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1043320

R1986-027 Other #: 3

3550B

RPO Number 670-18 - Rural Development in Africa - Volume 1

RETURN TO ARCHIVES IN HB1-001

ISN # 6979 ACC. # R86027

BOX # 3

NUS LOCATION # 22-2-6

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CLOSE - OUT SHEET

This file is closed as of May 31, 1972.

For further correspondence, please see vol. II.

RECORDS MANAGEMENT SECTION

Your ref: VIII/FED/C-3/484170

May 31, 1972

Mr. C.J. van der Vaeren,
Chef de service spécialisé
de la Coordination des Aides
Direction des Programmes du FED
Commission des Communautés Européennes
200 rue de la Loi
1040 Bruxelles
Belgique

Dear Mr. van der Vaeren,

I am pleased to acknowledge your letter of May 24, in which you inform us of the status and plans of your project evaluation studies. We were very pleased to have had an opportunity to discuss our respective plans in this area during your recent visit here. I am showing the material you sent to my colleagues who are responsible for our rural development study - they may wish to be in further contact with you as the studies progress. We intend to send you terms of reference for our study as soon as it has been approved.

With best regards,

Sincerely yours,

Barend A. de Vries
Chief Economist
Western Africa Department

cc. Mr. Gué
Mr. Denning
Mr. Robert Shaw (Economics)
(with incoming material)
Original letter to Central Files

B&P

Rural Development

Mr. P.D. Henderson

May 31, 1972

Barend A. de Vries

African Rural Development Study

The revised outline comes close to what was envisaged in the Steering Group discussions on the scope and phasing of the Study. In response to your own observation, I would say that the FY73 Study should lay the basis for proposing subsequent more comprehensive studies of the broad aspects of rural development in selected countries.

As you know, we still feel that the proposed budget does not allocate sufficient resources for review of experience in West Africa, experience which may be of relevance for our operations inside as well as outside the region. In particular, more than "partial review" is indicated for the four projects listed under Item 2: "French Technical Assistance Projects - West Africa". The projects in Cameroon are being reviewed by FAC but supplementary work by the Bank may well prove to be desirable. Some field work for all of the projects would be needed. We should add here that for this part of the Study it is of special importance that the consultant to be selected has experience in the area.

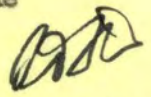
cc. Mr. Denning

Mr. Husain (East Africa Department)
Mr. Hendry (Agriculture Projects)
Mr. K.G.V. Krishna (East Africa Department)
Mr. Reutlinger (Economics)
Mr. Shaw (Economics)
Mr. Parvez Hassan (East Asia)

BdeVries:mfb

Miss N. E. Lenthe

May 31, 1972

G. F. Donaldson 

Staff Arrangements - Africa Rural Development Study

1. Regarding the letter of offer forwarded to Sullivan, Bedi, and Anderson - I have to advise that they have each been informed, and have accepted our explanation, about the inaccurate offer of expenses in addition to their monthly remuneration. Since they are in agreement, it would now be appropriate if they could be sent a formal letter withdrawing the offer of expenses in addition to their monthly salary.
2. Regarding Tecle, Von Pischke, and Collinson - these are three other consultants who we hope to employ; Tecle and Von Pischke for six months, Collinson for three months. Because of the state of negotiations concerning the budget for the above named study, it seems appropriate that we leave these until early in the week beginning June 5.
3. I would be pleased if you could advise me as to whether we have a file for Michael Collinson, who I believe has been previously employed as a consultant for the Bank.

GFDonaldson:ahl

700 12 2 07 011035

Handwritten: Rural Development

May 27, 1972

Miss M. E. Lentz

Handwritten initials

G. F. Donaldson

Staff Arrangements - Africa Rural Development Study

1. Regarding the letter of offer forwarded to Sullivan, Bedi, and Anderson - I have to advise that they have each been informed, and have accepted our explanation, about the inaccurate offer of expenses in addition to their monthly remuneration. Since they are in agreement, it would now be appropriate if they could be sent a formal letter withdrawing the offer of expenses in addition to their monthly salary.
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3. I would be pleased if you could advise me as to whether we have a file for Michael Collinson, who I believe has been previously employed as a consultant for the Bank.

GDonaldson:ahj

JUN 14 9 47 AM 1972

RECEIVED
GENERAL FILES

OFFICE MEMORANDUM

new below
Project Files

RPO 218

TO: Mr. Parvez Hasan

DATE: May 31, 1972

FROM: P. D. Henderson P.D.H.

SUBJECT: Research Proposal: African Rural Development Study

1. I attach for consideration by the Research Committee a revised submission for the initial phase of this study. In making the revision account has been taken of a number of comments made by your sub-committee and also by the inter-departmental Steering Group which is concerned with the overall direction of the study.
2. The new proposals have been broadly approved by the Steering Group, subject to a note on the proposed West African projects which Mr. de Vries is sending to you, and to the important clarification made in paragraph 5 below.
3. I am also attaching a covering memorandum which I sent to the Chairman of the Steering Group together with the revised draft submission, in which a number of issues are referred to which your sub-committee may wish to consider.
4. In the revised draft submission, no reference is made to what has been called "Phase II" of the study--namely the sector surveys which it is intended to carry out in East Africa--but only because the submission is confined to the work for which financing is needed from the research budget. This in no way reflects a lack of concern for the sector work and for the relation between it and what is here proposed: on the contrary, as is made clear in paragraph 14 of my memorandum to Mr. Adler, we regard this as the key element in the design of the study as a whole.
5. Mr. Adler has pointed out to me that some misunderstanding has arisen concerning the need for looking at broad policies and functional areas, as distinct from individual projects. This need is not disputed by any one: the question is only how best to meet it. We had initially supposed that it would be necessary to give specific attention to these issues in the early part of the study, as well as in the sector surveys. Mr. Adler and his colleagues feel that it is better to adopt initially a more project oriented approach, as is done in this new draft submission, and to take up the broader issues in the surveys. I had not grasped this point at the time when I wrote paragraphs 11 and 12 of my memorandum. In view of it, your sub-committee may want to consider how far the misgivings expressed by Mr. Lerdaun and myself remain valid.

cc: Messrs. Blobel, Lerdaun, Schulmann, Shourie, Stern (without attachment)get
Attachment
→

PART I IDENTIFICATION

- 1. Title: Africa Rural Development Study
- 2. Department initiating Proposal: Economics
- 3. Department Responsible for the Project: Economics
- 4. Responsible Staff Member: S. Reutlinger
- 5. Research to be done:
 - a. by Bank Staff only ☐
 - b. by collaboration with a research institute ☐
 - c. by consultants ☐
 - d. by a combination of Bank Staff & consultants ☒

PART II PROJECT SUMMARY (attach full details as indicated in Instructions)

- 1. Problem to be analyzed:

Identification, evaluation and description of the essential components and characteristics, as well as the phasing, of projects and programs deemed to have affected the quality of life of large numbers of certain people within a reasonable time.
- 2. Proposed research method:

An analysis of relevant experience of rural development projects and programs with particular emphasis on transferability of the lessons. The study consists of Phase I of the Africa Rural Development Study. A steering committee has approved the general terms of reference and will continue to perform general supervision. (see attachment)
- 3. Objective:
 - a) Establish factual or conceptual basis for Bank policy ☒
 - b) Support Bank operations in particular sectors ☒
 - c) Increase knowledge of the basic development process ☒
 - d) Develop institutional capacity for research in LDC's ☒

PART III COORDINATION AND APPROVAL

- 1. Interdepartmental Coordination:
 - a. Department: Eastern Africa , Coordinator: S. Husain
Comments:
 - b. Department: Agricultural Projects , Coordinator: H. A. Adler
Comments:
 - c. Department: Western Africa , Coordinator: B. A. de Vries
Comments:
- 2. Initiating Department Signature:..... Date:
- 3. Responsible Department Evaluation:
 - a. Comments:
 - b. Priority: Very High ☒ High ☐ Medium ☐ Low ☐

Signature:
Date:

1. Budget Unit to be charged: Department # 610 Division # 60

Item	FY__		FY__		FY__		T O T A L	
	Amt	\$	Amt	\$	Amt	\$	Amt	\$
2. Staff (manmonths)								
a. Professional	10		40					
b. Special Services	10		25					
Total	20		65					
3. Consultants (manmonths & \$)								
a. Senior Researcher @\$2500/mo*								
b. Researcher @ \$1400/mo*			54	82,000				
c. Res. & Cleric. Asst.								
Total			54	82,000				
4. Travel (mantrips & \$) <u>1/</u>			20	60,000				
5. Data Processing <u>2/</u>								
a. Inhouse								
b. External				142,000				
Total								142,000

*Use this cost estimate when actual costs are not known.

1/ Use Annex I to develop travel cost estimates. Figure staff and consultants together. All travel is charged to Department's Travel Budget.

2/ Use Annex II to develop data processing cost estimates in collaboration with the Computing Activities Department.

V PROPOSED BUDGET

	<u>Consultants</u>		<u>Staff</u>	<u>Total</u>
	fees	travel and subsistence	travel and subsistence	
<u>Comprehensive Reviews:</u>				
Minimum Package - Ethiopia	6,000	4,000	3,000	13,000
Lilongwe Land Settlement - Malawi	6,000	4,000	3,000	13,000
Sukumaland Cotton-Credit-Tanzania	6,000	4,000	3,000	13,000
Small-holder Credit - Kenya and Tanzania	10,000	6,000	3,000	19,000
Malagasy Rice - Malagasy	10,000	2,000	2,000	14,000
Squatter Settlement - Kenya	6,000	3,000	2,000	11,000
Livestock Ranging - Kenya	10,000	3,000	2,000	15,000
<u>Partial Reviews:</u>				
SRDP's - Kenya	4,000			4,000
French Technical Assistance Projects - West Africa	5,000	3,000	2,000	10,000
Small-holder Tea - Kenya	4,000			4,000
Ujamaas - Tanzania	5,000	3,000	2,000	10,000
Small Industry Development Nigeria	5,000	3,000		8,000
Tanzania Tobacco - Tanzania	<u>5,000</u>	<u>3,000</u>	<u> </u>	<u>8,000</u>
Total	\$82,000	\$38,000	\$22,000	\$142,000

VI DETAILS OF PROPOSED PROJECT REVIEWS

<u>Comprehensive Reviews:</u>	<u>Type of Project</u>	<u>Proposed Consultant</u>	<u>Estimated Man-months</u>	<u>Staff Responsible</u>
1. Minimum Package - Ethiopia	Non Bank	Tesfai Tecle	6	Lele
2. Lilongwe Land Settlement - Malawi	Bank	Not definite	6	Donaldson
3. Sukumaland Cotton - Credit - Tanzania	Non Bank & Bank	Michael Collinson	3	Lele
4. Small-holder Credit - Kenya and Tanzania	Non Bank & Bank	J. D. Von Pischke	6	Donaldson
5. Malagasy Rice - Malagasy	Non Bank & Bank	? S.E.D.E.S.	3	Shaw
6. Squatter Settlement - Kenya	Non Bank	Not definite	6	Donaldson
7. Livestock Ranging - Kenya	Non Bank & Bank	Thinn et al	6	Husain

Partial Reviews:

1. SRDP's - Kenya	Non Bank	Deborah Sullivan	3	Donaldson
2. French Technical Assistance Projects - West Africa	Non Bank & Bank	William Anderson	3	Shaw
3. Small-holder Tea - Kenya	Bank	Nilam Bedi	3	Donaldson
4. Ujamaas - Tanzania	Non Bank	Not definite	3	Lele
5. Small Industry Development Nigeria	Non Bank	Not definite	3	Shaw
6. Tanzania Tobacco - Tanzania	Non Bank & Bank	Not definite	3	Lele

AFRICA RURAL DEVELOPMENT STUDY

1. The following proposal and budget is presented as an amendment to and clarification of the intentions spelled out in the Terms of Reference and previous memoranda. It is designed to meet two major comments received from the Steering Group and the Research Committee. It is less ambitious in its scope than the earlier proposal, and it is hoped that the operational implications have been made clearer. Further, the time frame of the study has been limited here to FY 73.
2. The present proposal has been restricted to a review of selected projects and of the lessons to be drawn from them. The projects to be reviewed have been taken from the list proposed by the Area and Agriculture Projects Departments, and supplemented on the basis of information obtained by the "study group" during recent missions. A list of the projects is contained in the submission, together with the revised budget for the study. The total expenditure planned comes to approximately half of that envisaged in the earlier submission.
3. Thus the project reviews will be limited in scope. In particular, (i) no new field surveys or data collection are proposed; (ii) there will be a less than full examination of the socio-economic context in which the projects are found; and (iii) no detailed assessment will be possible of the policies and processes that may affect them.
4. The details of this proposal are set out below in the following order:
 - I Project Reviews - Focus, Approach and Selection
 - (a) Substantive Reviews
 - (b) Partial Reviews
 - II Description of Projects Proposed for Review

III Proposed Terms of Reference

IV Methods to be Used

V Proposed Budget

VI Details of Proposed Project Reviews

VII Work in Progress

I. PROJECT REVIEWS: FOCUS, SELECTION AND APPROACH

It is proposed that the study should encompass a discrete number of Bank and non-Bank projects in Sub-Saharan Africa, as itemized below. These have been selected in order to reflect a variety of experiences, and to explore as many as possible of the major elements believed to be significant in promoting the goals of rural development.

The principal focus is on East Africa because of the rich range of experience there (e.g., single cash crop and integrated agricultural development, minimum packages and the total planning concept, cooperatives and centralized marketing authorities). However, because some important experiences in rural development cannot be adequately explored in East Africa, two West African project reviews have also been proposed. These would examine (i) experience with various forms of French technical assistance, and (ii) the Nigerian efforts to promote rural industrialization as a complement to agricultural development.

The project reviews have been divided into two categories reflecting differences in the study approach; namely, (a) seven substantive reviews and (b) six partial reviews. These two approaches are described below and followed by a brief outline of the importance and uniqueness of each proposed project.

a) The Substantive Reviews:

Seven substantive reviews of Bank and non-Bank projects in East Africa are proposed. They will be done by consultants with supervision from the members of the study group. They will involve review of already published documents, wherever possible use of data already collected and/or analyzed through field investigations and interviews of persons knowledgeable about the design and/or implementation of the project. Accordingly, they

will involve considerable time in the field. Nevertheless, because the substantive reviews will be mainly based on secondary sources of information, it is likely that in some cases they may provide only tentative conclusions which will require further testing.

Each project has been carefully selected so as to illuminate a particular and important approach to rural development. To the extent that the "success" of these projects depends on the approach - as distinct from a unique environment within which they operate - the study team expects to draw lessons about the possibility for transferring this experience elsewhere.

The purpose of the substantive reviews is thus to assess to the extent possible (a) the size and distribution of the economic benefits from the projects, (b) the breadth of participation of the different socio-economic classes in the projects, and (c) the role of institutions in the performance of the projects. In some cases, this breadth of participation may not have been planned in the project preparation. However, in view of the recent broadening of the objectives of rural development projects, the experiences of the past projects may provide significant guidelines for future project formulation. The various economic and non-economic criteria to be used for this assessment have already been specified in detail in the earlier terms of reference and the relevant passage is attached to this submission. To the extent possible, the projects will be reviewed in the context of these detailed criteria. However, because of the diverse nature of these projects, the focus of the review may have to be somewhat different from one project to another. The review will attempt to identify the factors responsible for the economic benefits and for the degree of participation. On the basis of these reviews, an attempt will be made to draw lessons as to how best to design

projects in given circumstances to meet certain criteria of rural development, involving economic benefits and a broad degree of participation.

b) Partial Reviews

Six partial reviews of Bank and non-Bank projects and programs are proposed. This category will include agricultural projects of substantial relevance to the Study. In some cases the partial reviews will also explore rural projects and programs with a significantly non-agricultural focus, e.g. non-formal education and rural industrialization programs. The projects have been selected for partial reviews because (a) the projects have already been evaluated extensively, or (b) the projects are too new to present enough material for a comprehensive evaluation, and (c) in two cases they provide the policy framework in which the Bank's future lending operations must be viewed in the countries concerned. Unlike the substantive reviews in which field investigations will be emphasized, the partial reviews will be based mainly on Bank documents, published reports and other existing sources. Where questions of importance to the goals of the study cannot be answered through analysis of these sources, a visit to the project site may be initiated. The reviews will be done by consultants who will be recent graduates or graduate students with some experience under the supervision of the "study group."

II DESCRIPTION OF THE PROJECTS PROPOSED FOR REVIEW

(a) Substantive Reviews:

1. Minimum Package - Ethiopia

The alternative technical input packages and other ingredients essential for small farm modernization have been tested in the Swedish program in Ethiopia. The significant amount of information collected within the CADU project, provides an extremely fertile context in which to compare the performance for the integrated package approach with the minimum package approach in terms of their relative costs and benefits.

2. Lilongwe Land Settlement - Malawi

This extensive and comprehensive program embraces many aspects of rural development in an integrated fashion, including irrigation, institutional arrangements, education programs, and others. A large amount of data has been collected on this project as part of the built-in evaluation procedure. Accordingly, this project will permit a detailed study of the impact and working of such a scheme as a whole, and of its various ingredients.

3. Sukumaland Cotton - Credit - Tanzania

Sukumaland is an interesting case of a combination of (a) vigorous institution building (in the form of cooperative societies) (b) extension of credit and fertilizers and (c) a significant response to economic incentives. It has a long history of spontaneous development and considerable existing literature both of which will greatly facilitate a review of experience with these components.

4. Small-holder Credit - Kenya and Tanzania

Credit is widely held to be a key element in promoting integrated rural development. The Bank has supported both Small-holder Credit Projects and a number of agricultural projects with a credit element, in both Kenya and Tanzania. Previous studies reveal that a great variety of different schemes and delivery systems have been pursued in providing credit to small-farmers in East Africa, with varying degrees of success. This situation provides an excellent opportunity to examine these projects in order to determine what has worked and why.

5. Malagasy Rice - Malagasy

Two neighboring rice projects, SCET Lac Alaotra and SATCO high plateau, present an interesting contrast between comprehensive regional development and the concept of "vulgarization". Both appear to have had considerable success and to have produced a considerable amount of data. This comparison is of interest to the Bank, particularly in the light of the Morondave and future projects.

6. Squatter Settlement - Kenya

As a spontaneous phenomenon, which has had a very minimum investment in infrastructural development; the "squatter settlements" provide an interesting opportunity to examine the level of investment that would be required to optimize benefits from and foster growth of such settlements. In view of the immense interest expressed by the Ministry of Finance, Government of Kenya and by the Agricultural Projects Department of the Bank, as reflected in Mr. Evans comments at the recent Paris meetings, such a scheme seems particularly worthy of study.

7. Livestock Ranging - Kenya

About eighty percent of the land area in Kenya is rangeland on which one and a half million nomadic pastoralists herd about four million (one half of the Kenyan cattle herd) cattle. The rangeland is overgrazed, the cattle off-take is low and the pastoralists live at bare subsistence. Various production schemes (group, company, individual, co-operative, grazing block scheme) have been used to transform the basic condition of the pastoralists. The purpose of this study is likely to shed useful light on some basic strategy questions for developing the most crucial resource in the East African context.

(b) Partial Reviews:

1. SRDP's - Kenya

The S.R.D.P.s represent a unique effort to energize local areas through coordinating and gradually strengthening local administrative capacity. The emphasis is on replicability and the minimum of outside inputs. It is also on non-agricultural as well as agricultural aspects. Since the Kenyan Government has decided to extend this program in 1973, this experience will clearly influence future policies in this area, thus it warrants attention. In view of the considerable number of studies done or being done on this program, a partial review should enable the most important lessons to be drawn out.

2. French Technical Assistance Projects - West Africa

Four small projects have been identified by PMWA as providing interesting lessons and as having either evaluations in progress or considerable data available so as to facilitate an effective and quick partial review. They represent a variety of methods and approaches in attending cash crops among small-holders. The projects are CFDT Fana Region and BDPA project in Mali (both cotton), the Yabassi-Bafang (cocoa and coffee, being evaluated by FAC) and the ZAPI projects (cocoa being evaluated by SEDES) in Cameroun. Because of the special character of the French technical assistance programs the evaluations are of particular interest.

3. Small-holder Tea - Kenya

This successful project has been studied in great depth, though only indirectly in a rural development context. Consequently, a review of previous work will provide a case study of the effects of a cash crop program in the ARDS context, and some assessment of certain types of institutions that are effective in supporting active participation of large numbers of small farmers.

4. Ujamaas - Tanzania

Given the zealous effort of the Tanzanians to foster rural development mainly in the context of Ujamaas, it is essential that problems of and prospects for Ujamaas be reviewed so as to place the future Bank lending in Tanzania in a proper perspective.

5. Small Industry Development Nigeria

If rural development is to be viewed as broader than merely agricultural development, then the study must include a review of the attempts to provide industrial employment and output linked to the rural economy in Africa. Only two such cases have been identified--the Ford and AID sponsored activities in Nigeria and the Partnership for Productivity project in Vihiga District, Kenya (part of the SRDP). The Nigerian case appears to be especially interesting since two projects were started: the relatively unsuccessful Industrial Development Centre in Zaria; and the apparently successful Agricultural and Industrial Development Centre in Owerri and Enugu, providing credit, training and extension. The latter seems to have restarted successfully after the war. These have been selected for study because of their uniqueness.

6. Tanzania Tobacco - Tanzania

This Bank project has apparently been less than successful, though all of the experience with such cash crops in Tanzania has not been so problematical. Although we do not propose to look for failures, a partial review of this project may reveal both ingredients of success and some of the difficulties of undertaking Bank projects in Tanzania in the 1970's.

III PROPOSED TERMS OF REFERENCE *

1. For the purpose of this Study, rural development is defined as a set of activities in the rural area with some or all of the following characteristics:

- (a) raise per capita income, both monetary and non-monetary, of the beneficiaries on a self-sustaining basis;
- (b) expand employment, including activities in the field of subsistence production;
- (c) increase the availability of economic and social services to inhabitants of rural areas; and
- (d) affect, or are capable of being extended to affect, in a reasonable time period as large a number of people as is feasible given the following constraints:
 - (i) the limited availability of local currency and foreign exchange for capital and current expenditure;
 - (ii) the limited local availability of technical and professional staff and the high cost of expatriate staff; and;
 - (iii) the difficulty of achieving rapid or profound changes in governmental organization, institutions and procedures.

2. When examining specific projects, the following questions will, as far as possible, be answered:

A. In what ways has the project performed in terms of criteria such as:

* contained in the terms of reference prepared for the Phase I of the East Africa Rural Development Study.

- (a) Economic -- productivity and increases in output; levels of producer surplus, savings and investment; generation of secondary and tertiary activities; degree of monetization; changes in expenditure and consumption patterns (including diet); changes in the tax base.
- (b) Socio-economic -- increases in family and per capita income; changes in the level and pattern of employment; changes in vertical and horizontal mobility of labor; changes in migration patterns; changes in patterns of income distribution.
- (c) Financial -- need for fiscal resources, subsidies, degree of self-financing, etc.
- (d) Social -- improvements in the supply of services (water, sewerage, electricity); improvements in the level of education; changes in the degree of literacy; improvement in medical facilities.
- (e) Cultural -- receptiveness to innovations; use of new techniques; changes in local customs (clothing, housing, language); willingness to resettle; self-help.
- (f) Institutional -- development of new organizations and institutions; effectiveness of old institutions; development of local bodies, cooperatives; initiation of self-help programs emergence of local leaders -- managerial, entrepreneurial, political.

B. What were the essential components, patterns or policies that can be linked to performance? Specific attention should be given to:-

- (i) Comparative advantage in physical-climatic situation
(e.g., quality of soil, weather, distance to market, etc.)
- (ii) Social-cultural characteristics (adaptability and receptivity of people; usefulness of authority system; land tenure practices, etc.)

- (iii) Technology made available (was it simple or complex; inherently available to many or few participants?)
- (iv) Technology supply systems (organization of inputs, credit, extension, adaptive research, marketing, etc.
- (v) Degree of economic and financial risk to Government and participant
- (vi) Incentive systems followed (product and input pricing and tax policy, etc.)
- (vii) Nature of market opportunities (export viz domestic demand, growing fast or declining rate, etc.)
- (viii) Organizational system employed (role of regular ministry viz. special organization; role of local government; role of financial intermediaries; role of cooperatives and self-help, etc.)
- (ix) Financial arrangements and cost (cost per participant or beneficiary; division of finance between government, participant and external sources).
- (x) Staffing and training system
- (xi) Time phasing of preparation and implementation
- (xii) Role of economic and social services (how essential was provision of roads, water, electrification, schools, health services, etc.)
- (xiii) Role of rural-urban opportunities and choices (comparative wage, employment and services, effect on incentives and responses)

C. Were there unanticipated benefits and costs, and to what extent were these due to the project? (catalytic effects, secondary benefits, spill-over effects to non-participants, etc.)

