOMMENDED CRAWFORD COMMA  
EVANS COMMA SHIVARAMAN COMMA PENALOSA COMMA STERLING WORTMAN COMMA DAVID  
HOPPER COMMA JOHN MELLOR STOP THIS HAS BEEN ACCEPTED BUT CHENERY SUGGESTS  
WALTER FALCON **INSTEAD** OF MELLOR COMMA WHICH I WOULD BE PREPARED TO ACCEPT STOP  
GRATEFUL YOUR VIEWS

REGARDS

EVANS

**NOT TO BE TRANSMITTED**

AUTHORIZED BY:

NAME L.J.C. Evans,  
DEPT. Director  
Agriculture

SIGNATURE \_\_\_\_\_  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: LJCEvans:lkt  
Agricultural Advisory Panel  
ORIGINAL (File Copy)  
(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. M. Yudelman

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*Handwritten initials*

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REFERENCE: 1732485 1732

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DEPT: 1732485

COMMUNICATIONS

CC: Mr. M. D. Johnson

NAME: G.L.C. Evans

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EVANS

RECEIVED

STANDARD AND COPY

MAYBE EVANS INSTEAD OF MERTON COMB WHICH I WOULD BE EXPECTED TO ACCEPT STOP  
HOBBS COMB JOHN MERTON STOP THIS HAS BEEN ACCEPTED BUT CHECKS SUCCESS  
EVANS COMB SHIAKAMBI COMB BENTON COMB ZIENTIC MOKINVI COMB DAVID  
FOR VDAIGOEY BAMBET ~~XXXXXXXXXXXXXXXXXXXX~~ I RECOMMENDED SKAMFOED COMB

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TO: SKAMFOED

SERVICE  
CLASS OF

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DATE: MARCH 2, 1973

OUTGOING WIRE

ASSOCIATION  
INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL BANK FOR

CORPORATION  
INTERNATIONAL FINANCE

FORM NO. 12

*Handwritten signature*

O.P. J.P. Agric +  
Rural Dev.  
Adv. Panel

Mr. Robert S. McNamara

February 2, 1973

W. Baum

Agricultural Advisory Panel

1. I have discussed with Sir John Crawford and Mr. Evans from time to time the proposed Agricultural and Rural Development Advisory Panel, of which Sir John would be Chairman and Mr. Evans would be one of the members after he retires. We propose the Panel should meet perhaps twice a year in Washington, for four or five working days each time, to review such policy and operational matters as we appoint.

2. We propose that the Panel should not have more than eight members. We have in mind the following members in addition to Sir John Crawford and Mr. Evans:

Mr. Shivaraman of India, formerly Secretary of the Ministry of Agriculture of the Indian Government. Subsequently Cabinet Secretary to the Government of India and Vice Chairman of the National Commission of Agriculture.

Mr. Ato Belai Abai, Minister of Land Reform of Ethiopia, formerly Minister responsible for Planning.

Professor T. Dams of Germany.

Professor John W. Mellor U.S.A. of Cornell University.

Enrique Penalosa, formerly Minister of Agriculture in Colombia, now with the Inter-American Development Bank.

Aktar Ahmad Khan, formerly Head of the Comilla Project, now at the University of Karachi.

3. In case any of the above are unavailable, we have in mind alternatives as follows:

Instead of Mr. Shivaraman, Professor Dantwala of India.

In place of Mr. Belai Abai, Dr. Bukar Shaib of Nigeria.

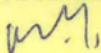
Instead of Professor Dams, Dr. Guy Camus of France.

Instead of Professor Mellor, Mr. Sterling Wortman of the Rockefeller Foundation.

February 2, 1973

4. Because of the need for changing composition of Panels such as this, I recommend that appointments should be for not more than three years.
5. Any expenses in connection with this Panel in FY1973 would be charged to the budget of the Agriculture Department.
6. I would welcome your reaction to this proposal.

LJCEvans:MYudelman:lkt

A handwritten signature in dark ink, appearing to be 'M.Y.', is written below the typed name 'MYudelman'.