D. To what extent are the characteristics or effects of the project likely to be transferable to other area situations, or what adaptations appear to be necessary to transfer all or parts of the projects?

4. In assessing projects, the Study will use, and to the extent necessary develop, methodologies appropriate to the objectives of rural development. The methodologies should facilitate objective, systematic and comparative analysis of the projects studied. An illustration of what is implied for methodologies is attached.

5. It is anticipated that the study of projects will reveal gaps in knowledge and unanswered questions. The Study will include a definition of further work to be executed to fill these gaps.

IV METHODS TO BE USED

In assessing projects according to the criteria of performance listed in paragraph 2(A) of the proposed terms of reference above, the Study will use, and to the extent necessary, develop methodologies appropriate to the objectives of rural development. For example,

- (i) in assessing the impact of a project on production and economic growth, the Study will:
 - a) identify and measure both primary (or direct) costs and benefits and secondary (or indirect or external) costs and benefits;
 - b) identify costs and benefits not easily, or not usually quantified. The Study will describe them qualitatively and, to the extent possible, make quantitative assessments. Insofar as such costs and benefits are not quantifiable, the Study will assess their significance, with particular reference to project selection and investment decisions;
 - c) use appropriate "shadow" or "equilibrating" prices for foreign exchange, labor and other relevant variables;
 - d) develop suitable ways of dealing with "sunk costs", i.e., the fact that the benefits of any investment depends in part on the nature and extent of earlier investments;

- e) calculate the internal economic return on the investment for the project (using estimates of future costs and benefits in cases where the project's life extends into the future);
- (ii) in assessing the project's impact on the employment situation, the study will inter alia:
 - a) identify and measure direct or primary employment effects (i.e. those within the project boundaries) and indirect or secondary employment effects (i.e. those generated outside the project through multiplier effects);
 - b) distinguish between temporary and permanent employment generation (e.g. construction phase vs. operating phase);
 - c) determine the project's effect on unemployment (if any), both within the project area and in the country as a whole;
 - d) determine the extent to which labor shortages (either seasonal or permanent) constitute a constraint on expansion or extension of the project, and determine the causes of such labor shortages;
 - e) assess the extent to which differences between market prices and economic values of relevant variables (e.g. foreign exchange, interest rates) have affected or determined the choice of capital-intensive technology in preference to more labor-intensive technology.

(iii) in assessing the project's impact on income distribution, the Study will:

- a) develop ways of assessing a project's impact on income distribution;
- b) to the extent to which the Study considers one type of income distribution "preferable" to another, the Study will make explicit the economic, social or political views on which such a judgment is based.

VII WORK IN PROGRESS

(a) We have completed a bibliography of rural development in Kenya and Tanzania, and collected and sifted further bibliographies on rural development and on non-formal education in Africa.

(b) Based on these bibliographies, we have initiated a highly selective analysis of the literature relevant to project reviews from the point of view of Bank operations.

(c) We have in hand a summary of background data on rural development in Kenya and Tanzania.

(d) We have started a review of what is known in the Bank about the projects proposed for the study (this includes appraisal and supervision reports as well as discussions with professionals who have been involved in the projects).

(e) This review has been extended to contacts outside the Bank - e.g., universities in US, U.K. and Africa, French technical assistance corporations, F.A.C., A.I.D., O.D.A. and C.D.C. in London.

(f) We have initiated contacts with prospective consultants for use in the African Rural Development Study.

AFRICA RURAL DEVELOPMENT STUDY

A. Projects to be studied in some depth:

Bank Projects

1. Malawi - Lilongwe
2. Kenya - Credit
3. Kenya - Livestock
4. Tanzania - Tobacco
5. Tanzania - Credit

+ 1 education project, particularly relevant to rural development.

Non-Bank Projects

1. Ethiopia - CAJU and Minimum Package
2. Uganda - Dairy Credit
3. Dahomey - Cotton
4. Senegal - Groundnuts
5. Burundi - Imbo Settlement

B. Projects to be reviewed

1. Kenya - Smallholder Tea
2. Kenya - Machakos Project
3. Kenya - SRDP's
4. Tanzania - Sukumaland Program
5. Malagasi - Irrigation
6. Cameroon - Yabassi-Bafang

AFRICA RURAL DEVELOPMENT STUDY

1. The following proposal and budget is presented as an amendment to and clarification of the intentions spelled out in the Terms of Reference and previous memoranda. It is designed to meet two major comments received from the Steering Group and the Research Committee. It is less ambitious in its scope than the earlier proposal, and it is hoped that the operational implications have been made clearer. Further, the time frame of the study has been limited here to FY 73.
2. The present proposal has been restricted to a review of selected projects and of the lessons to be drawn from them. The projects to be reviewed have been taken from the list proposed by the Area and Agriculture Projects Departments, and supplemented on the basis of information obtained by the "study group" during recent missions. A list of the projects is contained in the submission, together with the revised budget for the study. The total expenditure planned comes to approximately half of that envisaged in the earlier submission.
3. Thus the project reviews will be limited in scope. In particular, (i) no new field surveys or data collection are proposed; (ii) there will be a less than full examination of the socio-economic context in which the projects are found; and (iii) no detailed assessment will be possible of the policies and processes that may affect them.
4. The details of this proposal are set out below in the following order:
 - I Project Reviews - Focus, Approach and Selection
 - (a) Substantive Reviews
 - (b) Partial Reviews
 - II Description of Projects Proposed for Review

III Proposed Terms of Reference

IV Methods to be Used

V Proposed Budget

VI Details of Proposed Project Reviews

VII Work in Progress

I. PROJECT REVIEWS: FOCUS, SELECTION AND APPROACH

It is proposed that the study should encompass a discrete number of Bank and non-Bank projects in Sub-Saharan Africa, as itemized below. These have been selected in order to reflect a variety of experiences, and to explore as many as possible of the major elements believed to be significant in promoting the goals of rural development.

The principal focus is on East Africa because of the rich range of experience there (e.g., single cash crop and integrated agricultural development, minimum packages and the total planning concept, cooperatives and centralized marketing authorities). However, because some important experiences in rural development cannot be adequately explored in East Africa, two West African project reviews have also been proposed. These would examine (i) experience with various forms of French technical assistance, and (ii) the Nigerian efforts to promote rural industrialization as a complement to agricultural development.

The project reviews have been divided into two categories reflecting differences in the study approach; namely, (a) seven substantive reviews and (b) six partial reviews. These two approaches are described below and followed by a brief outline of the importance and uniqueness of each proposed project.

a) The Substantive Reviews:

Seven substantive reviews of Bank and non-Bank projects in East Africa are proposed. They will be done by consultants with supervision from the members of the study group. They will involve review of already published documents, wherever possible use of data already collected and/or analyzed through field investigations and interviews of persons knowledgeable about the design and/or implementation of the project. Accordingly, they

will involve considerable time in the field. Nevertheless, because the substantive reviews will be mainly based on secondary sources of information, it is likely that in some cases they may provide only tentative conclusions which will require further testing.

Each project has been carefully selected so as to illuminate a particular and important approach to rural development. To the extent that the "success" of these projects depends on the approach - as distinct from a unique environment within which they operate - the study team expects to draw lessons about the possibility for transferring this experience elsewhere.

The purpose of the substantive reviews is thus to assess to the extent possible (a) the size and distribution of the economic benefits from the projects, (b) the breadth of participation of the different socio-economic classes in the projects, and (c) the role of institutions in the performance of the projects. In some cases, this breadth of participation may not have been planned in the project preparation. However, in view of the recent broadening of the objectives of rural development projects, the experiences of the past projects may provide significant guidelines for future project formulation. The various economic and non-economic criteria to be used for this assessment have already been specified in detail in the earlier terms of reference and the relevant passage is attached to this submission. To the extent possible, the projects will be reviewed in the context of these detailed criteria. However, because of the diverse nature of these projects, the focus of the review may have to be somewhat different from one project to another. The review will attempt to identify the factors responsible for the economic benefits and for the degree of participation. On the basis of these reviews, an attempt will be made to draw lessons as to how best to design

projects in given circumstances to meet certain criteria of rural development, involving economic benefits and a broad degree of participation.

b) Partial Reviews

Six partial reviews of Bank and non-Bank projects and programs are proposed. This category will include agricultural projects of substantial relevance to the Study. In some cases the partial reviews will also explore rural projects and programs with a significantly non-agricultural focus, e.g. non-formal education and rural industrialization programs. The projects have been selected for partial reviews because (a) the projects have already been evaluated extensively, or (b) the projects are too new to present enough material for a comprehensive evaluation, and (c) in two cases they provide the policy framework in which the Bank's future lending operations must be viewed in the countries concerned. Unlike the substantive reviews in which field investigations will be emphasized, the partial reviews will be based mainly on Bank documents, published reports and other existing sources. Where questions of importance to the goals of the study cannot be answered through analysis of these sources, a visit to the project site may be initiated. The reviews will be done by consultants who will be recent graduates or graduate students with some experience under the supervision of the "study group."

II DESCRIPTION OF THE PROJECTS PROPOSED FOR REVIEW

(a) Substantive Reviews:

1. Minimum Package - Ethiopia

The alternative technical input packages and other ingredients essential for small farm modernization have been tested in the Swedish program in Ethiopia. The significant amount of information collected within the CADU project, provides an extremely fertile context in which to compare the performance for the integrated package approach with the minimum package approach in terms of their relative costs and benefits.

2. Lilongwe Land Settlement - Malawi

This extensive and comprehensive program embraces many aspects of rural development in an integrated fashion, including irrigation, institutional arrangements, education programs, and others. A large amount of data has been collected on this project as part of the built-in evaluation procedure. Accordingly, this project will permit a detailed study of the impact and working of such a scheme as a whole, and of its various ingredients.

3. Sukumaland Cotton - Credit - Tanzania

Sukumaland is an interesting case of a combination of (a) vigorous institution building (in the form of cooperative societies) (b) extension of credit and fertilizers and (c) a significant response to economic incentives. It has a long history of spontaneous development and considerable existing literature both of which will greatly facilitate a review of experience with these components.

4. Small-holder Credit - Kenya and Tanzania

Credit is widely held to be a key element in promoting integrated rural development. The Bank has supported both Small-holder Credit Projects and a number of agricultural projects with a credit element, in both Kenya and Tanzania. Previous studies reveal that a great variety of different schemes and delivery systems have been pursued in providing credit to small-farmers in East Africa, with varying degrees of success. This situation provides an excellent opportunity to examine these projects in order to determine what has worked and why.

5. Malagasy Rice - Malagasy

Two neighboring rice projects, SCET Lac Alaotra and SATEC high plateau, present an interesting contrast between comprehensive regional development and the concept of "vulgarization". Both appear to have had considerable success and to have produced a considerable amount of data. This comparison is of interest to the Bank, particularly in the light of the Morondave and future projects.

6. Squatter Settlement - Kenya

As a spontaneous phenomenon, which has had a very minimum investment in infrastructural development; the "squatter settlements" provide an interesting opportunity to examine the level of investment that would be required to optimize benefits from and foster growth of such settlements. In view of the immense interest expressed by the Ministry of Finance, Government of Kenya and by the Agricultural Projects Department of the Bank, as reflected in Mr. Evans comments at the recent Paris meetings, such a scheme seems particularly worthy of study.

7. Livestock Ranging - Kenya

About eighty percent of the land area in Kenya is rangeland on which one and a half million nomadic pastoralists herd about four million (one half of the Kenyan cattle herd) cattle. The rangeland is overgrazed, the cattle off-take is low and the pastoralists live at bare subsistence. Various production schemes (group, company, individual, co-operative, grazing block scheme) have been used to transform the basic condition of the pastoralists. The purpose of this study is likely to shed useful light on some basic strategy questions for developing the most crucial resource in the East African context.

(b) Partial Reviews:

1. SRDP's - Kenya

The S.R.D.P.s represent a unique effort to energize local areas through coordinating and gradually strengthening local administrative capacity. The emphasis is on replicability and the minimum of outside inputs. It is also on non-agricultural as well as agricultural aspects. Since the Kenyan Government has decided to extend this program in 1973, this experience will clearly influence future policies in this area, thus it warrants attention. In view of the considerable number of studies done or being done on this program, a partial review should enable the most important lessons to be drawn out.

2. French Technical Assistance Projects - West Africa

Four small projects have been identified by PMWA as providing interesting lessons and as having either evaluations in progress or considerable data available so as to facilitate an effective and quick partial review. They represent a variety of methods and approaches in attending cash crops among small-holders. The projects are CFDT Fana Region and BDPA project in Mali (both cotton), the Yabassi-Bafang (cocoa and coffee, being evaluated by FAC) and the ZAPI projects (cocoa being evaluated by SEDES) in Cameroun. Because of the special character of the French technical assistance programs the evaluations are of particular interest.

3. Small-holder Tea - Kenya

This successful project has been studied in great depth, though only indirectly in a rural development context. Consequently, a review of previous work will provide a case study of the effects of a cash crop program in the ARDS context, and some assessment of certain types of institutions that are effective in supporting active participation of large numbers of small farmers.

4. Ujamaas - Tanzania

Given the zealous effort of the Tanzanians to foster rural development mainly in the context of Ujamaas, it is essential that problems of and prospects for Ujamaas be reviewed so as to place the future Bank lending in Tanzania in a proper perspective.

5. Small Industry Development Nigeria

If rural development is to be viewed as broader than merely agricultural development, then the study must include a review of the attempts to provide industrial employment and output linked to the rural economy in Africa. Only two such cases have been identified--the Ford and AID sponsored activities in Nigeria and the Partnership for Productivity project in Vihiga District, Kenya (part of the SRDP). The Nigerian case appears to be especially interesting since two projects were started: the relatively unsuccessful Industrial Development Centre in Zaria; and the apparently successful Agricultural and Industrial Development Centre in Owerri and Enugu, providing credit, training and extension. The latter seems to have restarted successfully after the war. These have been selected for study because of their uniqueness.

6. Tanzania Tobacco - Tanzania

This Bank project has apparently been less than successful, though all of the experience with such cash crops in Tanzania has not been so problematical. Although we do not propose to look for failures, a partial review of this project may reveal both ingredients of success and some of the difficulties of undertaking Bank projects in Tanzania in the 1970's.

III PROPOSED TERMS OF REFERENCE *

1. For the purpose of this Study, rural development is defined as a set of activities in the rural area with some or all of the following characteristics:

- (a) raise per capita income, both monetary and non-monetary, of the beneficiaries on a self-sustaining basis;
- (b) expand employment, including activities in the field of subsistence production;
- (c) increase the availability of economic and social services to inhabitants of rural areas; and
- (d) affect, or are capable of being extended to affect, in a reasonable time period as large a number of people as is feasible given the following constraints:
 - (i) the limited availability of local currency and foreign exchange for capital and current expenditure;
 - (ii) the limited local availability of technical and professional staff and the high cost of expatriate staff; and;
 - (iii) the difficulty of achieving rapid or profound changes in governmental organization, institutions and procedures.

2. When examining specific projects, the following questions will, as far as possible, be answered:

A. In what ways has the project performed in terms of criteria such as:

* contained in the terms of reference prepared for the Phase I of the East Africa Rural Development Study.

- (a) Economic -- productivity and increases in output; levels of producer surplus, savings and investment; generation of secondary and tertiary activities; degree of monetization; changes in expenditure and consumption patterns (including diet); changes in the tax base.
- (b) Socio-economic -- increases in family and per capita income; changes in the level and pattern of employment; changes in vertical and horizontal mobility of labor; changes in migration patterns; changes in patterns of income distribution.
- (c) Financial -- need for fiscal resources, subsidies, degree of self-financing, etc.
- (d) Social -- improvements in the supply of services (water, sewerage, electricity); improvements in the level of education; changes in the degree of literacy; improvement in medical facilities.
- (e) Cultural -- receptiveness to innovations; use of new techniques; changes in local customs (clothing, housing, language); willingness to resettle; self-help.
- (f) Institutional -- development of new organizations and institutions; effectiveness of old institutions; development of local bodies, cooperatives; initiation of self-help programs emergence of local leaders -- managerial, entrepreneurial, political.

B. What were the essential components, patterns or policies that can be linked to performance? Specific attention should be given to:-

- (i) Comparative advantage in physical-climatic situation
(e.g., quality of soil, weather, distance to market, etc.)
- (ii) Social-cultural characteristics (adaptability and receptivity of people; usefulness of authority system; land tenure practices, etc.)

- (iii) Technology made available (was it simple or complex; inherently available to many or few participants?)
- (iv) Technology supply systems (organization of inputs, credit, extension, adaptive research, marketing, etc.
- (v) Degree of economic and financial risk to Government and participant
- (vi) Incentive systems followed (product and input pricing and tax policy, etc.)
- (vii) Nature of market opportunities (export viz domestic demand, growing fast or declining rate, etc.)
- (viii) Organizational system employed (role of regular ministry viz. special organization; role of local government; role of financial intermediaries; role of cooperatives and self-help, etc.)
- (ix) Financial arrangements and cost (cost per participant or beneficiary; division of finance between government, participant and external sources).
- (x) Staffing and training system
- (xi) Time phasing of preparation and implementation
- (xii) Role of economic and social services (how essential was provision of roads, water, electrification, schools, health services, etc.)
- (xiii) Role of rural-urban opportunities and choices (comparative wage, employment and services, effect on incentives and responses)

C. Were there unanticipated benefits and costs, and to what extent were these due to the project? (catalytic effects, secondary benefits, spill-over effects to non-participants, etc.)

D. To what extent are the characteristics or effects of the project likely to be transferable to other area situations, or what adaptations appear to be necessary to transfer all or parts of the projects?

4. In assessing projects, the Study will use, and to the extent necessary develop, methodologies appropriate to the objectives of rural development. The methodologies should facilitate objective, systematic and comparative analysis of the projects studied. An illustration of what is implied for methodologies is attached.

5. It is anticipated that the study of projects will reveal gaps in knowledge and unanswered questions. The Study will include a definition of further work to be executed to fill these gaps.

IV METHODS TO BE USED

In assessing projects according to the criteria of performance listed in paragraph 2(A) of the proposed terms of reference above, the Study will use, and to the extent necessary, develop methodologies appropriate to the objectives of rural development. For example,

- (i) in assessing the impact of a project on production and economic growth, the Study will:
 - a) identify and measure both primary (or direct) costs and benefits and secondary (or indirect or external) costs and benefits;
 - b) identify costs and benefits not easily, or not usually quantified. The Study will describe them qualitatively and, to the extent possible, make quantitative assessments. Insofar as such costs and benefits are not quantifiable, the Study will assess their significance, with particular reference to project selection and investment decisions;
 - c) use appropriate "shadow" or "equilibrating" prices for foreign exchange, labor and other relevant variables;
 - d) develop suitable ways of dealing with "sunk costs", i.e., the fact that the benefits of any investment depends in part on the nature and extent of earlier investments;

- e) calculate the internal economic return on the investment for the project (using estimates of future costs and benefits in cases where the project's life extends into the future);
- (ii) in assessing the project's impact on the employment situation, the study will inter alia:
- a) identify and measure direct or primary employment effects (i.e. those within the project boundaries) and indirect or secondary employment effects (i.e. those generated outside the project through multiplier effects);
 - b) distinguish between temporary and permanent employment generation (e.g. construction phase vs. operating phase);
 - c) determine the project's effect on unemployment (if any), both within the project area and in the country as a whole;
 - d) determine the extent to which labor shortages (either seasonal or permanent) constitute a constraint on expansion or extension of the project, and determine the causes of such labor shortages;
 - e) assess the extent to which differences between market prices and economic values of relevant variables (e.g. foreign exchange, interest rates) have affected or determined the choice of capital-intensive technology in preference to more labor-intensive technology.

(iii) in assessing the project's impact on income distribution, the Study will:

- a) develop ways of assessing a project's impact on income distribution;
- b) to the extent to which the Study considers one type of income distribution "preferable" to another, the Study will make explicit the economic, social or political views on which such a judgment is based.

V PROPOSED BUDGET

	<u>Consultants</u>		<u>Staff</u>	<u>Total</u>
	fees	travel and subsistence	travel and subsistence	
<u>Comprehensive Reviews:</u>				
Minimum Package - Ethiopia	6,000	4,000	3,000	13,000
Lilongwe Land Settlement - Malawi	6,000	4,000	3,000	13,000
Sukumaland Cotton-Credit- Tanzania	6,000	4,000	3,000	13,000
Small-holder Credit - Kenya and Tanzania	10,000	6,000	3,000	19,000
Malagasy Rice - Malagasy	10,000	2,000	2,000	14,000
Squatter Settlement - Kenya	6,000	3,000	2,000	11,000
Livestock Ranging - Kenya	10,000	3,000	2,000	15,000
<u>Partial Reviews:</u>				
SRDP's - Kenya	4,000			4,000
French Technical Assistance Projects - West Africa	5,000	3,000	2,000	10,000
Small-holder Tea - Kenya	4,000			4,000
Ujamaas - Tanzania	5,000	3,000	2,000	10,000
Small Industry Development Nigeria	5,000	3,000		8,000
Tanzania Tobacco - Tanzania	<u>5,000</u>	<u>3,000</u>	<u> </u>	<u>8,000</u>
Total	\$82,000	\$38,000	\$22,000	\$142,000

VI DETAILS OF PROPOSED PROJECT REVIEWS

<u>Comprehensive Reviews:</u>	<u>Type of Project</u>	<u>Proposed Consultant</u>	<u>Estimated Man-months</u>	<u>Staff Responsible</u>
1. Minimum Package - Ethiopia	Non Bank	Tesfai Tecle	6	Lele
2. Lilongwe Land Settlement - Malawi	Bank	Not definite	6	Donaldson
3. Sukumaland Cotton - Credit - Tanzania	Non Bank & Bank	Michael Collinson	3	Lele
4. Small-holder Credit - Kenya and Tanzania	Non Bank & Bank	J. D. Von Pischke	6	Donaldson
5. Malagasy Rice - Malagasy	Non Bank & Bank	? S.E.D.E.S.	3	Shaw
6. Squatter Settlement - Kenya	Non Bank	Not definite	6	Donaldson
7. Livestock Ranging - Kenya	Non Bank & Bank	Thimm et al	6	Husain

Partial Reviews:

1. SRDP's - Kenya	Non Bank	Deborah Sullivan	3	Donaldson
2. French Technical Assistance Projects - West Africa	Non Bank & Bank	William Anderson	3	Shaw
3. Small-holder Tea - Kenya	Bank	Nilam Bedi	3	Donaldson
4. Ujamaas - Tanzania	Non Bank	Not definite	3	Lele
5. Small Industry Development Nigeria	Non Bank	Not definite	3	Shaw
6. Tanzania Tobacco - Tanzania	Non Bank & Bank	Not definite	3	Lele

VII WORK IN PROGRESS

(a) We have completed a bibliography of rural development in Kenya and Tanzania, and collected and sifted further bibliographies on rural development and on non-formal education in Africa.

(b) Based on these bibliographies, we have initiated a highly selective analysis of the literature relevant to project reviews from the point of view of Bank operations.

(c) We have in hand a summary of background data on rural development in Kenya and Tanzania.

(d) We have started a review of what is known in the Bank about the projects proposed for the study (this includes appraisal and supervision reports as well as discussions with professionals who have been involved in the projects).

(e) This review has been extended to contacts outside the Bank - e.g., universities in US, U.K. and Africa, French technical assistance corporations, F.A.C., A.I.D., O.D.A. and C.D.C. in London.

(f) We have initiated contacts with prospective consultants for use in the African Rural Development Study.

May 30, 1972

AGRICULTURE AND RURAL DEVELOPMENT DIVISION

Summary of New Research in Preparation

East Africa Rural Development Study ✓

This project is in the process of final design. The objectives of the study are to: identify, describe and evaluate the essential characteristics and the phasing of projects designed to affect the quality of life of large numbers of people in rural areas of East Africa within a reasonable time.

As presently planned, the study will be undertaken in 3 phases. The first phase will include a survey of the literature and analysis of selected rural development projects for the purpose of identifying the essential factors of rural development and their communality for other areas.

Phase II will comprise sector survey missions to Kenya and Tanzania to determine prospects for socio-economic development and to identify constraints on such development. Phase III will draw together the results of Phases I and II and the conclusions will be used to design rural development plans for Kenya, Tanzania and other applicable East Africa countries.

Land Tenure and Rural Development

The study will: (1) assess, on the basis of existing information, the role that land redistribution programs have played in the development process in Mexico and other Latin American countries and (2) through comparative analysis identify the forms of agrarian organizations (tenure arrangements) which may be most appropriate to the resource endowments and states of growth in various areas in the region.

This study will be carried out by consultants, commencing in fiscal year 1973 and continuing through fiscal year 1974.

Evaluation of Alternative Livestock Production Schemes in East Africa

A draft research proposal was circulated in April and is still under review in the ARD. The proposal is for an in-depth study of livestock production in Kenya. The study would have 2 phases. The first would include a detailed review of work already done. The second would use the results of this review to develop in-depth research procedures which would then be carried out with the objective of determining the benefits of alternative livestock production schemes in East Africa.

Future Research in India

The Agriculture Projects and South Asia Departments are anxious that more research be undertaken in India in support of its lending program there. The proposals which are currently being considered by a committee on which the ARD Division is represented are as follows: (i) further work on mechanization and its effects on employment; (ii) an investigation of the productivity of small-scale surface irrigation schemes; (iii) a broad study of the interaction between rural industry and market development and rural infrastructure investments; (iv) a study of investment opportunities in relation to the potentially fast-growing demand for non-food grain products such as livestock products, fruits and vegetables; and (v) an examination of the design problems of surface irrigation distribution systems for meeting growth and distribution objectives.

There is general agreement that a substantial part of any research program arising out of these proposals ought to be placed in the hands of Indian research personnel under contract. There are competent local research personnel available and they are more familiar than our Washington-based staff with the considerable amount of previous research results and of research in progress in India.

The main difficulties foreseen in implementing the above program and especially in planning it early enough with local research institutions, lie with the GOI's attitude to research sponsored by foreign agencies like the Bank. From past experience, research proposals are likely to languish for extended periods while they are being considered for sanction by the GOI. Generally, we are requested not to discuss these proposals with research institutions in India until they are sanctioned.

Research on Northeast Brazil

In consultations with the Brazil Division and with Peter Clark of the DRC, a research proposal on the Agriculture of the Brazilian Northeast is under preparation.

It will focus on the analysis of recently available farm survey data. Initially, Northeast farm practices will be evaluated. There is great scarcity of such information which is felt prevents the formulation of an adequate lending policy for Northeast agriculture.

A parallel objective will be the establishment of systematic communication at the technical level with Brazilian agricultural economists and policy makers. Negotiations are underway for the division of labor and the design of the project, with the economic research unit of the Ministry of Agriculture and with IPEA - Ministry of Planning.

Mr. Stern
Mr. H. H. H. H.
C. 502

OFFICE MEMORANDUM

TO: Mr. Hans Adler

DATE: May 26, 1972

FROM: P. D. Henderson *P.D.H.*SUBJECT: African Rural Development Study: The Next Stage

1. As you know, the future of this proposed study is still a matter of some uncertainty. A revised submission now has to go before the Research Committee as soon as approval is given by your Steering Group. Since our Department is the one chiefly involved in this early part of the study, I am writing to you as Chairman of the Steering Group in order to put before you

- (a) our proposals concerning the next steps to be taken, and in particular the new submission that we would like to see made to the Research Committee; and
- (b) our general views on the possible future scope and direction of the study as a whole.

We have taken into account the work that has been done over the past six months in the four departments concerned, and also the initial observations made by members of the Research Committee panel when the matter was discussed by them last week. Our proposed draft submission for the Research Committee is attached to this memorandum.

The Revised Proposal

2. Given the views expressed by both the Steering Group and the Research Committee panel, it seems to us that initially at least the study should be made more restrictive in scope than had been originally planned. The broad objectives and design set out in the terms of reference drawn up by the interdepartmental working groups, which were set out in the draft dated March 24th will for the time being have to be interpreted in a restricted sense. Specifically, and in relation to what the Research Committee might now be asked to approve, we propose that:

- (i) the time span of the study should initially be set at one year only, namely the coming Bank fiscal year (FY 73); and
- (ii) the task to be carried out in this period should consist of a set of reviews of limited scope of a comparatively small number of individual projects, together with a report summarizing the main conclusions from these project reviews, the possible implications for Bank thinking and practice, and proposals for further work.

3. This one-year study would be undertaken by a task force which has been set up within the Agriculture and Rural Development Division of the Economics Department, consisting of Mrs. Lele and Messrs. Donaldson and Shaw. As stated by Mr. Reutlinger in his memorandum of March 28th, and approved by me, Mrs. Lele will act as study coordinator, and in her absence Mr. Donaldson.

4. The proposed list of projects is set out, together with a brief descriptive note on each, in the attached draft submission. The list has been drawn up after careful consideration, and in the light of interdepartmental discussions over the past six months and of information acquired by Mr. Reutlinger and by two members of the proposed task force in the course of their recent visits to East Africa and Europe.

5. It will be seen from the second of the tables given in the attachment that two categories of project are distinguished. First, a set of seven projects is suggested for what we have termed a "substantive review". Each of these reviews is planned to take from three to six man-months of staff input, according to the scope of the project and the previous knowledge of the consultant. A good deal of this work will be in the field. The expected output from these reviews is described in the attachment. All seven projects in this first category are in East Africa. The Bank is involved in all but one, but in only one is it the sole agency involved.

6. The second set of projects or programs, six in number, is suggested for what we have termed "partial review". In this case the review work will mainly take the form of desk studies, and a smaller amount of time will be assigned to it. The list submitted for partial review includes West African as well as East African experience.

7. On all projects or programs that are proposed for review, it is intended that the main body of the work would be carried out by consultants, in each case under the supervision of a member of the Bank task force. The suggested list of consultants, together with their respective project assignments, is also given in the second table of the attachment. Full particulars are available about each of these persons, and the proposed standard terms of reference would in each case be drawn up for approval by the Steering Group on the basis of the objectives of the review process as stated in the attached draft submission. Some of the consultants would be available only in the summer, and in these cases firm arrangements need to be made as soon as possible.

8. As to time-table, we would propose to go ahead with the study as soon as Research Committee approval was secured. Each consultant would have his own schedule, and individual reports would be made available to the Steering Group as completed. A quarterly progress report would be made through Mr. Haq to the Steering Group by the study coordinator.

The final report should be available to the Steering Group as soon as practicable, and in any case before the end of FY 73. During the course of the study both task force members and consultants will be in close contact with the appropriate members of the Bank operational departments concerned, both here and in Africa.

9. The suggested new budget for the study is set out in the first table of the attached draft submission. In contrast with the earlier proposal which the Steering Group was unable to approve, no expenditures are proposed for FY 74. The total proposed expenditure is half of what had been envisaged earlier, while the expenditure for FY 73 alone would be some 25 per cent lower.

10. Even in its present more restricted form, the study represents a major undertaking in a large, controversial and not very clearly defined field of activity. But, in our judgment a further reduction in scope, for example by cutting down the proposed list of projects, would not be desirable, provided that the original conception of a rural development study is not to disappear from sight. Every project in the list now submitted has particular features which would make its exclusion unfortunate, given that the objective is to remain as stated in the draft terms of reference of March 24th, namely "to identify the essential activities that constitute the content of a potentially successful rural development program that is transferable between countries as well as expandable within a country". Reductions could be made, and may have to be made for overall budgetary reasons by the Research Committee. But from the point of view of the study, we think that the costs of a further reduction in the program, in terms of foregone results, would exceed the benefits from reduced expenditures and a more modest commitment.

11. Even with no further pruning, we should not have any illusions about what we can hope to gain from the study outlined here: in the nature of things, we are not going to derive a set of clear and authoritative answers to the problems of rural development by spending \$140,000 and a limited amount of internal staff time over a period of a single year. Moreover, the attached submission, in accordance with what we have understood to be the wishes of the Steering Group, is now more narrowly focussed on particular projects. No funds have been incorporated for studies or papers on functional areas, while the proposed project reviews are no longer designed to permit a broader evaluation of the national policies or programs which may well determine the extent to which experience is transferable, and the possibilities and prospects for success of rural development projects. My own feeling is that we have gone too far in this direction, and I sympathize with the view recently expressed by Mr. Lerdau that

"An exclusively project oriented approach is not likely to yield satisfactory results. There is little indication in the present outline that attention will be given to national programs and policies that may have vital bearing on what happened in the individual projects. This may refer to policies regarding exchange rates, prices, tariffs, wages, etc., or programs in education, rural electrification, health, etc. An intelligent merger of these two dimensions would seem to be vital."

In considering the revised submission, the Steering Group may wish to bear this point in mind.

12. If as we would hope the objective of launching a major study of rural development problems in Africa is being deferred only, and not abandoned altogether, then in our view it is necessary to consider now the work that may need to be done later, by way of extension of what is proposed here or - perhaps more important - in the form of complementary work.

Scope and Direction of a Rural Development Study

13. Subject to the personal reservation made in paragraph 11 above, all of us who are concerned with this study in the Economics Department are happy to go ahead - and the sooner the better - with what is now being suggested. Given the complexity and uncertainties of the subject, the number of interests and viewpoints involved both in and outside the Bank, and the considerable problems of coordination and supervision which arise, a cautious initial approach has a lot to be said for it.

14. At the same time, we feel strongly that the objective of a more comprehensive inquiry should be maintained, and that the Steering Group and others concerned should consider the further steps that may need to be taken if this objective is to be effectively realized. More particularly

- (i) it should not be assumed that the lessons to be learned from a review of projects and policies will be completed in a year's time: there will probably be a need to study some of the present projects more intensively, while at the same time possibly extending the list in FY 74 and even after;
- (ii) possibly the most important feature of the draft terms of reference for the study, namely the proposal for a close integration between what was there described as Phase I and Phase II, needs to be kept in mind: the possibility of undertaking these complementary forms

May 26, 1972

of inquiry is the main distinctive advantage that the Bank can bring to bear in carrying out a study in this field; and

- (iii) some more effective means of direction and coordination will probably need to be established if the study is eventually to go ahead according to the rather ambitious - but we think basically correct - plan that had been jointly drawn up.

Hence we hope that in addition to approving the present proposal the Steering Group will be able to give its attention to the relation between this and the future work which we hope will also be undertaken.

15. As to point (iii) above, I wonder whether it would be possible for Mr. Yudelman, when he joins the Bank this summer, to take the overall responsibility for direction and coordination. Although he will of course have many other concerns, I think a timely and suitable part-time appointment from within the Bank is worth going for in preference to the somewhat nebulous possibility of a full-time outsider. Mr. Yudelman combines operational concerns, research experience, and a good knowledge of African conditions, and on our side we would be pleased if in addition to acting as Chairman of the Steering Group, as already arranged, he was able and willing to assume more specific responsibilities for the conduct of the study.

16. I am sending copies of this memorandum to a number of those in the other departments concerned who have been involved in the work on this study, as well as to your colleagues on the Steering Group. I am also sending a copy to Mr. Chenery who has expressed some concern about the future of this study.

cc and cleared with: Messrs. Haq, Reutlinger; Mrs. Lele

cc: Mr. Chenery
Messrs. de Vries, Husain
Messrs. Evans, Wapenhans, Hendry
Messrs. Hansen, Krishna
Messrs. Cheek, Denning
Messrs. Stevenson, Donaldson, Shaw

AFRICA RURAL DEVELOPMENT STUDY

1. The following proposal and budget is presented as an amendment to and clarification of the intentions spelled out in the Terms of Reference and previous memoranda. It is designed to meet two major comments received from the Steering Group and the Research Committee. It is less ambitious in its scope than the earlier proposal, and it is hoped that the operational implications have been made clearer. Further, the time frame of the study has been limited here to FY 73.
2. The present proposal has been restricted to a review of selected projects and of the lessons to be drawn from them. The projects to be reviewed have been taken from the list proposed by the Area and Agriculture Projects Departments, and supplemented on the basis of information obtained by the "study group" during recent missions. A list of the projects is contained in the submission, together with the revised budget for the study. The total expenditure planned comes to approximately half of that envisaged in the earlier submission.
3. Thus the project reviews will be limited in scope. In particular, (i) no new field surveys or data collection are proposed; (ii) there will be a less than full examination of the socio-economic context in which the projects are found; and (iii) no detailed assessment will be possible of the policies and processes that may affect them.
4. The details of this proposal are set out below in the following order:
 - I Project Reviews - Focus, Approach and Selection
 - (a) Substantive Reviews
 - (b) Partial Reviews
 - II Description of Projects Proposed for Review

III Proposed Terms of Reference

IV Methods to be Used

V Proposed Budget

VI Details of Proposed Project Reviews

VII Work in Progress

I. PROJECT REVIEWS: FOCUS, SELECTION AND APPROACH

It is proposed that the study should encompass a discrete number of Bank and non-Bank projects in Sub-Saharan Africa, as itemized below. These have been selected in order to reflect a variety of experiences, and to explore as many as possible of the major elements believed to be significant in promoting the goals of rural development.

The principal focus is on East Africa because of the rich range of experience there (e.g., single cash crop and integrated agricultural development, minimum packages and the total planning concept, cooperatives and centralized marketing authorities). However, because some important experiences in rural development cannot be adequately explored in East Africa, two West African project reviews have also been proposed. These would examine (i) experience with various forms of French technical assistance, and (ii) the Nigerian efforts to promote rural industrialization as a complement to agricultural development.

The project reviews have been divided into two categories reflecting differences in the study approach; namely, (a) seven substantive reviews and (b) six partial reviews. These two approaches are described below and followed by a brief outline of the importance and uniqueness of each proposed project.

a) The Substantive Reviews:

Seven substantive reviews of Bank and non-Bank projects in East Africa are proposed. They will be done by consultants with supervision from the members of the study group. They will involve review of already published documents, wherever possible use of data already collected and/or analyzed through field investigations and interviews of persons knowledgeable about the design and/or implementation of the project. Accordingly, they

will involve considerable time in the field. Nevertheless, because the substantive reviews will be mainly based on secondary sources of information, it is likely that in some cases they may provide only tentative conclusions which will require further testing.

Each project has been carefully selected so as to illuminate a particular and important approach to rural development. To the extent that the "success" of these projects depends on the approach - as distinct from a unique environment within which they operate - the study team expects to draw lessons about the possibility for transferring this experience elsewhere.

The purpose of the substantive reviews is thus to assess to the extent possible (a) the size and distribution of the economic benefits from the projects, (b) the breadth of participation of the different socio-economic classes in the projects, and (c) the role of institutions in the performance of the projects. In some cases, this breadth of participation may not have been planned in the project preparation. However, in view of the recent broadening of the objectives of rural development projects, the experiences of the past projects may provide significant guidelines for future project formulation. The various economic and non-economic criteria to be used for this assessment have already been specified in detail in the earlier terms of reference and the relevant passage is attached to this submission. To the extent possible, the projects will be reviewed in the context of these detailed criteria. However, because of the diverse nature of these projects, the focus of the review may have to be somewhat different from one project to another. The review will attempt to identify the factors responsible for the economic benefits and for the degree of participation. On the basis of these reviews, an attempt will be made to draw lessons as to how best to design

projects in given circumstances to meet certain criteria of rural development, involving economic benefits and a broad degree of participation.

b) Partial Reviews

Six partial reviews of Bank and non-Bank projects and programs are proposed. This category will include agricultural projects of substantial relevance to the Study. In some cases the partial reviews will also explore rural projects and programs with a significantly non-agricultural focus, e.g. non-formal education and rural industrialization programs. The projects have been selected for partial reviews because (a) the projects have already been evaluated extensively, or (b) the projects are too new to present enough material for a comprehensive evaluation, and (c) in two cases they provide the policy framework in which the Bank's future lending operations must be viewed in the countries concerned. Unlike the substantive reviews in which field investigations will be emphasized, the partial reviews will be based mainly on Bank documents, published reports and other existing sources. Where questions of importance to the goals of the study cannot be answered through analysis of these sources, a visit to the project site may be initiated. The reviews will be done by consultants who will be recent graduates or graduate students with some experience under the supervision of the "study group."

II DESCRIPTION OF THE PROJECTS PROPOSED FOR REVIEW

(a) Substantive Reviews:

1. Minimum Package - Ethiopia

The alternative technical input packages and other ingredients essential for small farm modernization have been tested in the Swedish program in Ethiopia. The significant amount of information collected within the CADU project, provides an extremely fertile context in which to compare the performance for the integrated package approach with the minimum package approach in terms of their relative costs and benefits.

2. Lilongwe Land Settlement - Malawi

This extensive and comprehensive program embraces many aspects of rural development in an integrated fashion, including irrigation, institutional arrangements, education programs, and others. A large amount of data has been collected on this project as part of the built-in evaluation procedure. Accordingly, this project will permit a detailed study of the impact and working of such a scheme as a whole, and of its various ingredients.

3. Sukumaland Cotton - Credit - Tanzania

Sukumaland is an interesting case of a combination of (a) vigorous institution building (in the form of cooperative societies) (b) extension of credit and fertilizers and (c) a significant response to economic incentives. It has a long history of spontaneous development and considerable existing literature both of which will greatly facilitate a review of experience with these components.

4. Small-holder Credit - Kenya and Tanzania

Credit is widely held to be a key element in promoting integrated rural development. The Bank has supported both Small-holder Credit Projects and a number of agricultural projects with a credit element, in both Kenya and Tanzania. Previous studies reveal that a great variety of different schemes and delivery systems have been pursued in providing credit to small-farmers in East Africa, with varying degrees of success. This situation provides an excellent opportunity to examine these projects in order to determine what has worked and why.

5. Malagasy Rice - Malagasy

Two neighboring rice projects, SCET Lac Alaotra and SATEC high plateau, present an interesting contrast between comprehensive regional development and the concept of "vulgarization". Both appear to have had considerable success and to have produced a considerable amount of data. This comparison is of interest to the Bank, particularly in the light of the Morondave and future projects.

6. Squatter Settlement - Kenya

As a spontaneous phenomenon, which has had a very minimum investment in infrastructural development; the "squatter settlements" provide an interesting opportunity to examine the level of investment that would be required to optimize benefits from and foster growth of such settlements. In view of the immense interest expressed by the Ministry of Finance, Government of Kenya and by the Agricultural Projects Department of the Bank, as reflected in Mr. Evans comments at the recent Paris meetings, such a scheme seems particularly worthy of study.

7. Livestock Ranging - Kenya

About eighty percent of the land area in Kenya is rangeland on which one and a half million nomadic pastoralists herd about four million (one half of the Kenyan cattle herd) cattle. The rangeland is overgrazed, the cattle off-take is low and the pastoralists live at bare subsistence. Various production schemes (group, company, individual, co-operative, grazing block scheme) have been used to transform the basic condition of the pastoralists. The purpose of this study is likely to shed useful light on some basic strategy questions for developing the most crucial resource in the East African context.

(b) Partial Reviews:

1. SRDP's - Kenya

The S.R.D.P.s represent a unique effort to energize local areas through coordinating and gradually strengthening local administrative capacity. The emphasis is on replicability and the minimum of outside inputs. It is also on non-agricultural as well as agricultural aspects. Since the Kenyan Government has decided to extend this program in 1973, this experience will clearly influence future policies in this area, thus it warrants attention. In view of the considerable number of studies done or being done on this program, a partial review should enable the most important lessons to be drawn out.

2. French Technical Assistance Projects - West Africa

Four small projects have been identified by PMWA as providing interesting lessons and as having either evaluations in progress or considerable data available so as to facilitate an effective and quick partial review. They represent a variety of methods and approaches in attending cash crops among small-holders. The projects are CFDT Fana Region and BDPA project in Mali (both cotton), the Yabassi-Bafang (cocoa and coffee, being evaluated by FAC) and the ZAPI projects (cocoa being evaluated by SEDES) in Cameroun. Because of the special character of the French technical assistance programs the evaluations are of particular interest.

3. Small-holder Tea - Kenya

This successful project has been studied in great depth, though only indirectly in a rural development context. Consequently, a review of previous work will provide a case study of the effects of a cash crop program in the ARDS context, and some assessment of certain types of institutions that are effective in supporting active participation of large numbers of small farmers.

4. Ujamaas - Tanzania

Given the zealous effort of the Tanzanians to foster rural development mainly in the context of Ujamaas, it is essential that problems of and prospects for Ujamaas be reviewed so as to place the future Bank lending in Tanzania in a proper perspective.

5. Small Industry Development Nigeria

If rural development is to be viewed as broader than merely agricultural development, then the study must include a review of the attempts to provide industrial employment and output linked to the rural economy in Africa. Only two such cases have been identified--the Ford and AID sponsored activities in Nigeria and the Partnership for Productivity project in Vihiga District, Kenya (part of the SRDP). The Nigerian case appears to be especially interesting since two projects were started: the relatively unsuccessful Industrial Development Centre in Zaria; and the apparently successful Agricultural and Industrial Development Centre in Owerri and Enugu, providing credit, training and extension. The latter seems to have restarted successfully after the war. These have been selected for study because of their uniqueness.

6. Tanzania Tobacco - Tanzania

This Bank project has apparently been less than successful, though all of the experience with such cash crops in Tanzania has not been so problematical. Although we do not propose to look for failures, a partial review of this project may reveal both ingredients of success and some of the difficulties of undertaking Bank projects in Tanzania in the 1970's.

III PROPOSED TERMS OF REFERENCE *

1. For the purpose of this Study, rural development is defined as a set of activities in the rural area with some or all of the following characteristics:

- (a) raise per capita income, both monetary and non-monetary, of the beneficiaries on a self-sustaining basis;
- (b) expand employment, including activities in the field of subsistence production;
- (c) increase the availability of economic and social services to inhabitants of rural areas; and
- (d) affect, or are capable of being extended to affect, in a reasonable time period as large a number of people as is feasible given the following constraints:
 - (i) the limited availability of local currency and foreign exchange for capital and current expenditure;
 - (ii) the limited local availability of technical and professional staff and the high cost of expatriate staff; and;
 - (iii) the difficulty of achieving rapid or profound changes in governmental organization, institutions and procedures.

2. When examining specific projects, the following questions will, as far as possible, be answered:

A. In what ways has the project performed in terms of criteria such as:

* contained in the terms of reference prepared for the Phase I of the East Africa Rural Development Study.

- (a) Economic -- productivity and increases in output; levels of producer surplus, savings and investment; generation of secondary and tertiary activities; degree of monetization; changes in expenditure and consumption patterns (including diet); changes in the tax base.
- (b) Socio-economic -- increases in family and per capita income; changes in the level and pattern of employment; changes in vertical and horizontal mobility of labor; changes in migration patterns; changes in patterns of income distribution.
- (c) Financial -- need for fiscal resources, subsidies, degree of self-financing, etc.
- (d) Social -- improvements in the supply of services (water, sewerage, electricity); improvements in the level of education; changes in the degree of literacy; improvement in medical facilities.
- (e) Cultural -- receptiveness to innovations; use of new techniques; changes in local customs (clothing, housing, language); willingness to resettle; self-help.
- (f) Institutional -- development of new organizations and institutions; effectiveness of old institutions; development of local bodies, cooperatives; initiation of self-help programs emergence of local leaders -- managerial, entrepreneurial, political.

B. What were the essential components, patterns or policies that can be linked to performance? Specific attention should be given to:-

- (i) Comparative advantage in physical-climatic situation
(e.g., quality of soil, weather, distance to market, etc.)
- (ii) Social-cultural characteristics (adaptability and receptivity of people; usefulness of authority system; land tenure practices, etc.)

- (iii) Technology made available (was it simple or complex; inherently available to many or few participants?)
- (iv) Technology supply systems (organization of inputs, credit, extension, adaptive research, marketing, etc.)
- (v) Degree of economic and financial risk to Government and participant
- (vi) Incentive systems followed (product and input pricing and tax policy, etc.)
- (vii) Nature of market opportunities (export viz domestic demand, growing fast or declining rate, etc.)
- (viii) Organizational system employed (role of regular ministry viz. special organization; role of local government; role of financial intermediaries; role of cooperatives and self-help, etc.)
- (ix) Financial arrangements and cost (cost per participant or beneficiary; division of finance between government, participant and external sources).
- (x) Staffing and training system
- (xi) Time phasing of preparation and implementation
- (xii) Role of economic and social services (how essential was provision of roads, water, electrification, schools, health services, etc.)
- (xiii) Role of rural-urban opportunities and choices (comparative wage, employment and services, effect on incentives and responses)

C. Were there unanticipated benefits and costs, and to what extent were these due to the project? (catalytic effects, secondary benefits, spill-over effects to non-participants, etc.)

D. To what extent are the characteristics or effects of the project likely to be transferable to other area situations, or what adaptations appear to be necessary to transfer all or parts of the projects?

4. In assessing projects, the Study will use, and to the extent necessary develop, methodologies appropriate to the objectives of rural development. The methodologies should facilitate objective, systematic and comparative analysis of the projects studied. An illustration of what is implied for methodologies is attached.

5. It is anticipated that the study of projects will reveal gaps in knowledge and unanswered questions. The Study will include a definition of further work to be executed to fill these gaps.

IV METHODS TO BE USED

In assessing projects according to the criteria of performance listed in paragraph 2(A) of the proposed terms of reference above, the Study will use, and to the extent necessary, develop methodologies appropriate to the objectives of rural development. For example,

- (i) in assessing the impact of a project on production and economic growth, the Study will:
 - a) identify and measure both primary (or direct) costs and benefits and secondary (or indirect or external) costs and benefits;
 - b) identify costs and benefits not easily, or not usually quantified. The Study will describe them qualitatively and, to the extent possible, make quantitative assessments. Insofar as such costs and benefits are not quantifiable, the Study will assess their significance, with particular reference to project selection and investment decisions;
 - c) use appropriate "shadow" or "equilibrating" prices for foreign exchange, labor and other relevant variables;
 - d) develop suitable ways of dealing with "sunk costs", i.e., the fact that the benefits of any investment depends in part on the nature and extent of earlier investments;

e) calculate the internal economic return on the investment for the project (using estimates of future costs and benefits in cases where the project's life extends into the future);

(ii) in assessing the project's impact on the employment situation, the study will inter alia:

- a) identify and measure direct or primary employment effects (i.e. those within the project boundaries) and indirect or secondary employment effects (i.e. those generated outside the project through multiplier effects);
- b) distinguish between temporary and permanent employment generation (e.g. construction phase vs. operating phase);
- c) determine the project's effect on unemployment (if any), both within the project area and in the country as a whole;
- d) determine the extent to which labor shortages (either seasonal or permanent) constitute a constraint on expansion or extension of the project, and determine the causes of such labor shortages;
- e) assess the extent to which differences between market prices and economic values of relevant variables (e.g. foreign exchange, interest rates) have affected or determined the choice of capital-intensive technology in preference to more labor-intensive technology.

(iii) in assessing the project's impact on income distribution, the Study will:

- a) develop ways of assessing a project's impact on income distribution;
- b) to the extent to which the Study considers one type of income distribution "preferable" to another, the Study will make explicit the economic, social or political views on which such a judgment is based.

V PROPOSED BUDGET

	<u>Consultants</u>		<u>Staff</u>	<u>Total</u>
	fees	travel and subsistence	travel and subsistence	
<u>Comprehensive Reviews:</u>				
Minimum Package - Ethiopia	6,000	4,000	3,000	13,000
Lilongwe Land Settlement - Malawi	6,000	4,000	3,000	13,000
Sukumaland Cotton-Credit- Tanzania	6,000	4,000	3,000	13,000
Small-holder Credit - Kenya and Tanzania	10,000	6,000	3,000	19,000
Malagasy Rice - Malagasy	10,000	2,000	2,000	14,000
Squatter Settlement - Kenya	6,000	3,000	2,000	11,000
Livestock Ranging - Kenya	10,000	3,000	2,000	15,000
<u>Partial Reviews:</u>				
SRDP's - Kenya	4,000			4,000
French Technical Assistance Projects - West Africa	5,000	3,000	2,000	10,000
Small-holder Tea - Kenya	4,000			4,000
Ujamaas - Tanzania	5,000	3,000	2,000	10,000
Small Industry Development Nigeria	5,000	3,000		8,000
Tanzania Tobacco - Tanzania	<u>5,000</u>	<u>3,000</u>	<u> </u>	<u>8,000</u>
Total	\$82,000	\$38,000	\$22,000	\$142,000

VI DETAILS OF PROPOSED PROJECT REVIEWS

<u>Comprehensive Reviews:</u>	<u>Type of Project</u>	<u>Proposed Consultant</u>	<u>Estimated Man-months</u>	<u>Staff Responsible</u>
1. Minimum Package - Ethiopia	Non Bank	Tesfai Tecle	6	Lele
2. Lilongwe Land Settlement - Malawi	Bank	Not definite	6	Donaldson
3. Sukumaland Cotton - Credit - Tanzania	Non Bank & Bank	Michael Collinson	3	Lele
4. Small-holder Credit - Kenya and Tanzania	Non Bank & Bank	J. D. Von Pischke	6	Donaldson
5. Malagasy Rice - Malagasy	Non Bank & Bank	? S.E.D.E.S.	3	Shaw
6. Squatter Settlement - Kenya	Non Bank	Not definite	6	Donaldson
7. Livestock Ranging - Kenya	Non Bank & Bank	Thimm et al	6	Husain

Partial Reviews:

1. SRDP's - Kenya	Non Bank	Deborah Sullivan	3	Donaldson
2. French Technical Assistance Projects - West Africa	Non Bank & Bank	William Anderson	3	Shaw
3. Small-holder Tea - Kenya	Bank	Nilam Bedi	3	Donaldson
4. Ujamaas - Tanzania	Non Bank	Not definite	3	Lele
5. Small Industry Development Nigeria	Non Bank	Not definite	3	Shaw
6. Tanzania Tobacco - Tanzania	Non Bank & Bank	Not definite	3	Lele

VII WORK IN PROGRESS

(a) We have completed a bibliography of rural development in Kenya and Tanzania, and collected and sifted further bibliographies on rural development and on non-formal education in Africa.

(b) Based on these bibliographies, we have initiated a highly selective analysis of the literature relevant to project reviews from the point of view of Bank operations.

(c) We have in hand a summary of background data on rural development in Kenya and Tanzania.

(d) We have started a review of what is known in the Bank about the projects proposed for the study (this includes appraisal and supervision reports as well as discussions with professionals who have been involved in the projects).

(e) This review has been extended to contacts outside the Bank - e.g., universities in US, U.K. and Africa, French technical assistance corporations, F.A.C., A.I.D., O.D.A. and C.D.C. in London.

(f) We have initiated contacts with prospective consultants for use in the African Rural Development Study.

PART I IDENTIFICATION

1. Title: Africa Rural Development Study
2. Department initiating Proposal: Economics
3. Department Responsible for the Project: Economics
4. Responsible Staff Member: S. Reutlinger
5. Research to be done:
 - a. by Bank Staff only ☐
 - b. by collaboration with a research institute ☐
 - c. by consultants ☐
 - d. by a combination of Bank Staff & consultants ☒

PART II PROJECT SUMMARY (attach full details as indicated in Instructions)

1. Problem to be analyzed:

Identification, evaluation and description of the essential components and characteristics, as well as the phasing, of projects and programs deemed to have affected the quality of life of large numbers of certain people within a reasonable time.

2. Proposed research method:

An analysis of relevant experience of rural development projects and programs with particular emphasis on transferability of the lessons. The study consists of Phase I of the Africa Rural Development Study. A steering committee has approved the general terms of reference and will continue to perform general supervision. (see attachment)

3. Objective:
 - a) Establish factual or conceptual basis for Bank policy ☒
 - b) Support Bank operations in particular sectors ☒
 - c) Increase knowledge of the basic development process ☒
 - d) Develop institutional capacity for research in LDC's ☐

PART III COORDINATION AND APPROVAL

1. Interdepartmental Coordination:

a. Department: Eastern Africa , Coordinator: S. Husain
Comments:

b. Department: Agricultural Projects , Coordinator: H. A. Adler
Comments:

c. Department: Western Africa , Coordinator: B. A. de Vries
Comments:

2. Initiating Department Signature:..... Date:

3. Responsible Department Evaluation:

a. Comments:

b. Priority: Very High ☒ High ☐ Medium ☐ Low ☐

Signature:

Date:

PART IV BUDGET

1. Budget Unit to be charged: Department # 610 Division # 60

Item	FY <u> </u>		FY <u> </u>		FY <u> </u>		T O T A L	
	Amt	\$	Amt	\$	Amt	\$	Amt	\$
2. Staff (manmonths)								
a. Professional	10		40					
b. Special Services	10		25					
Total	20		65					
3. Consultants (manmonths & \$)								
a. Senior Researcher @\$2500/mo*			13	82,000				
b. Researcher @ \$1400/mo*								
c. Res. & Cleric. Asst.								
Total			13	82,000				
4. Travel (mantrips & \$) <u>1/</u>			20	60,000				
5. Data Processing <u>2/</u>								
a. Inhouse								
b. External				142,000				
Total								142,000

*Use this cost estimate when actual costs are not known.

1/ Use Annex I to develop travel cost estimates. Figure staff and consultants together. All travel is charged to Department's Travel Budget.2/ Use Annex II to develop data processing cost estimates in collaboration with the Computing Activities Department.

Mr. Roger A. Hornstein

May 24, 1972

John R. Burrows

KENYA: Rural Development (Narok) Project

1. During my recent mission I discussed this project with John Gerhart (Secretary of the project working party) and Eddie Quicke. The preparation work under way consists of two parts: (i) the preparation of a medium to long term development plan for the Narok District and (ii) the identification of an investment package for external financing.

2. The Narok development plan will be the first district-wide plan to be prepared under Stage II of the Special Rural Development Program. It departs from the basic principles of the SRDP in not being replicable (in fact being uniquely applicable to the Masai area) and in not working through the regular Government administrative departments. The present timetable provides for the draft district plan to be available by the end of July.

3. The district plan will identify the components of the investment package and will estimate the costs of about half of them. Early identification has suggested that there will be five major components in the package:

- (a) a livestock project
- (b) a mixed farming project
- (c) a forest industries project
- (d) a tourism project
- (e) a possible settlement project

4. At present there is no integrated rural development project in sight - at least not for FY74. The livestock component has already been hived off into the Second (National) Livestock project. The forestry and tourism components have yet to be identified and, when they are identified, are also more likely (like the livestock component) to be added to national programs than to be incorporated in an integrated district plan. Finally, any program of settlement will have to await the acceptance of land adjudication and the recognition of non-Masai land users - not a great hope by FY74.

5. The working party has therefore been encouraged by the PMEA to concentrate on item (b), the mixed farming project, which is the only component likely to be ready by FY74. However, this project, which would mainly benefit about 200 large scale wheat farmers who typically lease out their farms to contractors, could scarcely qualify for what we are looking for as a rural development project. It therefore appears that we have three options:

- (a) abandon the attempt at identifying an integrated rural development project for FY74, and in its place prepare a large-scale production project, on which we might hang feasibility studies for some of the other components for a later project;
- (b) bring back the Masai component of the livestock project as the basic rationale for the project (since rural development = livestock development in Masailand) and combine this with the mixed farming project and other minor components which could not stand on their own feet. This would also help to ease the problem of financing the livestock project in FY73;
- (c) delay the mixed farming project (probably until at least FY75) until sufficient progress has been made on adjudication to allow a much broader small-scale farming component to be added. By this time, too, other components might have been identified and included.

There is now some urgency to give guidance to the Government and the PMEA on which path to follow.

6. Apart from the immediate significance of this for our FY74 program, I think this case very well illustrates two problems we will face in identifying other rural development projects in the future, viz:

- (a) whenever there are relevant, but difficult components of rural development (such as land adjudication, tribal settlement, etc.), they are likely to be swept under the carpet, or deferred "until a later stage";
- (b) where there are viable and identifiable projects, they are likely to be hived off from the district program, either as projects in their own right or as part of a national project (e.g., Livestock for FY73, Tourism for FY74 or Forestry for FY75).

7. The combined result of these two processes may result in having nothing left to finance under "rural development", except for a few minor items too small to stand on their own. This may not necessarily be a bad thing, provided all the separate projects form part of a sensible district plan. But we must not go to the absurd lengths of calling a large scale mechanized farming project an integrated rural development program, merely for semantic reasons.

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On the other hand, if we really want a genuine rural development, we will have to try harder in re-examining our criteria for "bankable projects" and "suitable institutions". We may also have to learn to be more patient. This is not to say anything new, but the experience with Narok so far is hardly encouraging.

JRBurrows:rm

cc: Mr. Reutlinger ✓

24 MAI 1972

COMMISSION
DES
COMMUNAUTES EUROPEENNES

DIRECTION GENERALE
DE L'AIDE AU DEVELOPPEMENT

Direction des Programmes
du FED

Service Spécialisé de la
Coordination des Aides

.....Bruxelles....., le

Monsieur de Vries
Economics Departement
Agricultural Studies Division
1818 H. Street N.W.
Washington D.C. 20433

VIII/FED/C-3/ 484170

Cher Monsieur,

A la suite de notre réunion de coordination FED/BEI/BIRD
des 16 et 17 mai, j'ai le plaisir de vous envoyer ci-joint :

- 1°) la liste des projets terminés de développement rural dont nous
comptons faire une rapide évaluation dans la 2ème moitié de cette
année et
- 2°) une version provisoire des quatre aide-mémoire que nous avons établis
pour ce travail pour chacun des sous-secteurs : encadrement agricole,
aménagements hydro-agricoles, ensembles agro-industriels, élevage.

Nous vous serions très reconnaissants de nous faire con-
naître vos remarques méthodologiques éventuelles sur ces aide-mémoire
et de nous fournir au moment opportun la liste des projets que vous
comptez faire étudier de façon approfondie au Mali, au Cameroun et en
Haute-Volta.

Veillez agréer, Cher Monsieur, l'expression de mes
sentiments les meilleurs.


C.J. van der Vaeren
Chef de service spécialisé

REGION
COMMUNICATIONS

04:30 PM 30 MAY 1972

Liste des projets de développement rural
à examiner

1) Aménagements hydro-agricoles

- Barrages dans l'Est Mauritanien (Mauritanie)
- Deux aménagements dans la vallée du Niger (Niger)
- Aménagement de l'Anony (Madagascar)
- Aménagement des marais de Laniera (Madagascar)
- Aménagement de Nickerie (Surinam)

2) Mise en valeur régionale

- Mise en valeur du Mayaga ← Bugesera (Rwanda)

3) Encadrement agricole

- Mise en valeur du Yatenga (Haute-Volta)
- Développement de la culture cotonnière au Sénégal oriental et en Casamance
- Développement de l'Atakora (Dahomey)

4) Plantations

- Palmeraies et huilerie de palme au Dahomey

5) Elevage

- Campagne conjointe de lutte contre la peste bovine (Tchad, Niger, Haute-Volta, Madagascar, Sénégal, Mauritanie)

Distribution below

May 24, 1972

Barend A. de Vries

Rural Development Study

You may be interested in the attached Back-to-Office Report of Mr. Reutlinger and Mrs. Lele about their trip to East Africa in connection with the Rural Development Study. It may be worth-while if, at a suitable time, they can acquaint themselves with rural development work in West Africa, in particular in Cameroon, Mali and Upper Volta. Perhaps the right occasions might be forthcoming visits by Mr. Westebbe to Cameroon (Spring 1973), Mr. Bachmann to Mali (Fall 1972) and the economic mission to Upper Volta in the Spring of 1973 which proposes to pay special attention to rural development.

I have also mentioned to Mr. Reutlinger that Mr. van de Vaeren, of FED, expressed interest in the Bank's Rural Development Study. Mr. van de Vaeren mentioned that FED and FAC were both conducting studies of their own past operations in rural development, which would be of interest to the Bank's work. I have therefore suggested that Mr. Reutlinger, or someone on his team, visit Brussels and Paris at a suitable time.

Distribution

Messrs. Andre Gue

Rainer B. Steckhan

Richard M. Westebbe

Klaus Huber

Heinz B. Bachmann

Stephen M. Denning

Attachment

cc. Mr. Reutlinger (Economics)

Mrs. Lele "

OFFICE MEMORANDUM

TO: Mr. Alexander Stevenson

DATE: May 24, 1972

FROM: Uma Lele, Graham Donaldson, and Robert Shaw

SUBJECT: Consultants for African Rural Development Study

1. We have done a lot of work in the past several weeks to identify suitably qualified consultants to perform the project reviews proposed for Phase I of the African Rural Development Study.
2. We are now facing severe problems of timing with regard to three of these consultants, whose qualifications and experience are set out below. The situation is such that, unless we can give these consultants a definite and positive response within the next few days, we shall be unable to use them for Phase I. This would be very serious, not only because these consultants are eminently suitable for three of the most important project reviews in Phase I and are anxious to get on with the job, but also because finding adequate replacements during the summer or early part of the academic year (when nearly all possible consultants will be fully committed) will be both difficult and a burden on scarce administrative time.
3. We are, therefore, urgently seeking your advice about possible administrative mechanisms for hiring these three, in the absence of an authorized budget for Phase I. We strongly recommend that the consultants concerned should be hired as soon as possible: without their services, the prospects for meeting the terms of reference for Phase I within the requisite time frame will be severely hampered.
4. The three consultants are:

(a) Tesfai Tecle

An Ethiopian student working towards his Ph.D. at Cornell. We contacted him first in March 1972. He has been highly recommended by his professors at Cornell University. He has also been interviewed in connection with the Ethiopian part of the ARDS by Mr. Reutlinger and Mrs. Lele. Subsequently he has submitted a research statement in the light of the ARDS's requirements for Phase I of the study. We also have written assurances from his graduate committee that they will provide an input into the supervision of the study.

His research assistance at Cornell and hence his U.S. visa run out on June 1. He would, therefore, like to have a positive assurance that he will be hired for Phase I from June 1. He would, therefore, like to have a positive assurance that he will be hired for Phase I from June 1. In the absence of such assurance, he must pursue alternative financing arrangements for his future work. It will also be exceedingly difficult for us to locate another person for this job, given the time constraint within which we must function.

- (b) J.D. Von Pischke (proposed for review of Small-holder Credit Projects). Von Pischke is an American citizen, in his early 30's, presently working at Glasgow University. He has previously worked in Ethiopia (University of Addis Ababa) for two years and in Liberia (Standard Bank) for a further two years. He has had extensive commercial banking experience relating to developing countries while working with Chase Manhattan and its subsidiaries. He has several publications relating to credit and capital formation in Africa. Earlier this year he joined a Bank agricultural credit appraisal mission to Kenya as a consultant. At present he is completing his Ph.D., at Glasgow, on the role of credit in agricultural development. He is currently self financed since his grant has run out, and given his family responsibilities he is most anxious to have some firm arrangements. He has phoned from Glasgow twice on this account within the last week.
- (c) Michael Collinson (proposed for the review of the Sukumaland cotton-cum-credit project). Collinson spent the years 1961-70 in Tanzania working almost exclusively in or on Sukumaland. He has been closely involved in the development of cotton extension in this area, and has collected a large amount of data suitable for analysis. He is now the sole agricultural economist in the Commonwealth Development Corporation. In discussions last week, he showed great interest in the study and said that he would welcome the opportunity to participate. His constraint is that he will be fully occupied from September on C.D.C. work. Subject to the approval of C.D.C., however, he thinks he would be able to spend the summer working with the Bank. This period should include a 4-6 week visit to Tanzania and sufficient time for discussions in Washington. Obviously this arrangement would involve contacting C.D.C., at the latest, next week. It is highly unlikely that we can find anyone with qualifications and experience in this project to match those of Collinson.

OFFICE MEMORANDUM

TO: Mr. Alexander Stevenson

DATE: May 23, 1972

FROM: Robert Shaw *R.S.A.**As of ... copy 26
Africa Study*SUBJECT: Back-to-Office Report: Visit to Paris/London

1. Following my terms of reference, I flew to Paris for a conference on Rural Development at the OECD Development Center, on May 15-16. While put together hurriedly, this conference was nevertheless valuable in exposing the main trends of thought about rural development and in laying on the table some of the main questions facing aid donors lending in this field.

2. The major issues discussed on Monday morning were:

(a) Should rural development be aimed at the poorest 20% of the rural population through a set of employment and income distribution policies targeted on this group (Yudelman)? Or should it have as a goal the energization of the whole population of the rural areas (Weitz)? Hunter suggested that the strategy of agricultural development must be aimed at the lower income rural groups, and then broader rural development will to some extent take care of itself.

(b) To what extent is rural development distinct from agricultural growth? Should agricultural production be the central focus (Hunter)? Should this be concentrated principally on the poorest segments of the community (Yudelman)? Or is rural development a more integrated concept that involves industrialization, a hierarchy of towns and rural centers, and a host of non-agricultural jobs (Weitz)?

(c) Are there universal, generally applicable rules and principles of organization for rural development, as maintained by Weitz? Or are the differences between peoples and regions more significant than the similarities (Belloncle and several others)?

(d) There was wide agreement that coordinated but decentralized authority was essential to rural development, bearing in mind the immensity of the numbers involved. But, following on the previous question, what types of institutions can achieve this form of local control? Weitz asserted that, for example, land reform was a prerequisite for rural development and that multi-purpose cooperatives were the only tool for creating broad-based rural development. This thesis did not gain general acceptance. Most participants stressed a wider range of institutional possibilities for success, and maintained the need to find particular rules for particular situations.

(e) Finally, the approach to be used in rural development was subjected to scrutiny. Hunter made a plea for a simplification of effort, together with a stress on small projects and the benefits of the multiplier effect. Weitz called for an integrated planning and implementation effort. Belloncle stressed the need to build on existing structures, both institutional and cultural. Porter emphasized the need to make markets work more efficiently because this leads to vast savings in administration and training.

3. On Monday afternoon, some country experiences were discussed. Mule gave a surprisingly glowing account of the S.R.D.P.s in Kenya, stating that the government had decided to expand this program to 20 districts in July 1973. The main purpose of the program is to achieve rural development goals through the coordination and gradual improvement of the regular administrative machinery, with special emphasis on replicability. Belloncle subjected French technical assistance efforts in Francophone Africa to rigorous criticism, saying they had been generally rather unsuccessful because they ignored the real motivations of and constraints on farmers. He, too, stressed the importance of multi-purpose co-ops as a means of involving the local population in planning and implementing their futures. He cited his own experiences in Senegal and with the U.N.C.C. in Niger. Then Weitz reemphasized his strong views with reference to Israel.

4. The final session was devoted to aid policies in rural development. Wapenhans had set the tone earlier in the meeting by asking what are the minimum set of facilities and incentives needed for rural development. Evans presented a paper on Bank policies in rural development. He said that lending for agriculture had in the past been rather piecemeal and not sufficiently coordinated. And he emphasized the advances that have been occurring in Bank agricultural policies in recent years - the various kinds of diversification into farm and non-farm activities, the range of efforts to reach small farmers, and the initiation of investment in human resources. While skeptical of generalized rules or patterns, Evans said we need to know more about the variety of forms of organization that have been successful in particular situations. He said the Bank was also interested in propositions that could lower investment costs per farm family provided they give more than transitory results. The Bank should look for ways to bring the cost per family down to perhaps \$100, as against the current figure of \$1,000, though there are valid doubts as to whether this can be done. Because of this need, however, the Bank was interested in the experiences with spontaneous settlement schemes, and particularly in identifying the essential inputs at the start of such schemes. Finally, Evans noted that aid agencies are likely to have to become more involved in technical assistance and institution-building in order to fulfill their goals in rural development.

5. Andrew Mercer, the project manager of Lilongwe, followed this with an interesting description of the aims and methods used on that project. 31,000 out of 100,000 farm families in the project area are involved so far, and the results appear to have been outstanding. Strong efforts are being made to build institutions and to reduce reliance on the small expatriate group of managers. In subsequent conversation, Mercer welcomed the idea of a project review under the African Rural Development Study. He suggested that the best time of year might be October-November, so as to include this year's crop, and also because he will not be back at the project until August. He further suggested that it would be valuable if the reviewer could be introduced to the project by R. A. Reader, who had done so much of the early data collection and analysis. There is a vast amount of unanalyzed data available, but the question of costs may be difficult to sort out with precision.

6. Other visits in Paris - I.R.A.M.

I had a long meeting with Guy Bellonde and Roland Colins of I.R.A.M., a small French technical assistance corporation with 15 years experience, especially in Africa. I.R.A.M. is strongly critical of the approaches used by the larger French corporations (e.g. SATEC, BDPA and CFDT), because of their concentration on single, largely export, crops, their ignorance of the relationship between peasants and the administration as well as the distribution of the additional income from their projects, the elements of pressure used on peasants in order to try to achieve goals, and the very large numbers of expensive cadres used (in one case, one cadre/20 farm families). I.R.A.M. has tried a different approach: the organization believes in the ability of peasants to reason effectively about their problems, when questions are clearly posed. Thus I.R.A.M. seeks to identify peasant desires and the constraints on meeting those desires. The overall aim of their projects is to increase agricultural production and disposable income, but this must always be viewed within the context of the relationship between the administration and peasants. Thus, I.R.A.M. has concentrated on developing viable local organizations that can express the desires of peasants to the administration while also providing peasants with access to and incentives for inputs supplied by the administration. Much of their work has been in developing new cooperative approaches suitable to the African environment. A project in Senegal has stalled for political reasons. They also have a successful cooperative project in Niger, on which I have some detailed description.

7. Bellonde told me that he had discussed with Mr. Evans the possibility of his doing a review of rural development experiences in Francophone Africa. He also asked about the possibility of cooperating with the ARDS since he was anxious to compare his own experiences with those elsewhere in Africa, particularly in the light of Mercer's description of Lilongwe. I told him I would explore this possibility on my return to Washington. One difficulty could be that of timing,

in that Bellondie is committed until November, and would not be able to start working with the Bank until then.

8. F.A.C.

Following up on Mr. Reutlinger's visit to Paris, I also talked to M. Erledan, who proved very helpful. The two FAC-sponsored evaluations of Cameroun projects should be completed in June or July. M. Erledan saw no difficulty in our obtaining copies of the reports and background material, subject to the consent of the Cameroun government. But he would welcome a letter formalizing this request, addressed to M. Audibert, Chef du Service de Financement at F.A.C. and copied to M. Erledan. This letter could also ask F.A.C. to obtain clearance from the Cameroun government if such has not already been done. The two studies are the SCET Yabassi-Bafang project, with the evaluation being done by a consultant, M. Crepin; and the CINAM ZAPI project, being evaluated by a SEDES team coordinated by M. Sadoul of F.A.C. M. Sadoul is now in Upper Volta setting up the terms of reference for a study of the ORD program. While no results are expected from this study before summer 1973, I think the Bank should keep in touch with its progress, particularly in the light of the Upper Volta Rural Development Fund project.

9. We had a lengthy discussion of the problems of performing decent evaluations of rural development projects. In the case of most French projects, no evaluation unit is built into them. Thus there exists the problem of inaccurate or non-existent baseline data. This is particularly true in the ZAPI project, where substantial structural change has occurred, but there is no evidence that agricultural production has improved substantially. Secondly, there is the problem of criteria for evaluation. In the absence of good baseline data, M. Erledan suggested that the question of criteria was especially difficult. Often in trying to evaluate institutional change, a priori notions of criteria proved to be not very useful. He summarized these comments by saying "on ne cherche pas; on trouve", and encouraging the study team to spend as much time as possible actually looking at projects on the ground, in order to get a feel for what was working and what was not.

10. SCET

I met with four senior officials of SCET (MM. Argoulon, Giraud, Lagarce and Mahieu). SCET's main interest in rural development lies in the planning and management of regional development. They tend to take a large, discrete geographical area with high potential, and to provide a comprehensive regional plan based on extensive studies for that area. In a number of cases, they have also been contracted as the technical assistance and management agency for implementing the plan. They are not interested in gradual change but in very substantial jumps in production to provide sufficient incentives and a suitable financing arrangement. In size and style of operation, SCET tends to resemble a large agri-business operation.

11. In Africa, the Lac Alaotra project in Madagascar adheres closest to SCET's philosophy. They are also the technical assistance supplier for the Yabassi-Bafang in Cameroun, though this is a smaller and less comprehensive project than SCET normally undertakes. Both projects are claimed to be successes. In Lac Alaotra, for example, I was told that per family incomes rose from \$160 in 1961 to nearly \$1,000 by 1969. While there are considerable amounts of data on both projects, no financial or economic evaluations of them have yet been done. SCET would be very happy to cooperate with an ARDS reviewer on either project. June - November is the busiest time in Lac Alaotra, which has both advantages and disadvantages for a reviewer visiting during those months.

12. SEDES

I talked with MM. Ancian, Levante, Eymond-Daru and Mme. Legotiem of SEDES. Eymond-Daru is a member of the SEDES team evaluating the ZAPIs. He said that their evaluation is not an economic or financial analysis, but rather an attempt to suggest modifications for future work on the ZAPIs. Like M. Erledan, he emphasized the problems of evaluating the ZAPIs in a rigorous, quantified manner.

13. SEDES give a very positive reaction to the possibility of some mode of cooperation with ARDS. They have done a wide range of studies on rural development in Africa, and their expertise could be very useful. In particular, they are now doing work on the SATEC project in Madagascar. I think we should consider the possibility of using SEDES as consultants on the Madagascar rice project, since they appear to have the necessary expertise, and are interested in doing this.

14. Conversations in London

I talked first with Michael Collinson of the Commonwealth Development Corporation. He spent 10 years in Tanzania up to 1970, working principally in and on Sukumaland. He has a large amount of data on the various cotton sub-projects in Sukumaland. Given his range of experience and familiarity with the project, I enquired about his availability to undertake a review for ARDS. He said that he was extremely interested and has a relatively light work load until September. After that, however, it would be impossible for him. I recommend serious consideration of hiring Collinson as a consultant during the summer, but this must be done rapidly if we are not to lose the opportunity.

15. I talked with Archibald Callaway of Queen Elizabeth House, Oxford, as he has a good knowledge of small-scale industrial development in Africa. He mentioned the Industrial Development Centres at Zaria and Owerri in Nigeria as being of particular interest. The one in Zaria has

May 24, 1972

had a history of failure, whereas that in Owerri had some spectacular successes before the war and has apparently re-started in a similar vein. The I.D.C.'s purpose is to encourage small firms employing less than ten people: the Owerri Centre, comprising training and extension, represents a new departure for A.I.D.; and there is a Ford-sponsored credit section in Enugu. I recommend that these two centres should be compared in ARDS. Callaway is willing to help us locate a suitable reviewer, and is going to Nigeria for a month in July.

16. I talked to Michael Lipton of the University of Sussex. He is still very interested in the study, but anxious to have some follow-up on Mr. Reutlinger's offer of a contract as a consultant: I explained that no authorization had yet been obtained for the study. He emphasized that speed was of the essence, as there are a number of well-qualified reviewers in the offing, but they are all making plans for the coming academic year. This was particularly true of the best graduate students, whom Lipton thought to be better value for money than more expensive short-term consultants whose quality is sometimes not of the highest.

17. I also talked with Guy Hunter of O.D.I. He, too, indicated his interest and willingness to assist in the study. However, he explained that his enthusiasm was somewhat tempered by the Bank's reaction to his own research proposal. When the latter was turned down after several months of work, it was indicated that one reason for the rejection was Bank reluctance to finance on-going projects. Hunter felt that, if this was the case, it should have been made clear to him at the outset. Despite this, he remains a useful contact for advice on the ARDS.

RShaw/sks

cc: Messrs. Henderson
Haq
Adler
Hendry
Hansen
Denning
Reutlinger
Donaldson
Mrs. Lele

Mr. S. Reutlinger

May 23, 1972

^{ll}
Uma Lele, Graham Donaldson, and Robert Shaw

Africa Rural Development Study

1. The attached proposal and budget is presented as an amendment to and clarification of the intentions spelled out in our draft memorandum of May 18, 1972. It is designed to meet two major comments received from outside, in that (i) it is a defined and specific plan of action, and (ii) it is less ambitious in its scope than the earlier proposal.
2. To keep this proposal more modest it has been restricted to a review of projects. The projects to be reviewed have been taken from the list proposed by the Area and Agriculture Projects Departments, and supplemented on the basis of information obtained by the "study group" during recent missions.
3. Although this proposal is made within the context of the Terms of Reference of the ARDS, it is not expected to fulfil them completely at this stage. Rather, this is outlined as a minimum proposal worthwhile in relation to the Terms of Reference. The related budget is some 60 per cent of that originally proposed.
4. Insofar as this is a limited proposal, we will examine the rural development implications of projects essentially in isolation. Thus the reviews will be: (i) without the support of new field evidence or data collection, (ii) with a less than full examination of the socio-economic context in which the projects are found, and (iii) with no detailed assessment of the policies and processes that may affect them. It is in these respects that this proposal differs from our original intention.
5. Because of constraints on the availability of consultants, many of whom are available only during the summer, and in view of preliminary contacts made with some individuals, we consider it essential that we be authorized to make firm arrangements at this stage. Accordingly, it is requested that approval be given for an interim budget to facilitate initiation of the comprehensive reviews.

GFDonaldson:ahl

17-0
JEP Rural Development

SECRET 51 11 10 5AM

May 22, 1972

Dr. Philip Raikes
Economic Research Bureau
University of Dar-es-Salaam
Dar-es-Salaam,
TANZANIA

Dear Dr. Raikes:

It was indeed a great pleasure to have met you during our visit to Dar-es-Salaam and to have had a chance to discuss our proposed Africa Rural Development Study with you. Thank you for sparing the time at such a short notice for a very stimulating discussion.

I am very sorry that we did not have the chance to discuss the substantive matters of the study at greater length. However, as you may know, the main purpose of our visit was to introduce our proposed study to the governments and research institutions concerned and to obtain their reactions to the study. Having received favorable reactions and assurance of cooperation, we now hope to proceed with the proposed research program.

I hope we have conveyed to you our keen interest in pursuing research in the area of rural development which would help the Bank's operations. We do look forward to drawing on the wealth of knowledge and experience that already exists through research activities of persons and institutions in the countries concerned. I or my colleagues will be in contact with you and your colleagues in the near future in this connection.

Thank you once again for your time.

Yours sincerely,

Uma J. Lele (Mrs.)
Agriculture & Rural Development Division
Economics Department

Ulele/sks

Rural Development

Mr. A. Stevenson

May 22, 1972

S. Reutlinger and U. Lele

Back-to-Office Report:
Rural Development Study

1. The purpose of our visit to East Africa was: (1) to acquaint government officials responsible for rural development programs in Kenya and Tanzania with the Bank's Rural Development Study, with a view to obtain their reactions to the idea of such a Study, to seek their suggestions for the choice of Bank and non-Bank projects and programs to be studied and to obtain their cooperation in getting access to sources of information related to these projects and programs; and (2) to acquaint ourselves with the research and the research personnel in the area of rural development in East Africa, and to explore possibilities of obtaining their input into the Study in the form of ideas, time and facilities. Most of the official introductions in Tanzania were arranged through Messrs. Hansen and Bottelier, and in Kenya through Mr. Burrows, all of the East Africa Department.

I. The Governments' Outlook towards the Study

2. In both Kenya and Tanzania, the reaction of the government officials we met has ranged from interest to a positive support. They, by and large, welcome the idea of such a study and have agreed to extend their cooperation. In Tanzania, Mr. Machunda, the chairman of the Rural Development Bank, showed a keen interest in the study and offered to cooperate in the study in any way possible. In Kenya, we received a much more positive reaction from within the government. For example, the Chief Economist in the Ministry of Finance, Mr. Mule, provided a much stronger assurance of cooperation than obtained in Tanzania.

3. Although the officials we met welcome the idea of the study, the procedural matters such as getting clearances for individuals to go and study specific projects and programs may still have to be resolved. In both countries the treasury or the finance ministry gives such clearances. We have been told by the research community in Tanzania that this is a particularly serious problem there. The extent to which clearance is a problem will, however, depend on whether our short-term reviews of projects and programs, involving synthesis of the existing material and occasional trips to the project sites, will be considered research by them. The East Africa Department of the Bank has assured us that it will help expedite matters regarding permissions and clearances.

II. Choice of Projects and Programs

4. Our visit to the two countries has helped us considerably (1) to firm up the list of our projects and programs that we propose to analyze and review in Phase I of the study and (2) to set a guideline for action on research. In the draft Terms of Reference of March 24, 1972, the list of projects on Kenya

and Tanzania was narrowed down as follows:

<u>Kenya</u>	<u>Tanzania</u>
<u>Projects to be studied in some depth</u>	
Credit	Tobacco
Livestock	Credit
<u>Projects to be reviewed</u>	
Smallholder Tea	Sukumaland Program
Machakos Project	
SRDP's	

5. Of all these projects and programs we received the most enthusiastic response for the smallholder tea project, the SRDP's and the Sukumaland program. There was some difference of opinion as to the usefulness of the tobacco project for our purposes.

6. In Kenya, from discussions with Professor Thum and Mr. Schaefer-Kehnert, and earlier explorations by Mr. Tariq Husain, it is clear that the Bank's livestock project is worthy of study. We did not raise questions specifically related to a credit study. There was, however, a general contention that we should study several of these various credit schemes to analyze their merits and demerits in a comparative perspective. We received no lead on the Machakos Project.

7. In addition to the list that we had under consideration, the Kenyans very strongly recommended a squatter settlement in Kenya for examination. This settlement was quite unplanned and involved very little government expenditure. Yet people have migrated into these areas and it would be important to measure the benefits and potential positive interventions which would make such settlement viable, low cost alternatives in contrast to the high cost, intensive settlement schemes in Kenya.

8. In Tanzania, since the future of most rural development schemes will have to be thought of in the context of Ujamaa villages, it was recommended that we look at Ujamaa villages as a program, in addition to examining the Sukumaland experience.

9. In conclusion, based on our observations and without the benefit of seeing any of the projects, we recommend that we proceed to carry out a full review of the following projects: (1) Livestock, (2) Squatter settlements and (3) Credit (if suitably coordinated with other studies) in Kenya and (4) Sukumaland cotton cum credit programs in Tanzania. In addition it is clear that we should undertake a partial review of the entire SRD Program, the Smallholder Tea Project in Kenya and the Ujamaa villages Program in Tanzania.

10. We do advise, however, to maintain a very flexible position on the selection of projects for more comprehensive study. Visits to the projects and reviews of what other evaluation have been made may well reveal that the proposed project is not worthy of further intensive study. On the other hand, some of the projects initially scheduled for review may subsequently warrant field work.

III. Research Institutions and Personnel

A. Tanzania:

11. Our visits to the University of Dar-es-Salaam including the Economic Research Bureau (ERB) and the Bureau of Resource Assessment and Land Use Planning (BRALUP) indicate that there is no excess research capacity in these institutions. There was no willingness to release their own personnel for the study, either implying or explicitly stating that we should bring in persons from outside for the jobs. The Acting Director of the ERB, Mr. Raikes, indicated that the ERB may not be able to provide office or other facilities for a person located in Tanzania. The BRALUP offered to provide office facilities, provided the person would be located there at least one year. The exact nature of the cooperation is difficult to ascertain at this stage. This is partly because there is a considerable strong feeling against visiting expatriate researchers and scholars. It is also because providing facilities such as office space, institutional affiliation, etc., pose special problems for the institutions when researchers visit for a short period of three to four months. It is partly because of the general skepticism, reflected in the discussions with many research workers in East Africa, about the World Bank's approach in this area. They indicated their wariness about being interviewed by Bank staff repeatedly and hoped that this study would be able to go into the problems more thoroughly than the Bank (in their view) had so far been able to. John Morris, with considerable research experience in Rural Development in East Africa, particularly emphasized this point. The quote from Mrs. Mbilinyi, the wife of the director of the Economic Research Bureau, aptly expresses these views: "The academic imperialists weave their magic web around the world, snatching prizes for themselves. They come from the rich nations. They come, so they say, to help the poor. The poor black nations become their laboratory. They observe, criticize, bottle their theories in expensive books and become 'experts' on Africa. We import them back at double the price." (Source: Tanzania Standard, 4/7/72)

12. Mr. Machunda of the Rural Development Bank in Tanzania has offered to provide office facilities, and to make available all the material that the TRDB has at its disposal for our study. This may include a current evaluation of the Sukumaland program underway under Mr. Roopchand of the FAO, located at the TRDB. Given the evidence of rivalry between persons in the ERB vis-a-vis those in BRALUP and in other departments of the University, it may be more desirable for us to locate a person at the TRDB rather than at either of these two institutions. This may also ensure access to information from these various sources, which may be lost otherwise. We point out these problems so as to indicate the sensitivities of the various persons and institutions involved.

May 22, 1972

B. Kenya:

13. On several occasions we have met formally or informally with the following persons at the IDS and the University of Nairobi: Dharam Ghai, George Gwyer, Peter Hopecraft, Stephen Lewis, Philip Mbithi, J. R. Ascroft, D. Black, F. G. Hay, Judith Meyer, Dan Etherington, R. Neils, H. U. Thimm and others.

14. The impressions that we gathered at the IDS are not dissimilar to those in Tanzania. Ghai indicated that he would be reluctant to release the existing staff to work on the Bank's study but would be pleased to have Bank-financed researchers affiliated with the IDS, provided they would stay for a year or two. From the discussions with members of his staff and with Judith Meyer, it is very apparent that numerous problems between the IDS and the Government, the expatriates and non-expatriates, Kenyans and Africans, present a very delicate situation at the IDS. Thus, acceptability and a positive interaction with the staff members of the IDS may pose quite a problem for an outsider located at the IDS. ~~Judith Meyer raised a question as to whether it will not be possible and advisable, under the circumstances, to locate a person at the Bank office in Nairobi. Location of a person at the Bank office, through lack of physical proximity, may however reduce somewhat his interaction with the research community at the IDS.~~

C. Research Personnel outside Africa:

15. In Kenya, we had extensive discussions with Lawrence Smith of the ILO mission, and in Tanzania with Lawrence Cockcroft of the RDB to obtain a lead on persons with East African research experience located in Europe or North America, e.g. Griff Cunningham, York University, Canada, Anthony Elman, LSE, Brian Van Arkadie, Cambridge, U.K., John Simmons, Harvard University, Feldmans, East Anglia. On the basis of our discussions, we have already acquired or are in the process of acquiring considerable literature on various aspects of Rural Development in East Africa.

IV. PMEA:

16. We met with Messrs. Brakel, Adams, and Schaefer-Kehnert. They showed considerable interest in the study and urged that the members of the study have an interaction with the PMEA staff during the course of project analysis. The PMEA office has, however, indicated that it is short of office space and secretarial help and that it will not be possible for them to accommodate persons working on this study. It is, however, conceivable that if the costs of space and secretarial staff are borne by the study budget, that the PMEA may be willing to extend such facilities to the personnel working on the study.

SReutlinger/ULEle:coh

cc: Messrs. Chenery, Stern, Henderson, S. Husain, H. Adler, Haq, de Vries, L. Hansen, Denning, Hornstein, Hendry, Bottelier, Burrows, Donaldson, Shaw.

29607702@icloud.com

IA* БМВ:

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Mr. A. C. Egbert

May 19, 1972

Uma Lele

Research Projects

As stated in my research proposal on marketing, I have been reviewing the literature on agricultural marketing and agro-industries. A paper on the role of agricultural credit and marketing is being prepared on the basis of this review.

I anticipate setting up a project on economics and management of the modern rice mills in India. The study has been discussed with the Rice Processing Centre at the Indian Institute of Technology in Kharagpur. A proposal for a study has been received and is being reviewed.

ULele/sks

le 19 juin 1972

Son Excellence
Monsieur Charles Oana Awana
Ministre du Plan et de
l'Aménagement du Territoire
Yaoundé
Cameroun

Monsieur le Ministre,

La BIRD organise à l'heure actuelle une étude du développement rural en Afrique afin de voir comment les opérations de la Banque pourraient toucher de façon plus efficace la grande masse de la population rurale de l'ensemble du continent. Le premier stade de cette étude sera réalisé par le Département des études économiques. Il consiste en une analyse des expériences réussies dans le domaine du développement rural afin d'essayer d'identifier celles qui ont permis de prouver des revenus et des emplois dans la population rurale, et d'isoler les principaux facteurs - apports financiers, programme économique, innovations techniques, changements institutionnels, formation professionnelle, etc. - qui ont contribué à leur réussite. Cette analyse mettra l'accent sur les projets dont les résultats se sont fait sentir dans des délais assez courts.

En fonction de ces critères, certains projets ont été provisoirement retenus pour cette analyse en Ethiopie, au Kenya, en Tanzanie, au Malawi, à Madagascar, au Nigéria, au Mali et au Cameroun. En ce qui concerne notamment le Cameroun, nous souhaiterions, avec l'accord de votre Gouvernement, obtenir quelques renseignements complémentaires sur deux projets intéressant directement la Banque: le programme ZAPI et le projet Yabassi-Bafang.

La première étape de notre étude consistera à étudier la documentation disponible. Nous croyons savoir que le FAC a parrainé l'évaluation de ces deux projets, qui devrait être achevée dans les prochaines semaines. Il serait très utile, aux fins de cette étude, que la Banque puisse obtenir un exemplaire de ces rapports d'évaluation, si toutefois votre Gouvernement n'y voit aucun inconvénient.

Enfin, M. Robert Shaw, fonctionnaire de la Banque chargé de la partie de cette étude intéressant l'Afrique de l'Ouest au premier stade compte se rendre en Afrique de l'Ouest au courant du mois de juillet. A cette occasion, il souhaiterait passer une semaine au Cameroun afin d'examiner cette question dans le détail avec votre Gouvernement, de s'entretenir avec les responsables de ces deux projets et d'envisager éventuellement leur examen ultérieur. Je vous serais très obligé de bien vouloir nous faire savoir si la visite de M. Shaw, prévue aux environs du 8 au 14 juillet, rencontre votre agrément.

Je vous prie d'agréer, Monsieur le Ministre, l'assurance de ma haute considération.



Roger Chauffournier
Directeur
Département Afrique de l'Ouest

RShaw/RBS/teckhan/GDavid:ccc

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La première étape de notre étude consistait à établir la documentation disponible. Nous croyons avoir que la VAO a permis l'évaluation de ces deux projets, qui devaient être réalisés dans les prochaines semaines. Il nous est très utile, au sein de cette étude, que la Banque puisse obtenir un exemplaire de ces rapports d'évaluation, et contrôler votre gouvernement n'y voit aucun inconvénient.

Monsieur M. Robert Shaw, l'administrateur de la Banque chargé de la partie de cette étude latéroment africain de l'ouest au premier stade compte se rendre en Afrique de l'ouest au cours de notre de l'été. A cette occasion, il souhaiterait passer une semaine en Gambie afin d'examiner cette question dans le détail avec votre gouvernement, de s'entretenir avec les responsables de son pays, projets et d'analyser éventuellement leur travail. Je vous serais très obligé de bien vouloir nous faire savoir si la visite de M. Shaw, prévue aux environs du 8 au 15 juillet, rencontre votre agrément.

Je vous prie d'agréer, Monsieur le Ministre, l'assurance de ma haute considération.

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Roger Desbordes
Ministre
Département Afrique de l'ouest

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone • EXecutive 3 6360 • Cable Address - INTBAFRAD

Africa Rural Dev. Study

(Same letter sent to other IDS staff that we met)

May 19, 1972

Dr. D. P. Ghai
Institute of Development Studies
P.O. Box 30197
Nairobi,
KENYA

Dear Dr. Ghai:

It was indeed a great pleasure to have met you during our visit to Nairobi and to have had a chance to discuss our proposed Africa Rural Development Study with you. Thank you for sparing the time at such a short notice for a very stimulating discussion.

I am very sorry that we did not have the chance to discuss the substantive matters of the study at greater length. However, as you may know, the main purpose of our visit was to introduce our proposed study to the governments and research institutions concerned and to obtain their reactions to the study. Having received favorable reactions and assurance of cooperation, we now hope to proceed with the proposed research program.

I hope we have conveyed to you our keen interest in pursuing research in the area of rural development which would help the Bank's operations. We do look forward to drawing on the wealth of knowledge and experience that already exists through research activities of persons and institutions in the countries concerned. I or my colleagues will be in contact with you and your colleagues in the near future in this connection.

Thank you once again for your time.

Yours sincerely,

Uma J. Lele(Mrs.)
Agriculture & Rural Development Division
Economics Department



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

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May 19, 1972

Mr. George D. Gwyer
Institute of Development Studies
P.O. Box 30197
Nairobi,
KENYA

Dear George:

It was indeed a great pleasure to have met you at the IDS. Mr. Reutlinger and I were very pleased to have had a chance to discuss numerous issues of mutual interest with you and your colleagues. Please do convey our sincere thanks to Messrs. Ghai, Hay, Hopecraft, Ascroft, Roling, Etherington and to Mrs. Judith Heyer for sparing their valuable time for stimulating discussions. Mr. Reutlinger will soon write to Dr. Dharam Ghai.

Given the wealth of knowledge on rural development at the IDS and given our considerable interest in pursuing research in this area, I do wish that we had more time to discuss the substantive matters related to the study with these and other persons at the IDS.

As you may know, in our very short stay, we had to see several persons in the government to obtain clearances for the study. A combination of hurriedly arranged appointments for us by the government officials, our considerable difficulty in locating offices in Nairobi and in getting taxis, caused a delay in our meeting your colleagues on the last day of our stay, causing all of you considerable inconvenience. Having been a member of the university community in the not very distant past, I do understand and share the apprehension that may have been caused by such an inconvenience. I hope, however, that we have conveyed to all of you our keen interest in the research activities of the IDS and in drawing on the IDS staff in whatever way possible, for our proposed endeavor. Having obtained a very favorable response to our study from the government, we look forward to such an interaction with the members of the IDS in the near future - I might add - at a somewhat more peaceful pace.

Thank you very much for sending the receipt for the publications and the balance.

With best regards,

Yours sincerely,

Uma J. Lele (Mrs.)
Agriculture & Rural Development Division
Economics Department



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No. 236

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WBG ARCHIVES

May 19, 1972

PRIVATE AND CONFIDENTIAL

Mr. William Brakel
International Bank for Reconstruction
and Development
P.O. Box 30577
Nairobi,
KENYA

Dear Mr. Brakel:

Mr. Reutlinger has brought to my attention your letter of May 9. We have been unable to write a joint letter as we had intended since he is away on leave. I am writing this letter since I considered it to be of some urgency to respond to your letter. However, I can assure you that Mr. Reutlinger shares the views expressed in this letter. I am indeed grateful to you for having responded to Mr. Moock's letter immediately and apologize for the inconvenience and concern that this must have caused you.

I enclose a copy of the letter I have written to Mr. George which is self-explanatory. I also enclose a copy of the letter that I am sending to all the staff members of the IDS that we met. As you will notice, my letters make no mention of Mr. Moock's letter, but indicate that we are aware of the inconvenience that was caused and, therefore, would like to apologize.

I am in complete agreement with your views about hectic missions that may cause misunderstandings and disregard sensitivities of persons in low income countries. Our mission to East Africa has convinced us of this all too strongly. However, I would like to add a word or two to explain this particular situation which I think has been exaggerated a bit out of proportion.

Mr. Reutlinger and I spent a whole day at the IDS, meeting with Dharam Ghai and several of his colleagues. They planned another meeting for us the next morning at 11:30. In this, several persons whom we had already met and others whom we had not met were supposed to participate.

Mr. William Brakel

- 2 -

May 19, 1972

Mr. Reutlinger and I had meetings with government officials earlier in the morning. We were poorly informed by the person in the Finance Ministry regarding location of the offices. As a result, we wasted a lot of time going from one office to another. We also could not get a taxi. As soon as we knew that we would be delayed, we called the IDS to explain the whole situation. Incidentally, we have spent a lot of time with almost everyone who was to be at the meeting, either before or after this meeting. Mr. Moock was not available to us at these times. This may have caused this apprehension.

Thank you once again for your efforts. I look forward to a considerable interaction between us and the Nairobi office during our proposed study.

Incidentally, may I add that I was greatly encouraged by your very positive approach to our study and your willingness to extend all the necessary cooperation.

With best regards,

Yours sincerely,



Uma J. Lele(Mrs.)
Agriculture & Rural Development Division
Economics Department

cc: Mr. Reutlinger

RPO218

OFFICE MEMORANDUM

TO: Mr. E. Stern

DATE: May 19, 1972

FROM: E. Lerda

SUBJECT: East African Rural Development Study

I fully support Mr. Hasan's report of May 19 on the conclusions of the Review Panel. I would like to add one point, only touched upon briefly at the meeting, but to my mind of great importance. An exclusively project oriented approach is not likely to yield satisfactory results. There is little indication in the present outline that attention will be given to national programs and policies that may have vital bearing on what happened in the individual projects. This may refer to policies regarding exchange rates, prices, tariffs, wages, etc., or programs in education, rural electrification, health, etc. An intelligent merger of these two dimensions would seem to be vital.

cc: Messrs. Hasan
Blobel
Shourie
Schulmann

RPO218

Ray

OFFICE MEMORANDUM

DECLASSIFIED

DEC 28 2017

WBG ARCHIVES

DATE: May 19, 1972

TO: Mr. Ernest Stern

FROM: Parvez Hasan *PH*SUBJECT: Research Proposals on AgricultureCONFIDENTIAL

The Agriculture Research Proposals Review Panel, consisting of Messrs. Lerdaun, Blobel, Shulmann, Shourie and myself, met on May 16th. Messrs. Stern, Hans Adler, Haq and Reutlinger were also present.

The Panel agreed to hold a second meeting on May 19th. The first meeting was taken up mainly with the discussion on the proposal relating to the East African rural development. The Panel was informed by Mr. Reutlinger that a substantial revision of the proposal was underway in the Economics Department; specifically the List of Projects has undergone major changes.

Though it may be anticipating the revisions, the Panel has, nonetheless, the following comments to offer on the proposal as it stands at present:

1. There is no question about the very high priority of the rural development study. Indeed, among the three agricultural studies before the Panel, the rural development study has the greatest promise of impact on Bank policies and operations. The range of questions posed by the study, its basic approach and phasing appear to be correct.
2. The specific design of the study deserves, however, much greater attention. There does not seem to be sufficient information and knowledge to launch on the whole study. The initial focus should be on Phase I, which should be limited to say 6 or 9 months. This Phase would, as proposed, examine a few specific projects in Africa which, according to present indications, have had the greatest impact on rural development. The Review Panel feels, however, that the List of Projects contained in Annex I of the present proposal gives undue weight to production-oriented projects and has relatively few projects from which lessons about integrated rural development can be drawn. A major objective of the first phase should be to formulate specific hypothesis about approaches to rural development which could be the subject of further work.
3. There would remain a need for considerable flexibility in implementing the study. But the Review Panel feels that the most important requirement for the successful execution of the study is strong leadership. Unless a person with very considerable policy experience, maturity and imagination is overseeing the study, it will be difficult to expect generalizations, which could have much practical relevance for Bank policy and operation.

OFFICE MEMORANDUM

TO: Mr. A. Stevenson

DATE: May 18, 1972

FROM: Shlomo Reutlinger *S.R.*SUBJECT: Back-to-Office Report - Paris, Israel, London

En route to East Africa (see my joint Back-to-Office Report with Mrs. Lele), I visited very briefly with several individuals and institutes in France, Israel and the U.K. in connection with the Africa Rural Development Study.

Paris

Mr. Yudelman reviewed our Africa Study proposals by analogy to his OECD Development Center Employment Study project. That study, as you may recall, also consisted of a fair number of case (project) studies and a synthesis largely but not entirely based on them. His primary recommendation was to get good people and that such could be found particularly among young university graduates who would be highly motivated in as far as they see it as an opportunity to launch their careers with a good piece of research. He was wondering if the Bank would be ready to give them the incentive of publishing their report under their own name and a free enough hand to explore. I feel that there should be no objection to the first condition and that a "free hand" does not need to imply a lack of directed focus. I suspect that in the OECD case, the "free hand" was more necessity than virtue, but as we have probably greater staff capacity to provide guidance, this should not constitute a disincentive; quite to the contrary.

We also discussed briefly the program of the forthcoming two-day OECD/Bank seminar on rural development.

C.E.D.E.S. and FAC

Some evaluation of the French rural development projects in Africa of interest to our study are currently in progress. The first draft of the Cameroon, ZAPI study, should become available to us within a month, C.E.D.E.S. seem to have a number of evaluation studies. I got the superficial impression that the studies, though quantitative, are not very analytical. Partly, this could be a result of the kind of evaluation work the clients of C.E.D.E.S. are ready to support financially. Mr. Ancian of C.E.D.E.S. felt that a much more critical evaluation of the capital and technology intensity and the limitation of concentrating largely on export commodities in the French programs would be very appropriate. He recommended particularly the Senegal Groundnut scheme as a rich economic, sociological and political experiment. I believe that C.E.D.E.S. might be a good source of collaboration for our study.

My impression of F.A.C. was that they could be a good source of information, but their staff capability is very limited, and, at that, primarily on the agro-technical side. Mr. Erledan confirmed that the ZAPI evaluation report should be ready in about a month. FAC suggested that C.E.D.E.S. would be our best contact for evaluation studies. Their man - Mr. Crepin - is doing the agronomic evaluation on the ZAPI project.

The Center for Agricultural Economic Research
Hebrew University, The Faculty of Agriculture, Rehovot

Professor Y. Mundlak has written recently to the Bank to offer some of the Center's research capacity for work of interest to the Bank. I have been asked to pursue contact. Professors Sadan and Zussman reviewed for me their ongoing research. The research at the Center is of a very high standard and many of the researchers measure up very highly by international standards. Most of their work has been in advancing econometric theory and empirical analysis of micro-data of the kind and quantity which could only be found in Israel and more developed countries. The Center has been getting an increasing number of contracts from Israeli commodity boards for analytical and predictive studies of complex market situations (for example, citrus in Europe and poultry in Israel) following earlier contracts for methodological studies commissioned from U.S. sources.

Mundlak and Sadan explained to me that their interest in research on developing countries' problems is motivated by considerations other than immediate excess capacity. They would like to begin to devote, and would benefit from devoting, a small portion of their research capacity to problems related to agriculture in developing countries, perhaps in conjunction with teaching of more students from these countries. I believe the Bank could benefit from the experience of the very highly qualified researchers at the Center who have also had the benefit of observing a country experiencing very rapid agricultural growth. Particularly interesting might be the integration of the relatively backward Arab villages into a rapidly industrializing country when barriers to the flow of goods and labor were lowered to a minimum recently.

I have agreed with Mundlak and Sadan that they would send us, from time to time, research proposals. The areas which seem most suitable at this time are: analytical commodity studies, rapid integration of peasant agriculture into a modern economy and perhaps some contribution to sector models and international comparisons of agricultural productivity.

Center for Settlement Studies, Rehovot

I had a brief discussion with Dr. Dan Freeman and Mr. Y. Landau related to our African Study. They could not think immediately of any outstanding African participants in their courses who could be useful to our study. However, we may solicit further consideration of possible candidates. The Center, through the person of Mr. Abarbanell is now preparing a study project of KADU in Ethiopia to be presented and reviewed by the participants of the current development course.

University of Tel-Aviv

Gideon Fishelson approached me some time ago about possibilities for coming for a year to the Bank. He has in the meantime accepted an invitation to spend the year with George Tolley at Chicago. His primary interest is in human capital questions. Recently, he worked on estimation of marginal value productivities of water in Israel, and ways to rationalize water allocation via a combination of subsidies and prices. I had heard of

Fishelson's reputation but had not met him before. He seems to be a very good man to keep in mind for policy studies.

At Tel-Aviv University, I also met others and was given a recent study pertaining to Africa prepared at the University's Center for Development Studies.

At Bar-Ilan University, I met with Eckstein to discuss arrangements for the Land Reform Study Proposal.

London

In England, I followed up with some of the persons who have been recommended for participation in the Africa Study. Maurice Scott will find out from Nick Stern whether he would be interested in expanding on his recent study of the Kenya Tea project. Scott also recommended we contact McArthur. Frank Wilson of Bradford is very interested to keep in touch but will not be available. He has just accepted a two-year assignment with a Bank in Mexico. David Newbury will send us soon a first draft of his evaluation of a livestock project in Kenya and will recommend to us some people who may be useful for the Africa Study.

Finally, I met with Michael Lipton, who is one of the most senior and outstanding people at Sussex on research in the field of rural development. I agreed with him that he would carefully read the Africa Study outline. I would recommend to engage him as a consultant on some phase of the Study, particularly for giving us leads and contacts in the U.K. and to review reports.

SReutlinger:coh

cc: Messrs. Henderson
Haq
H. Adler
Hendry
L. Hansen
Denning
Donaldson
Shaw

Mrs. Lele

Mr. Shlomo Reutlinger

May 18, 1972

Uma Lele *U*

Progress of the East Africa Study

1. The purpose of this memo is to report to you the understanding that we have reached on the procedural and substantive matters related to the East Africa study. This was reached on May 15 in a meeting between Reutlinger, Lele and Donaldson. Shaw had been consulted on these matters prior to his departure for Paris.

2. It has been agreed that there should be considerable and clear division of responsibility within the study group in carrying out the East Africa study.

3. At Donaldson's suggestion, the group has agreed on the administrative division as follows:

- a) Donaldson - administration of staff and budget of the study.
- b) Shaw - study group's relations outside the Bank.
- c) Lele - overall coordination of the study program.

Although the individuals will be responsible for specific tasks, all written and oral agreements made regarding the study will be communicated to other members of the study group in the form of memos. In particular, Lele will be informed of all the procedural matters on which others will act.

4. The research responsibilities are divided by (a) projects and programs, (b) countries, and (c) functions as follows:

Projects and Programs: (as specified in our joint memo to Mr. Henderson)

- a) Donaldson: Kenya, Malawi, Uganda
- b) Shaw: West Africa
- c) Lele: Ethiopia, Tanzania

Functions:

- a) Donaldson: production technology, including irrigation capital formation.
- b) Shaw: education, nutrition, health, non-agricultural rural activities.

May 18, 1972

- c) Lele: infrastructure, marketing of inputs and outputs, price policy, agro-industries.

5. In the Phase I report, each member of the study group will be responsible for coverage of projects and programs assigned as above and for functions assigned as above, across all these various projects and programs.

6. We are also proceeding with finalizing the outline of the final report in the light of the recently recommended, more project-oriented approach to the proposed study.

7. As soon as we have clearance from the Steering Committee and the Research Committee for the more clearly defined and much less ambitious rural development study, as now conceived, we will proceed with the hiring of consultants for Phase I of the study.

ULele/sks

cc: Messrs. Henderson,
Stevenson
Haq
Donaldson
Shaw

OFFICE MEMORANDUM

Int. Team
Project file

TO: Mr. P. Hasan

FROM: *W. Lerda* W. Lerda

SUBJECT: Research Proposals on Agriculture

DATE: May 16, 1972

Without wishing, in any way, to trespass on your prerogatives as Chairman, may I suggest some questions for the meeting of the Committee on May 16?

I. East African Rural Development Study

1. How long did it take to write present terms of reference, and what other progress has been made? On recruitment? On country collaboration?
2. Have the "projects" to be studied been identified? How many are there, what are their characteristics?
3. To what extent will projects, in effect, be "pieces" of programs? (e.g. if there were a rural electrification program, would study assess it in one or two villages?)
4. The outline for Phase I is written as if all the projects that will be studied are more or less successful. There is not apparent any desire to look at failures and identify their causes. Even in relatively successful projects: what goes wrong and how that could be avoided would seem one important set of questions.
5. Should not the question of outside leadership be posed with quite brutal frankness? To what extent is a project run by white (foreign) management? If large, are provisions made for replacement with African staff in reasonably near future? To what extent are African leaders provided by Central Government or Agency present in successful projects? How reproducible or unique are they?
6. Is it sufficient to say that "methodologies will be developed" which "should facilitate objective, systematic and comparative analysis of the project studies"? There is no indication how this is to be done, and yet, if it is not done, the whole study could become an accumulation of indigestible facts. Moreover, if it is not done in a general way at the beginning of the project, how does one know whether the right data are being gathered, let alone whether this is done on a homogeneous basis by the various collaborators?

II. Land Tenure and Rural Development

1. Is a digest of existing studies research that should be farmed out to consultants? Why does one not put a good YP on this?
2. If answer to above can be found, should not a much more specific set of questions be prepared than the four lines given here? Is focus on Mexico on LA or something in between? What are the precise questions for other countries to which Mexican experience is to give answers?

3. How does employing Mr. Eckstein for a year (see Pfeffermann memo) get to cost the Bank \$126,000 over a two year period? And how is one to interpret the statement that "The study is expected to be housed at George Washington University"?

III. Study of Irrigation Water Charges

1. If Stage I, as itemized in Appendix A, is really to be completed in four months, does this imply that what is wanted is to answer all the questions raised on the basis of merely a "review of existing economic literature"?
2. Are the consultants really to be instructed to consider interest on capital as a cost that is additive to investment costs of construction, etc., as seems implied in para. (2a)?
3. What is meant by "(beneficiaries) might extend to international consuming of project produce"? This seems a major departure of our conventional cost benefit analysis; does it imply that if the project output depresses the export price, the loss to the LDC is offset by the corresponding gain to the importing country? If not, does it mean anything at all?
4. Even as a pure digest of existing literature, the four months duration of Phase I seems very ambitious. Are consultants already identified? And how is Stage II envisaged; as true controlled experiments? If so, surely Stage II must be considered an ongoing project for many years.

cc: Messrs. E. Stern✓
H. Adler
M. Blobel
A. Shourie



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

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Rural Development

May 12, 1972

Personal

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WBG ARCHIVES

Professor Bruce F. Johnston
Food Research Institute
Stanford University
Stanford, California 94305

Dear Bruce:

In reply to your letter of May 4, 1972, regarding participants on the panel on "Interrelationships Between Agricultural Strategies and the Growth of Local Manufacturing", I think that Cacho or Okurume will be a good selection for the panel. Cacho has the greater experience, but would be slightly less analytically acute than Okurume. Okurume has less practical experience than Cacho.

We are about to get the Bank Study on Rural Developments in Africa off the ground. I think you have seen the research proposals, and if not, please let me know and I will send a copy to you. The Research Study Proposal suffers from being the product of a working party and also is very ambitious in defining the scope and content of work. We did intend to give ample scope for the research, but it will require a firm perspective to keep the study on the track. The initial inquiry into attracting participation from the University-related staff in Kenya and Tanzania was not productive. I suppose that we shall have to think of another mechanism, such as a working seminar, to enlist their participation. On the other hand, the two Governments are keen to support the study. Will you or one of your colleagues at FRI play a role in the study?

With best wishes.

Sincerely yours,

Lyle

Lyle M. Hansen
Senior Economist
Eastern Africa Department

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[Faint, mostly illegible text, likely a memorandum or letter. Some words like "TO:", "FROM:", and "SUBJECT:" are faintly visible.]

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- Rural Dev -

May 12, 1972

Mr. S. M. Mbilinyi
Director
Economic Research Bureau
University of Dar es Salaam
Box 35091
University Hill
Dar es Salaam, Tanzania

Dear Mr. Mbilinyi:

You will recall that we spoke several weeks ago at the cocktail party for the participants in the Foreign Aid conference, and I described to you the proposed World Bank Research Study of Rural Developments in East Africa. We left a copy of the research proposals with your acting Director at ERB and I hope you have had an opportunity to read it. We would be interested in any comments or suggestions you might propose for the research program. We are particularly keen to know whether you or your colleagues at the University might be available to participate in the research at some stage.

Sincerely yours,

Lyle M. Hansen
Senior Economist
Eastern Africa Department

cc: Division B
Mr. Reutlinger
Miss Lele

LMH
LMH/amp

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MR. BENJAMIN

CC: DISTRIBUTION B

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OFFICE MEMORANDUM

TO: Mr. P. D. Henderson

DATE: May 11, 1972

FROM: S. Reutlinger, U. Lele, G. Donaldson & R. Shaw

SUBJECT: Africa Rural Development Study

This memo is to clarify the intentions of the Agriculture and Rural Development Study.

Goals

The purpose of Phase I of the EARDS is to produce a concise report by April 1973. The report is intended to spell out a working definition for Bank operations of the term "rural development", to assess the progress of Bank and non-Bank projects in meeting this goal, and to develop a set of working hypotheses about future directions for Bank operations in this area. Thus, within the overall framework of Bank operations, Phase I will adhere to the purpose of the Study set forward in the Terms of Reference, namely: "The overall objective of the proposed Study is to identify, evaluate and describe the essential components and characteristics, as well as the phasing, of projects and programs designed to affect the quality of life of large numbers of people within a reasonable time."

Rural development is a vast and poorly-defined area. In order to provide a suitable focus in the report, Phase I will concentrate on key issues of relevance to the Bank using the working method set out in the next section. Given the time and resource constraints on the Study, many of the concluding guidelines will be tentative and subject to refinement in the light of operational experience and further research. Nevertheless, Phase I plans to provide a systematic study of feasible approaches from the Bank's point of view to rural development under a variety of circumstances, a discussion of the critical constraints on rural development (e.g. government planning and administrative capacities, technical developments, institutional capabilities in credit, marketing and organization, transport, education and health), and a set of suggestions on Bank policies. The Study will be unique in two ways: firstly, in its emphasis on the range of choices facing an international organization; and, secondly, in seeking to identify the key processes of rural development, concentrating on interactions between elements of rural development, on highlighting which elements are essential for success and on suitable phasing for those elements in a given situation.

Methods

Because of the complexity of the subject, Phase I will concentrate on a discrete number of projects and functional areas that are seen in the light of discussion and observation to be central to Bank operations. Nevertheless, given the poor state of the art of rural development and the fundamental questions surrounding it, planning for Phase I must include a degree of flexibility to allow the team to pursue important new areas identified in the initial stages.

May 25, 1972

Work has been initiated with the operating Departments to spell out in more detail the questions relevant to Bank procedures. This general framework will, with some modifications, then be applied to the project reviews so as to permit the formulation of guidelines concerning general lessons about rural development in Africa and their replicability in a given set of circumstances. This refinement of the questions in the Terms of Reference is being done principally by the "study group" of three professionals in ARDD.

The "study group" will also coordinate and supervise the project reviews and be responsible for preparing the Phase I report. Three types of project reviews are planned: their general characteristics are set out below.

a) Comprehensive reviews

Up to a maximum of eight projects will be reviewed comprehensively within the Phase I framework. These will include both Bank and non-Bank projects and will concentrate on agricultural projects that are especially significant for rural development in terms of new approaches tried and/or of replicable successful elements. These projects will be mainly in East Africa (a list of definite and likely candidates is attached). Because of the important features in these projects, the reviews will be done by experienced researchers who will spend from four to six months including field work. They will analyze the available data in order to provide a quantitative base for testing the guidelines developed. The "study group" will have overall responsibility for these reviews and will synthesize their results, but will not exercise day-to-day control over the researchers.

b) Partial reviews

Approximately six partial reviews will be performed on Bank and non-Bank projects and programs. This category will include agricultural projects of substantial relevance to Phase I. The projects have been selected for partial reviews because (a) the projects have already been evaluated extensively or (b) the projects are too new to present enough material for a comprehensive evaluation and (c) in two cases they provide the policy framework in which the Bank's future lending operations must be viewed in the countries concerned. In some cases the partial reviews will explore rural projects and programs with a significantly non-agricultural focus, e.g. non-formal education and rural industrialization programs. The reviews will be done by recent graduates or graduate students with some experience under the supervision of the "study group". Unlike the substantive reviews in which field investigations will be emphasized, the partial reviews will be based mainly on Bank documents, published reports and other existing sources. Where questions relevant to Phase I cannot be answered through these sources, a visit to the project site may be initiated.

c) Summaries

The "study group" with the help of research assistants is beginning a series of summaries of significant functional areas in rural development. These include summaries of the state of theory of rural development, the most important features of the African rural context, a review of Bank policy on rural development, and the recent history of Bank lending operations in this area. They will also include summaries of the available material on areas which are part of rural development but relatively less important for future Bank operations, such as health and ecology. And finally, they will include brief reviews of Bank documents of projects not in the two preceding categories in a search for interesting new experiences which may be overlooked otherwise.

Implementation of Comprehensive Project Reviews

Misunderstandings or perhaps genuine differences in assessment have arisen between the Steering Committee and the study group over the question of implementation of the 6 to 8 comprehensive reviews. We wish to clarify our intentions with regard to these studies since the overall goal is the greatest possible contribution to Bank operating procedures.

All these studies will be designed and timed so as to form an integral and substantial component to Phase I. However, on the basis of preliminary reviews of the projects and contacts with possible evaluators, we have concluded that it would be desirable to use two approaches in these evaluations.

One, is for an evaluation involving approximately two months in the field and whatever time is subsequently needed (up to 3 more months). An evaluation of such a scope makes in our view a lot of sense, if the principal evaluator is a man with fairly wide experience in the country and if data have been collected already systematically, or, alternatively, it is clear that the important lessons can be learned by qualitative observations alone.

The second approach would be to get more "in-depth" evaluations along multiple objectives in terms of timing the results -- to feed an evaluation into the report we intend to produce for Phase I and to work along a more comprehensive evaluation which would take about one to one and a half years and which would feed into Phase III of the ARDS. This approach would fit cases where we anticipate that data have not been already collected systematically, but a quantitative analysis is very much needed to answer the most important questions and/or where it is important to learn about developmental processes and attitudes which cannot be assessed by a two-month visitor. Thus, during the Phase I period, the evaluators will provide an analysis of the available data. However, where the initial stages of this exercise identifies significant gaps in knowledge of areas of special relevance to future Bank operations, specific proposals for further studies will be submitted to the Steering Committee for further work designed to (a) provide more concrete evidence on certain key aspects of rural development, and (b) provide more detailed suggestions for the organization of major types of projects.

We are seeking authorization for this approach on the basis of our preliminary investigations and also for administrative reasons. With regard to the latter, five stand out:

- (i) it enables us to employ good people for Phase I, who may not be interested in a short term appointment;
- (ii) it will permit us to locate staff at the Institute of Development Studies, Nairobi, which is not possible for short-term consultants;
- (iii) it ensures additional use of the Phase I activity, as input to the subsequent analysis;
- (iv) it ensures that some analytical work continues while the "study group" is involved in the synthesis of the Phase I report; and
- (v) it reduces the initiation time and start-up costs involved in getting further work underway -- affecting both consultants and the "study group", and the completion of Phase III.

If these points do not seem reasonable to the Steering Committee, however, then rather than allow the "in-depth" studies to remain a divisive issue, we will proceed without this provisional arrangement. Doing so, however, will impose an operational problem in relation to staffing.

Budget

We propose to re-submit the budget request in line with further advice from the Steering Committee on the method of implementation of the terms of reference.

i. Projects for comprehensive review

(a) Definite

Lilongwe
Kenya Livestock
Kenya + Tanzania credit
CADU + Ethiopian minimum package
Sukumaland

(b) Possible

Kenya squatter settlements
French West African project group (suggested by PMWA)
 including Mali CFDT + BDPA
 Cameroon Yabassi-Bafang + ZAPIS
Uganda Dairy
Malagasy Rice

ii. Projects for partial review

Burundi Imbo Settlement
Kenya smallholder tea
Kenya S.R.D.Ps.
Nigeria rural industrialization
Tanzania ujamaa villages (?)
Tanzania tobacco

Ken. Studies Rural Development

Ref. No. EPD/SC 237/012

Ministry of Finance and Planning,
The Treasury,
P.O. Box 30007, *Katt*
Nairobi.

MAY 15 1972

10th May, 1972.

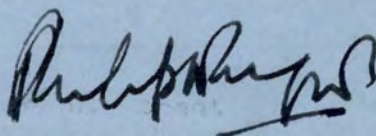
Mr. Michael L. Lejeune,
Director,
Eastern Africa Department,
IBRD,
1818 H. Street, N.W.,
Washington, D.C. 20433,
U.S.A.

Dear Mr. Lejeune,

With reference to your letter of April, 1972 addressed to my Ministry on launching of a policy-oriented research programme on rural development by the Bank, I am writing to confirm that this programme is welcome by the Kenya Government. I am also writing to confirm that there is no objection to the World Bank researchers collaborating with the Institute of Development Studies, University of Nairobi, in carrying out the research programme.

It is our understanding that the total cost of carrying out the research will be met by the Bank, and that specific projects to be evaluated for research purposes will be agreed between the researchers and the Government of Kenya.

Yours sincerely,



P. Ndegwa
PERMANENT SECRETARY

M. M. M. M. M.

*My
Cc: Hansen N 5/16*

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Mr. Michael L. Lejeune,

Director,

Eastern Africa Department,

1818 H. Street, N.W.,

Washington, D.C. 20433,

U.S.A.



YOUNG THOMSON'S GAZELLE

INSTITUT AGRICOLE DE LA CADENELLE

Traverse de l'Aumône
Camp-Major - 13 - AUBAGNE

Tél. 03-13-39 - C. C. P. Marseille 4.305-70

Etablissement et Centre de Promotion Sociale
conventionné par le Ministère de l'Agriculture

19 MAI 1972
Aubagne, le 10 Mai

1972

Réf. à rappeler : JP/AB

Service :

CENTRE DE FORMATION " D'AGENT
DE DEVELOPPEMENT RURAL"

Monsieur le Directeur,
Association Internationale pour
le Développement
4, avenue d'Iéna

PARIS - 16e -
=====

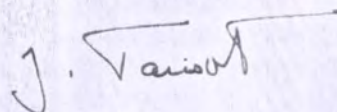
Monsieur,

Nous pensons que vous pouvez être intéressé, pour la Formation de cadres se destinant à travailler en Afrique à un niveau de base, c'est à dire à celui du village, par la création d'un stage spécialisé où des Africains boursiers et des Français désireux de servir l'Afrique se retrouveront dans des études communes. Cette création a été conçue et encouragée par des anciens experts de la F.A.O. et de l'O.M.S., ou des spécialistes de la nutrition en Afrique, pour répondre à des besoins que les études Françaises généralement très scientifiques et abstraites, ne peuvent satisfaire. Certains de ces experts nous ont promis leur collaboration.

L'enseignement, conçu à partir de la nutrition, problème majeur du Tiers-Monde, qui sera particulièrement étudiée, abordera aussi les autres problèmes qui se posent au village : cultures vivrières, notions d'économie Agricole, hygiène et santé.

Le premier stage doit ouvrir en septembre 1972. Les Français qui y participeront pourront bénéficier, dans les conditions précisées par la note jointe, des avantages prévus pour la Formation Professionnelle des Adultes, le Centre étant conventionné par le Ministère de l'Agriculture.

Nous restons à votre disposition pour tous renseignements complémentaires qui pourraient vous intéresser, et vous prions de recevoir l'assurance de nos sentiments distingués.



J. PARISOT

.J. : -ADR

- Programme

- Note concernant les bénéficiaires
de la Formation Professionnelle

L'agent de développement rural, préparé à un travail de base pour l'Afrique intertropicale, s'y intégrera dans diverses fonctions, notamment :

- l'animation rurale
- l'économie familiale rurale
- les cantines et jardins scolaires
- les coopératives maraîchères...

La formation sera particulièrement axée sur l'alimentation, problème essentiel du Tiers-Monde.

Conditions d'admission :

- Adultes ayant une expérience professionnelle.
- Niveau du baccalauréat, ou équivalence.
- Possibilité d'internat pour les jeunes filles et jeunes femmes.
- Bénéfice de l'indemnisation prévue par la loi sur la formation professionnelle, pour les ayants droit.

Durée et organisation de la formation

Sept mois d'études, complétés éventuellement par deux mois de stage.

Formation professionnelle

- Sciences et techniques de la nutrition : physiologie générale et de la digestion, étude des aliments, des besoins alimentaires, des rations, préparation des aliments, alimentation et santé, alimentation et développement.
- Techniques agricoles : productions végétales, cultures vivrières, potagères, productions animales, élevages, pisciculture d'étang.
- Ecologie tropicale et équatoriale.
- Economie agricole, notions générales et appliquées.

Formation générale, sociale et culturelle

- Expression écrite, orale.
- Structures sociales africaines
- Rapports sociaux
- Animation de groupes
méthodes audio-visuelles.

Options facultatives

- Economie familiale : habitat, hygiène individuelle et du village, utilisation des ressources.
- Notions de gestion, comptabilité, administration.

Les méthodes de formation adaptées aux adultes laissent une large part aux travaux personnels et travaux de groupe.

Promotion sociale

Agent de développement rural

*Spécialisation pour
l'Afrique
intertropicale*

mixte

institut agricole

traverse de l'aumône

camp-major

13-aubagne

tél. 03.13.39

Institut
privé

la cadenelle

formation et promotion
sociale, para-médicale,
technique

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les caillols / 13 marseille (12^e)
tél. (91) 51-76-13 - lignes group.

Adresse postale : B.P. 57
13375 - Marseille - CEDEX 4

Débouchés professionnels

- Organismes publics et privés d'Afrique tropicale et équatoriale ou d'autres régions similaires du Tiers-Monde.
- Secrétariat d'Etat aux Affaires Etrangères (coopération).
- organismes internationaux.

PROGRAMME D'UN STAGE

préparant à

un CERTIFICAT d'AGENT de DEVELOPPEMENT RURAL

Option : ALIMENTATION HUMAINE

Spécialisation TROPICALE

Durée des études : 1 année scolaire (dont 2 mois de stage)

A - P R O G R A M M E

Il sera particulièrement axé sur l'alimentation, problème essentiel du Tiers-Monde. Cependant, alimentation et développement étant étroitement liés, l'alimentation ne peut être séparée de la production, des circuits de distribution, de l'utilisation des produits, de l'évolution des populations.

Ce programme est une préparation aux actions de base telles que :

- l'animation rurale
- l'économie familiale rurale,
- les cantines scolaires, les jardins scolaires,
- les coopératives maraîchères,
- etc..

Une large part sera dévolue à la formation pédagogique et aux contacts extérieurs susceptibles d'enrichir l'expérience des stagiaires.

I - ALIMENTATION - NUTRITION -

Introduction :

Etude succincte des différents facteurs conditionnant la situation alimentaire et l'état nutritionnel des pays en voie de développement : démographie, éducation, production alimentaire, ressources économiques, etc.

Grandes zones géographiques : zone pré-saharienne, zone de savane, zone de forêts, - incidences alimentaires.

1°) Physiologie générale et physiologie de la digestion :

- rappel des notions physico-chimiques de base
- physiologie de la digestion
- chimie alimentaire :
 - . théorique (étude des transformations métaboliques)
 - et
 - . pratique (quelques techniques simples de dosage des grands principes nutritionnels)
- étude des besoins de l'organisme et de leurs variations.

2°) Etude des rations :

- par type d'alimentation : zone sahélienne, tropicale, équatoriale ;
- par catégorie de consommateurs : nourrissons (en insistant sur le problème du sevrage, enfants, femmes enceintes et allaitantes, hommes travailleurs de force, vieillards) ;
- alimentation des collectivités : cantines scolaires....

3°) Etude des aliments :

- composition (utilisation des tables)
- préparation (techniques culinaires)
- transformation (modification de la valeur alimentaire)
- conservation (en insistant sur les problèmes d'hygiène)
- étude particulière des aliments riches en protéines (perspectives d'avenir ouvertes par la recherche)
- apport nutritionnel des plantes et feuilles du pays.
- étude de l'implantation des industries alimentaires.

4°) Alimentation et santé -

- influence de l'alimentation sur le développement de l'enfant ;
- maladies de carence,
- maladies provoquées par le manque d'hygiène,
- parasitose.

5°) Facteurs sociologiques faussant l'équilibre alimentaire :

- pouvoir d'achat,
- habitudes alimentaires et interdits traditionnels.

6°) Alimentation et développement

II - AGRICULTURE -

1°) Techniques agricoles

- Productions végétales : notions générales concernant la vie de la plante, l'amélioration du sol, des espèces et des techniques.
- Cultures vivrières traditionnelles (à l'exclusion des cultures industrielles) : sorgho et mil, riz, blé, manioc, patate, igname, haricot niébé et pois divers.
- Cultures potagères et jardin de case (espèces originaires du pays et espèces importées).
- Production animale : bovins, ovins, caprins, porcins, petit élevage familial.
- Pisciculture d'étang.

2°) Notions d'écologie pour les régions tropicales et équatoriales

3°) Economie agricole :

- Géographie économique par zones d'Afrique.
- Notions d'économie générale :
 - . économie de subsistance, de traite, de marché.
 - . production agricole, industrielle, artisanale.
 - . entreprise, capital investi, travail, salaire, prix de revient,
 - . coopératives agricoles et organismes de crédit.
 - . politique alimentaire dans les plans nationaux.

III - FORMATION GENERALE

Culture scientifique (facultative) ;
Expression écrite et orale, exposés.

Formation sociale :

- a) analyse des structures sociales traditionnelles, évolution de ces structures dans le monde moderne, urbanisation, démographie.
- b) les rapports sociaux dans la vie de groupe, la vie nationale, la vie internationale.

IV - PROGRAMME ANNEXE

- Notions d'administration, de comptabilité et de gestion de cantines scolaires, de jardins scolaires, de coopératives ;
- Economie familiale : habitat, hygiène individuelle, hygiène de village, utilisation des revenus de la famille

V - PEDAGOGIE DE L'ENSEIGNEMENT

au niveau de base : groupe scolaire ou adulte - en milieu urbain et rural (généralement analphabète). Ne jamais perdre de vue les conditions réelles du milieu, notamment en alimentation, où l'accent sera mis sur l'amélioration des habitudes alimentaires traditionnelles.

- Relations humaines
- Animation de groupes
- Moyens audio-visuels
- Matériel pédagogique simple à partir des possibilités locales.

B - METHODES DE FORMATION

Ces méthodes seront celles des formations d'adultes, faisant largement appel à l'expérience personnelle, à la réflexion, au travail de groupe par zones géographiques, de telle sorte que chacun fasse l'adaptation à son futur cadre professionnel.

L'enseignement sera complété par des contacts extérieurs et des visites instructives, des stages pratiques (enseignement, services sociaux collectivités, industries alimentaires etc..)

=====

NOTE COMPLEMENTAIRE POUR LES STAGIAIRES SUSCEPTIBLES DE BENEFICIER
DES AVANTAGES PREVUS PAR LA LOI SUR LA FORMATION PROFESSIONNELLE

-:-:-:-:-

Les stagiaires desirant participer à la formation d'"AGENT de
DEVELOPPEMENT RURAL" (option : alimentation humaine), comportant une
spécialisation tropicale, pourront bénéficier de l'indemnisation pré-
vue pour la Formation Professionnelle d'adultes ; cette indemnité
couvre largement les frais de pension et la participation demandée
pour les frais d'organisation.

La seule condition nécessaire est qu'ils puissent témoigner,
par une inscription à la Sécurité Sociale, d'une activité profession-
nelle antérieure, en France.

Pour obtenir les renseignements nécessaires à la constitution
du dossier, s'adresser à :

Institut Agricole de la Cadenelle

Traverse de l'Aumône

Camp- Major

13 - AUBAGNE

=====

OFFICE OF THE
CLERK OF THE COURT

AUG 22 1972

Mr. Alexander Stevenson and
Steering Committee
G. F. Donaldson

May 1, 1972

East Africa Rural Development Study -
Research Proposal

1. The Research Proposal has now been altered to meet the stated wishes of the Steering Committee at its meeting of April 17, 1972. (see attachment).
2. Specifically, this proposal now provides for eight "project reviews" (four at senior researcher level and four at researcher level) in place of the five "project reviews" previously proposed and the five "in-depth" studies which have now been dropped. The Staff Deployment and Phasing Summary have been altered to reflect these changes.
3. The Budget Request for FY73 has now been reduced from \$225,000, as outlined in the original proposal, to \$195,000. The reference in Mr. Stevenson's memorandum to Mr. E. Stern dated April 26, 1972, relating to an amount of \$75,000, took no account of the cost of the "project reviews" of those projects previously slated for "in-depth" study (a further \$75,000), nor of the travel budget (\$45,000).
4. It should be noted that this budget now relates specifically to activities already planned for the first nine months of FY73, and which are essential for the completion of Phase I in accordance with the Terms of Reference. Any change in staffing arrangements, such as a withdrawal of the promised staff support by the participating Departments within the Bank, or unforeseen discovery of new material, will necessitate a request for further funds in order to complete the Study.

Attachment

GFDonaldson:coh

cc: Steering Committee - Messrs. H. Adler
B. de Vries
M. Haq
S. Husain

cc: Messrs. Hansen
Hendry
Krishna
Reutlinger
Shaw
Mrs. Lele

1572 641215

May 1, 1972

Mr. Alexander Stevenson and
Steering Committee
G. F. Donaldson

East Africa Rural Development Study -
Research Proposal

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3. The Budget Request for FY73 has now been reduced from \$225,000, as outlined in the original proposal, to \$125,000. The reference in Mr. Stevenson's memorandum to Mr. E. Stein dated April 26, 1972, relating to an amount of \$125,000, took no account of the cost of the "project reviews" of those projects previously stated for "in-depth" study (a further \$75,000), nor of the travel budget (\$25,000).

4. It should be noted that this budget now relates specifically to activities already planned for the first nine months of FY73, and which are essential for the completion of Phase I in accordance with the Terms of Reference. Any change in staffing arrangements, such as a withdrawal of the promised staff support by the participating Departments within the Bank, or unforeseen discovery of new material, will necessitate a request for further funds in order to complete the study.

Attachment

GFD:donaldson:cop

cc: Steering Committee - Messrs. E. Adler
B. de Vries
M. Hay
S. Hussein

cc: Messrs. Hansen
Hendry
Kishna
Kutliger
Siam
Lela

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May 1, 1972

Mr. John Blumgart
Technical Assistance - Africa Bureau
USAID
State Department
Washington, D.C.

Dear John:

I am writing to give you my reactions to the draft manuscript of the Bibliography of Rural Development in Africa, 1969-71. In general, I think that this is an extremely valuable exercise and one which we in the Bank will certainly find of considerable use. I regret that I am not fully qualified to comment on most of the individual country materials since I am not sufficiently familiar with the literature. However, I have a few broader comments which may be of some help to you.

In the first place, I would suggest that the criteria for the General Section of the bibliography should be spelled out more clearly. My impression is that a number of specific case studies have crept into this section, and also that some important general works have been omitted. In the first instance, it seems to me that the Brenner article on Page 12, the Scherve article on Page 34, and the Stanley article on Page 38 all belong under specific country headings. And I suspect that a careful examination of the rest of the General Section would show more of the same thing. With regard to the general pieces, I wonder about the wisdom of including these pieces which merely refer tangentially to Africa. The cooperative piece on Page 1 of the General Section is an example of this as is the Anschel piece on Page 4. If you are to include articles and books on general agriculture which have some reference to Africa, then the list could specifically be extended substantially. Let me

Let me mention a few pieces which I think ought to be included and which do not appear to be. Firstly, there is Youth and Development in Africa, published by the Commonwealth Secretariat in 1970. Secondly, the Rural Base for National Development, edited by Ronald Robinson and Peter Johnston, and published by the Cambridge

May 1, 1972

University Overseas Studies Committee. Thirdly, Rural Africana has a large number of articles of specific reference to your bibliography and many of them do not seem to be included.

When talking about the Green Revolution, much of the material again touches on Africa. I would question whether the Yudelman piece is the most appropriate if only one or two references are going to be included on this subject. It might even be worth including Seeds of Change!

Another important general point is that almost no government documents or major statements of rural philosophy by African leaders have been included. I think this is a major weakness and would strongly suggest that some effort be made at least to list development plans with a heavy rural content. Similarly, Nyerere's major pronouncements on Ujamaa villages should I think qualify for inclusion.

The third point is that the bibliography is essentially one of agricultural and rural development in Africa. With the exception of the Polly Hill book, there is almost nothing concerned with either rural industrialization or with the concept of rural growth centers (location of theory for the geographers). I would suggest that Peter Kilby and Archibald Callaway's works on African entrepreneurship should be included. At the same time, I think that the compilers should look at the growing material on location theory and particularly at some seminal books like E.A.J. Johnson's recent mammoth work on rural growth centers.

Finally, I have a few minor comments. On page 7 I think that Barraclough's first name is Solon, not Samuel. Secondly, the de Wilde study on Page 43 is merely a French translation of the English version published in 1967. Does it therefore qualify within the time frame of the bibliography? Lastly, under Kenya, Page 13, I wonder if the reference to "Land Tenure and Economic Development: Problems and Policies in Papua, New Guinea and Kenya" is correct. Certainly Kenya appears to be out of place.

I hope these comments are of some value. And I am sorry that they have been so delayed. With best wishes,

Yours sincerely,

R. d. A.

Robert Shaw
Agriculture & Rural Development Division
Economics Department

RShaw/sks

May 1, 1972

- 2 -

Mr. John Blumgart

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Yours sincerely,

R. Shaw

Robert Shaw
Agriculture & Rural Development Division
Economic Department

RShaw/sks

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DIVISION

Mr. Shlomo Reutlinger

April 28, 1972

Robert Shaw *R.S.*

Possible Consultants for E.A.R.D.S.

1. During the past two weeks, we have made the following contacts with people who may be suitable and available to act as consultants on the E.A.R.D.S.

2. Suggested by Carl Eicher (M.S.U.) but not yet contacted by ARD:

(a) To work in Washington during summer 1972.

(i) Nilan Bedi - Kenyan Asian with M.Sc. from Wye College (ex-pupil of Graham Donaldson). Now working for Ph. D. at M.S.U. in ag. economics, on grant from Rockefeller Foundation, whose agreement would be needed to release him from his studies for the summer. Considerable work in credit in Africa. Would also be available for field trip to Africa. Home telephone number (517) 355-4193.

(ii) Dean Linsenmaier - First year graduate student. Spent three years in Zaire as a Mennonite missionary working in rural development. Particularly interested in the socio-cultural and organizational aspects of rural development. Office telephone (517) 353-9633, home (517) 355-5929.

(iii) Mar Johnson - Has an M.A. in development economics from University of North Carolina, now doing Ph. D. under Eicher. Spent last summer working on internal migration patterns in Colombia. No special knowledge of Africa, but a strong quantitative background. Office as above, home (517) 351-5916.

(b) Possible candidates for field work in Africa.

(i) Thomas Zalla - Has spent the last eighteen months on a Ford Foreign Area Fellowship Program scholarship in Moshi, doing research on the economics of the small-holder dairy industry on Kilimanjaro. Recommended most strongly by Eicher as a man with excellent experience and knowledge on the ground, even if we could only spring him loose for two months. Present address: P. O. Box 1370, Moshi, Tanzania.

(ii) Dr. George Brinkman - An ex-pupil of Eicher's, now an Assistant Professor in the Department of Economics at Kansas State University. Worked on the CSNRD Strategy for Rural Development in Nigeria, with special responsibility for manpower requirements. Spent last summer consulting for A.I.D. in Mali, but does not speak French. Also spent two years as an extension agent in Washington State. Eicher says he is very good at the farm-level studies.

(iii) Kurt Anschel - Also an ex-pupil of Eicher's, now an Associate Professor at the University of Kentucky. Has worked on the economics of smallholder rubber plots in Nigeria.

3. The following possibilities have been contacted by me at Princeton:

(i) G. William Anderson - Due to graduate with an M.P.A. degree next month. Has military duties from September to December, but could work with us during the summer, and, if needed, from January - April 1973. Strong interest in rural development under Professor F. Harbison and Dean John Lewis, both of whom speak extremely highly of him. Speaks fluent French, and has spent several weeks travelling in Ivory Coast, Upper Volta and Mali. Spent last summer working with Peace Corps in Morocco.

(ii) Jess Hungate - Also due to graduate with an M.P.A. next month. Also highly regarded academically. Spent ten months (June 1970 - April 1971) working for Ford Foundation in Nairobi assisting in the planning of the S.R.D.P.s. Could be available for the whole of Phase I.

4. Of the candidates sent to us from Personnel Department, the following seem to be best suited to our needs:

(i) Jean-Paul Tshitenge - From Zaire, six years university education in Belgium, now working for Ph. D. in economics at Georgetown. Has done research for I.R.E.B. in Kinshasa on the Zaire export sector. No experience in rural development, though an apparent interest in the subject. English not perfect but certainly adequate. Might be suitable for review of French literature on R.D.

Veronal Dew
ce SEDES

IBRD LANGUAGE SERVICES DIVISION	
CONTROL No. E-1612/72	DATE: April 27, 1972
ORIGINAL LANGUAGE: French (General)	
DEPT. Economics	TRANSLATOR: ED/ln

SOCIETE DES ETUDES POUR LE DEVELOPPEMENT ECONOMIQUE ET SOCIAL.

(SEDES)

84 rue de Lille

Paris 7e

PRINCIPLES AND PROPOSALS
FOR AN ANALYSIS AND STRENGTHENING
OF RURAL DEVELOPMENT OPERATIONS ✓

(Black Africa; Madagascar). ✓

January 1972

The present memorandum takes up the problems of rural development operations, in the light of the current thinking of a SEDES in-house working group.

This group consists of economists, agricultural economists, statisticians and sociologists who pooled their experience which ranges from six to fifteen years.

This memorandum is basically concerned with rural development operations in Black Africa and Madagascar.

INTRODUCTION

The Impasse

There is an awareness among the main bilateral and international financing agencies that they are faced with an impasse in rural development operations in Africa. Activities over the past 10 years or so have not been as successful as expected. They have proved expensive. The institutions established have been unable to absorb peasant communities within new structures. Furthermore, there has been tendency on the part of official financing agencies and institutions to hesitate before initiating new operations. Efforts are limited, keeping alive those already in existence, while cutting them back as far as possible. We feel that ^{if} this hesitation persists it will have a very serious impact on the future of the countries affected. There is nothing that encourages a feeling that agriculture in Africa can solve its problems without technological aid. A food shortage or a decline in the quality of exports would have catastrophic results. But there is every reason to believe that, once new techniques have been put to the test, African farmers' -- at times spontaneous -- capacity to adapt is considerable. While there may be a need to review the methods used, we must not allow any relative setback to have the effect of slowing down the investment effort which, whatever the circumstances, must continue.

What is the future of the present types of rural development operations? We can expect it to depend very largely on the views of the national leadership. Financing institutions themselves are fully aware of their high cost, their slow dissemination, the difficulties involved in

using large numbers of foreign technicians. They also know that the attempts made so far to measure the results of these operations, show that their direct impact is often small in relation to the investment involved. But they are finding it difficult to make any real change in the orientation and especially the internal logic of the over-rigid structures set up.

Furthermore, it would seem that the increasing opposition on the part of individual States and especially of national technical departments will lead to an unavoidable decline in this type of operation. The very size of the machinery controlled by foreign development organizations is generating increasing hostility among national technical departments. These departments are now headed by young engineers whose cost is a third or a quarter that of foreign engineers. They do not, however, have at their disposal any of the physical facilities they need to operate their departments. The rapid Africanization of the organizations established is already a reality and this should result in a sizable reduction in their operating cost.

There is, reason to fear however, that Africanization alone is not enough to improve the efficiency of these organizations, at least of whose performance has been not more than mediocre. Quite apart from their cost there is also the problem of their suitability for their purpose, a point we shall examine ~~separately~~ further on.

The slowdown in launching rural development operations has had its effect on studies. There is nothing surprising in this: in the present context, there is no longer any question of carrying out preliminary studies, given that they were already often omitted in the past and were in any event inadequate and poorly geared to the times in which the operations currently underway were set in motion.

Furthermore, some studies -- the so-called survey diagnosis (bilan-diagnostic) studies -- have sometimes proved disappointing: they did not give the executing agents the elements they needed for effective reorientation of the projects.

In looking over this problem, however, we were led to ask ourselves the following questions: did not this disappointment have its origin in the fact that these studies were dealing with the operation of institutions which were themselves ill-suited to their purpose and to the rationale of rural development in Africa and Madagascar? Should we blame the mechanic or the machine? And if the machinery is at fault, should we begin our analysis at that point, or should we not rather begin by examining the function for which the machine was built, i.e. its purpose?

These questions are of vital importance now that many feel that the new methods of management control and -- in a broader sense -- the new controls available over socio-economic effectiveness will enable a target-oriented management control system to be set up, leading to greater rationalization in the operations of development institutions.

This memorandum will, therefore, examine:

In Part I: Current views on rural development operations, their limits, the problems they face, as well as some of the solutions presently advocated;

In Part II: Any other course that would appear to us likely to lead to a more fundamental recasting of these operations, and to improve controls over them and their chances of success;

In Part III: Such specific proposals as we are in a position to submit at this point with a view to the rapid reorientation of these operations on new foundations.

Part I

Present Principles of Rural Development Operations, and their Logical Implications

We must stress that it is not our intention to imply any criticism of those in charge of development assistance agencies (structures d'intervention), whose professional and moral qualities and deep-rooted concern to make an effective contribution to farming communities in Africa and Madagascar we have been fully able to appreciate during the course of many projects on which we have worked together. The issue does not lie there: it concerns the inner logic of a thought process from whose shackles it is hard to escape, a thought process that leads to an ethnocentrism which is the more dangerous for its essentially implicit nature.

After reviewing most of the sizable rural development operations carried out in Africa and Madagascar over the last 10 years, we could summarize our conclusions as follows:

1. The aims and, even more fundamentally, the very purpose of these operations are often ambiguous and poorly defined;
2. The design of development projects has its roots in an inadequate (and therefore of doubtful value, being unworkable in practice) analysis of the production structures it is intended to alter.
3. Development assistance methods and structures are superimposed to the extent of being in most cases totally alien to the rural environment which, on principle is supposed to take them over.

We shall take a briefly look at these three points and then analyze the rationality of the present system.

1. The Purpose of Rural Development Operations

It would seem that, as a general rule, targets are established in terms of output (i.e. physical quantities) and less frequently in terms of average gross farm income. But ultimately ^{it} is the purpose of development merely to build up an increase in output -- at times purely temporary -- based on close staff supervision, and therefore always precarious? In other words, would we not agree that such a target, even if attained, would be meaningless if it could not be maintained after the disappearance of this supervisory structure? Furthermore, can the aim of any development action be realistically limited to obtaining a given tonnage output of one or two commodities, when we are dealing with a whole agricultural economic system? Is this compatible with the nature of the structures that already exist? This polarization, generally around a single target isolated from its general context, leads to all sorts of ambiguities that could be removed by the answers to such questions as: What are we really seeking to develop? Have the problems been defined in economic terms and, if so, has some thought been given to how the value of the surplus production would be distributed and used? Whom is to be rewarded? The producers, processors, merchants, the State or consumers? Was there any plan to reduce, maintain or increase inequalities within the farming community itself? (Any one of these positions can be supported). Has anyone tried to study these inequalities, to anticipate or prevent the conflicts which the adoption of one or other of these positions might run the risk of unleashing.

This type of question, obviously enough, can be applied to other points. To ignore them is to risk serious trouble later on. To tackle them means to embark on a painstaking study of the facts at whatever time an action is scheduled to start.

2. Inadequate Analysis of Production Structures

One is struck by the fact that project areas are selected after a careful review and assessment of ecological conditions (climate, soil) but without a proper analysis of the economic structures that are to be transformed and more particularly without any prior detailed knowledge of the agrarian system as a whole. As evidence of this, we need only compare the number of studies on matters such as soils, water supply and wind with those devoted to sociology, land ownership and economics, on the other.

We constantly pay more attention to land inputs than to labor inputs (and even then our knowledge about the land is inadequate). If we were to take this point seriously, preparation of a study of the global agrarian system such as it existed prior to the project would become standard practice. We would have to enquire into the type of production units involved, the method of distributing land and labor and the structure and distribution of resources, both monetary and non-monetary.

Yet, in practice, what happens in this area, so vital to the proper assimilation of the proposed objectives by the environment for which they are intended? In most cases, initial studies merely describe the "typical agricultural farm" (exploitation-agricole-type). But it has been clearly demonstrated in all serious studies that this concept is purely theoretical:

- In the first place, the word "farm" (exploitation) is usually understood in the Western sense i.e. as an "enterprise", which leads to the assumption that we are dealing with a European family enterprise based, as we all know, commercial economic system, private ownership of land and a family of limited size;
- Secondly, the word "agricultural" (agricole) suggests that in most cases we may be overlooking other facets which are nevertheless an integral part of any purely land cultivation activity, namely livestock, crafts, wage earning, communal obligations etc., which are an integrated part of a daily work schedule.
- Finally, the word "typical" is generally -- and quite improperly -- understood to mean "average farm", a completely fictitious sense, which leads to the introduction of standard one-type methods and equipment in all production units, a procedure which, in fact, is often unsuited to the circumstances. What we need, rather, is a typological breakdown of production units in order to establish a classification based on pertinent socio-economic criteria.

We see, therefore, that the need to analyse production structures has been virtually overlooked and that, at the time development actions get under way, it is impossible to give accurate answers to such questions as: what is the nature of the economic and social constraints which affect the farmers? What needs do they reflect? What is their

function? What are their recent trends? What is the present position, in other words what stage have we reached in the economic transition process presently occurring throughout Black Africa and Madagascar? And so on.

In these circumstances, it is hardly surprising that the answer to the first question (the purpose of the operation, i.e. what is it intended to do for the farmers) should itself be elusive. We cannot, of course, propose transforming an agrarian system and the constraints (which are not exclusively technical) that determine its nature without first studying it.

3. Development Assistance Structures are not Assimilated

It is our feeling that the failure to appreciate the imperative need to provide pertinent and specific solutions to the two problems discussed above is directly related to the inadequacy of the structures. We feel that it is by virtue of a lack of knowledge of this kind that people have been led to build up heavily-staffed large-scale operations. It is as though there has been an attempt to compensate for this lack of knowledge by increasing the supervisory staff.

But the more we increase staff and offices, the more we are inclined to prescribe methods and techniques which it may very well be impossible for the socio-agricultural system to absorb either immediately or over the long run.

In sum, the model and the efficiency of the organization, the administration and the staff in other words of the structures to be set up, must in fact be the producer of a thorough analysis of economic and social constraints which themselves determine, in the fullest sense, the form of the production units which it is proposed to develop in a given area. This form can be neither a matter of chance or of arbitrary decision: Quite the contrary, it must reflect the vital need for social cohesion which can be ignored only at our peril. Ultimately, in practice, the success or failure of any rural development operation lies in the hands of the farmers, and the farmers alone.

Yet, what do we see? That what was done left all these considerations aside. Prefabricated structures were planned and imported, to be superimposed on rural structures without being assimilated by them, in other words new structures which are completely unsuited to handle the problems they were intended to solve and which are unaware of the real potential of the surroundings in which they were planted.

Under these circumstances, it seems indeed that, far from being unhappy, we should be very happy at the results that have been achieved, since they clearly demonstrate the African and Malagasy capacity to absorb new ideas even under imperfect conditions, and are also a good augury of what we can expect

should conditions be improved. We can already at this point postulate that the very weightiness of the machinery presently installed introduces a logic that stands in the way of making suitable alterations to ongoing projects.

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antipathy and antagonism to our people.
In addition, the people of the world are in the way of making
progress and the lack of understanding of the people's needs
should be corrected. We can succeed at this point

Faced with all these difficulties, financing agencies began to be aware that they had no exact information about the progression of development operations. Development corporations (sociétés d'intervention*) and other bodies supervising projects did, of course, publish annual reports, giving details about increased sales of fertilizers, plows or seed. But the production figures did not always match these increased sales of inputs. In any event, an indicator of this sort is very inadequate, which explains the idea of "monitoring indexes" for the periodical follow-up of certain indicators, and also the idea of a permanent system of economic control to facilitate alteration or reorientation of ongoing operations.

Financing agencies then tried to improve their information and to get themselves into a position where they could take appropriate action by using modern management techniques (of the RCB** type) ~~and~~ provide better control over their aid machinery.

This still leaves us with the need to establish clearly the limitations and efficiency levels of these techniques.

*TN: In French speaking Africa, mixed corporations for assisting development - e.g. CFDT (Compagnie Française pour le Développement des Fibres Textiles).

**TN: Rationalization des Choix Budgétaires - equivalent to PFBS (Planning, Programming and Budgeting System).

Purely from the point of view of the internal administrative machinery, their use will certainly lead to improvements and economies. Nevertheless, however effective they may be, these techniques still only cover an area whose importance is secondary to that of the basic problem of dealing with the major difficulties which rural development operations have had to face.

This basic and therefore, at all events priority problem is not one of internal administrative machinery (even if it is top-heavy and therefore ill-suited to its true function) but very specifically one of end objectives in any rural development operation, at the farmer level. Or, if one prefers, in more strictly economic terms: at the level of improving the labor productivity of the agricultural workforce.

Thus the problem we really face is as follows:
What means and methods of evaluation must be established in order to build up a proper system of economic control, to determine the actual results obtained by farmers engaged in a development operation?

4. The Rationale and Logical Implications of the Present System

Therefore, whatever the attraction of modern methods of internal management control, at this stage it would appear that they are of secondary importance or premature, belonging as they do to the same logical system as underlies a "modern" type of enterprise, which has already mastered and fully absorbed its production mechanism including the producers themselves, by their presence on the payroll. What we are saying is that it is a

mistake to apply this logic to our present conceptualization of rural development operations, and that these operations seem to involve a misunderstanding of their own purpose.

As the ideas of our working group progressed, it became perfectly clear to us that:

(a) In most cases, the development/^{project}targets established for farmers were arrived at by a thought process which neglected the pressures exerted by the structural constraints of the traditional economy, and especially by the constraints of the traditional agrarian system (production and stockraising structures) whose main social function is to provide for subsistence, and especially for subsistence in terms of food;

(b) In these circumstances, studies prepared either before or during these projects (survey diagnoses) became the prisoners within the narrow confines of a system imposed from the outside, in spite of the efforts of experts on the spot to make allowances for the constraints involved.

The numerous investigations and studies we have undertaken have led us to the conclusion, as regards these two points, that it was vital to the success of actions that the problems stemming from the constraints of the traditional economy be understood, especially when this economy was at a stage of transition towards being an economy endowed with modern techniques.

Why were these constraints and problems ignored in the rationale which presently governs the actions undertaken? Broadly speaking, we could answer this question by saying that the thinking process which gave rise to these rural development operations was essentially one based on a network of theoretico-methodological points of reference, which is itself an expression of "attitudes to change" or "to innovation". Yet, the fundamentally psychological nature of such concepts as "attitudes", "change" or "innovation" makes them ill-suited to the need to bring out the economic and social constraints at work in a given situation.

And, moreover, these concepts do not help throw any light on the overall traditional production system or on its internal cohesion.

When we try to translate these concepts into economic terms, we are led into serious errors of interpretation. For example, it is presupposed that a dominant "aspiration" among African and Malagasy farmers is to maximize money incomes, and for each individual to obtain this income by his own individual means. But it is forgotten that this desire for a reasonable money income exists alongside and in conjunction with two no less dominant aspirations, namely to maintain their former social relationships, which have been non-commercial relationships, and to protect their sources of food supplies which means to produce and store food for consumption.

It is here, at the point at which these aspirations cross, that any rural development action must be introduced. The problem then consists of seeking the means to bring the structural constraints inherent in the traditional agrarian system into operational harmony with the structural constraints inherent in the new agrarian system proposed to the peasant community.

In other words, it is essential that we acquire a better knowledge of the African and Malagasy rural economy, in its manifest forms, notably at the level of actual production units. (1)

Once we have acquired this knowledge and have analyzed practical possibilities for action we shall be able to get a better idea of the causes of our present difficulties and therefore of how to set about solving them.

(1) In this connection, SEDES finances an in-house study, prepared under the leadership of H. Legotien. This led to a provisional memorandum which throws some light on the conflicts that occur between two heterogeneous systems in any rural development operation. It was on the basis of this memorandum that our working group has tried to contribute some useful ideas.

Part II

Principles and Methods for a Better Analysis of and Approach to Rural Development Operations

In the light of the foregoing, and especially of the total inadequacy of the classical view of rural development operations when related to the facts of an African or Malagasy rural environment, we are led to the conclusion that only a new and more thorough definition of their objective and of the means used will make it possible:

- in the first place, to rescue large-scale operations from the impasse in which most now find themselves;
- in the second place, markedly to improve their economic results and social impact.

In other words, this new definition must necessarily be based on a logical system born of the environment in question and its own propensity for development.

We can no longer hope for sizable increases in output (whether for export or even for consumption) unless at the same time we ensure that their true significance is appreciated by those who, ultimately, will be producing these increases,

Only if we apply this principle, which should both appreciably improve results and sizably reduce operating costs, will we be in a position to seek out and compare other improvements

in the working of the administrative machinery based on the application of management techniques.

Here, we shall be more concerned with the methodological principles research into -- and control of -- genuine grass-roots rural development.

These principles would seem to be quite straightforward. Along with the constraints arising out of development actions, themselves they involve a review of socio-economic constraints inherent in the existing agrarian system as a whole. Whatever the methods used -- and these will depend on whether a preliminary study, a reorientation/diagnosis with follow-up, or a project redefinition is involved -- a number of fairly dependable modern methods are available, today, for use in any study of this kind.

1. Methodological principles

These principles have to meet a dual purpose:

- The preparation of an in-depth study of the reference situation in the particular rural environment;
- A comparison of the project with this reference situation, in order to work out "feasible" targets, means and structures.

(a) The study of the reference situation must lead to a detailed understanding of all the elements that make up the whole agrarian system (or agrarian systems where there is more than one according to the zones,) as operated by the farmers in the area (or in the future area). This means unearthing and bringing

to light in a clearly understandable form the economic, social, agronomical and other constraints which determine what the production system will be, and explaining its internal cohesion and the needs which it meets.

An analysis of this kind will not be static. Rather, it will take the community in question and study it at the point reached in its transition process noting changes that have already occurred in this or that input and the impact of these changes on other factors, and any trends in the behavior of production units, etc.

At this point, we might note a few "key points" in an analysis of this type, namely:

The lineal economy at the departure point (involving a retrospective analysis);

How and why it developed. The present situation of the farming economy in the area to be developed (or in the course of development);

The ability of the money economy to meet the domestic needs of the production system at this time; the overlapping of monetary, semi-monetary and subsistence sectors;

Stresses generated by the conflicting desires for an expanded money economy and for maintenance of the cohesion provided by lineal structures; analysis of the social system and how it functions;

An in-depth analysis of the production and stockraising systems, in the broader sense, covering the whole network of productive activities (agriculture, livestock, hunting, food gathering, crafts, wage-earning etc.). This implies a demographic analysis (labor force), a land surface and soil study; (quality, acreage, distribution fallowing, rotation) a study of the labor force distribution, the level of technology and yields, etc.).

A comprehensive review of this kind can only be done by a team. This team must be composed of at least one economist, one agronomist and one sociologist, and normally be headed by the economist.

The team can obtain all the data already available and the targets of the projects or operations underway by holding meetings with the executing agents. These data and targets would be arranged in the form of a system of hypotheses to be checked out in the field.

The amount of knowledge already available about an operation, or the need for a more exact study (such as the case of the "follow up" of an operation, for example), will be the deciding factor determining the method used to collect and analyze information. (The duration of studies will be discussed in : (2) "Procedures and Methods" below.

(b) Comparison of the project (or the operation underway) with the reference situation. This principle has been respected barely more often than the first. It is, of course incompatible with the internal logic of a system which promotes the installation of prefabricated superstructures. Under such circumstances, what purpose would be served by a comparison where one of the two basic elements had not been taken into account by the development assistance structures?

This principle, however, is a fundamental element in the logic of the system which we advocate: It is by comparing the major constraints in the reference situation with those generated by the project that we shall be able to achieve a reconciliation between them, bringing this double system of constraints into harmony. The structure of development assistance will therefore be the fruit of this reconciliation.

2. Procedures and Methods

The fundamental principles applicable to the appraisal of a rural development operation prior to, during or after its implementation are the same and must apply, as we said in all cases. The procedures and methods of the studies and surveys required will of course vary according to the particular case,

for example in relation to the size of the operation and to the stage it has reached (i.e. project under study; ongoing operation, export diagnosis).

For purposes of simplicity we can break them down into three main categories:

(a) Proposed Operations (new projects) requiring three socio-economic types of action, as follows (in chronological order): a preliminary study, a follow-up of the operation, and periodical report(s).

(b) Operations underway, which would require the preparation of a diagnostic survey, and submission of proposals for their reorientation based on economic checks established.

(c) Operations completed, but to be started anew on a different basis.

Let us examine these three points one by one:

(a) Definition and follow-up of a new operation

Below, we list what we feel are the essential steps in the process of gathering the basic facts without which the course of any development action is left to chance.

(i) The purpose of the preliminary study is to gather all the information required for proper understanding of how the agrarian and social system works. At the same time an analysis will be made of the constraints brought on by the operation planned.

On this basis, it then becomes a matter of reconciling what the farmers are able to do with what is economically profitable for the country.

By means of this reconciliation, it will be possible to establish priorities, to quantify specified targets and to propose structures and a permanent system of evaluation related to the real situation and not to ready-made standards designed abroad.

The methodology adopted calls for new techniques, with a view to reducing the amount of information to be collected (and therefore its cost) while appreciably increasing its usefulness. These techniques will be applied in specific stages, and the information collected will be incorporated in a strictly logical sequence.

There are five separate stages in the preliminary study, of unequal duration but each of them vital.

- . The preliminary survey which has two main objectives:
 - To check the hypotheses used;
 - To define the typology of the villages and production units, thus considerably reducing the volume of sample surveys required. The importance of this preliminary survey is therefore fundamental;
- . An agronomic, sociological and economic analysis of the constraints in the subject area and inherent in the type of project proposed. This will make it possible in particular to establish the dividing lines and points of contact between external variables and of those assumed in the initial situation;

- . A sample survey as a basis for the proper quantification of those base parameters in the existing structures which will have to play a determinant role in the project. This survey can cover a limited number of primary sampling units (from 100 to 200 at most);
- . The utilization of data for selection purposes, using suitable methods (dynamic simulation involving the contagion concept, of the Rogers type, for example, etc.), enabling the executing agent both to select the most suitable projects (i.e. those that will adapt best) and to determine their dimensions;
- . Finally, the selection and institution of simple, pertinent and accurate economic indicators for the subsequent follow-up of the project through its implementation stages, and its possible reorientation.

The duration of the preliminary study will depend on the size of the area covered, its population and the complexity of the problems in the area in question. On average, however, we estimate the total duration, including data processing, to be from 8 to 10 months, half of it in the field, using a team of 3 experts (one agronomist, one sociologist and one economist heading the study, with the participation of a statistician).

(ii) Follow-up of the operation. This can be achieved with the aid of a system of continuous economic checks or periodical evaluations. Since the latter is much the same as drawing up periodical economic balances a problem we shall examine later on, at this point^{vg} shall only deal with the system of continuous economic checks.

As the departure situation will have been established with some degree of accuracy in the preliminary study, it is relatively easy from there on to follow the behavior of such indicators as are deemed vital. It is evident that these indicators will be mainly located at farmer level and that they will provide information not only about increases in the output of certain products but also about the manner in which the agrarian system itself has evolved and in general terms, the role of agriculture among the activities of the social group: the distribution of the labor force, changes in installations and equipment and in the various inputs and cultivation techniques, the situation as regards food and monetary resources and their allocation, new

developments as regards cooperatively or individually-owned equipment, the size of production units and so on.

The techniques will be similar to those of the straightforward follow-up using small panels of sample farmers with very extended stratification based on the preliminary study.

This follow-up can be very quickly done by local institutions and, once the system has been set up, the participation of experts can be limited to periodical technical support. (If an economist is permanently available, he will be in a position to follow up two -- or even three, depending on their size -- rural development operations.)

By periodically collating these data with those relating to the resources of the operation itself, it will be possible each year to establish accurate monitoring indexes which will suggest suitable changes in the control mechanism itself, and, every two years or more, to draw up an economic balance of the operation for use in correcting the pattern of the development process.

- (iii) The main purpose of drawing up an economic balance is:
- To provide an economic analysis of both short-term (output) and structural (equipment, distribution of activities) results, so that the difference between the new situation reached and the reference situation can be determined (start of the operation, with hypotheses as to development without outside action),

- to bring out trends and differences on which to base proposals for corrections or changes. If we assume that the preliminary study has been prepared as proposed, these changes will mainly be limited to partial adaptations basically aimed at improving results.

As regards certain points, the information obtained from the panel of farmers may only indicate a trend; if it is desired to quantify some of the factors more accurately, other units can be added by means of a semi-random or random sample survey (over some two to three months).

The use of analytical systems for data processing purposes (multiple inter-correlation, for example) will also make it possible to study the relationship of factors to the phenomena under observation and, if required, to correct parameters in the simulation model, if any, selected at the departure point. The procedures for the analyzing and formulating the operations, set up permanently at the outset within a system of logic the adequacy of which will have been checked over time, can thus easily be used for purposes of checking and making running adjustments, provided of course that such adjustments are under constant critical review.

(b) Diagnostic Survey/ ^{and} the Correction and Alteration of an Operation Underway

We will now turn to a case we come across frequently, where a diagonstic survey is requested with a view to the possible correction of an ongoing operation whose definition was not based on a preliminary study, as described above. To avoid going

back over the methodology and techniques used in the preceding cases which are still recommended in this case, we shall merely stress the various points that will require special attention in a diagnostic survey.

One point about this type of survey is the need to reconstruct as accurately as possible the situation^{of} the farmers' production units at the start of the project and to retrace the process of change since that time by means of a difficult and necessarily snapshot analysis of the "marriage" between a peasant society and a development operation.

Up till now, the relevant data with respect both to the reference situation and to the situation during implementation, have been much too fragmentary and inconsistent. Except for data on the development assistance structure itself, follow-up of the operation at the level of the farmers' is very incomplete. Under these circumstances we find ourselves forced to analyze the situation more in terms of physical data -- which are always more plentiful -- at the expense of socio-economic data, which are very scanty and virtually unusable.

The method we recommend on the basis of the ideas developed by our working group and partially implemented at this time in a few cases involves the adaptation of the framework presented for the preliminary study. This may at times require a more thorough analysis owing partly to the problems inherent in any historical study and partly to the heterogeneous nature of the situation within the zone as a result of the uneven impact of the operation.

In the first stage, the principle of a rapid but comprehensive preliminary survey of the area of development is applied, expanded to include a review of sample zones not affected by the operation, and of the specific reasons for their situation. Following on the preliminary survey, the final form of the questionnaire and of the sample survey (which are essentially concerned with analyzing the reasons for the dissemination or non-dissemination of the work of the operation) will be decided.

The survey at the village and primary production unit level (plots, concessions, etc) will use a semi-random or random sampling method covering slightly more ground than the preliminary survey. This will involve 250 to 300 primary units. The survey will be supplemented and completed by means of in-depth interviews with representatives of various groups: elders, farmers, office and technical personnel and supervisory staff. In some cases, additional surveys of specific points ^{information that is} will be required to remove possible ambiguities or to seek out/essential but unavailable (such as yield/input surveys; actual utilization of inputs purchased; locally produced agricultural equipment; new developments in methods/^{of} cultivation).

Data will be processed in the manner and according to the techniques used in a preliminary study for a new operation.

The comprehensive analysis and the diagnosis make it possible to measure the relative role of each factor in any delays or unsatisfactory developments that may be discovered. From this point on, it is relatively easy to propose the establishment of procedures for effective economic checks and, where required

to correct the aims and methods of the operation on the basis of a very much better understanding of the facts.

In total, all these jobs may require 10 to 12 months, depending on the specific case, but it is evident that most of this time will be spent preparing the first diagnostic survey and that the other periodical balances required thereafter will be very much less laborious.

(c) The economic balance of operations completed but to be started up again on another basis. There are only a few cases of operations which have been fully terminated, without a sequence of any kind. This would occur in the future, however, if financing agencies cease to subsidize these operations.

The preparation of an economic balance then becomes a special case: an attempt must be made, based on all the data available to determine the "increment" between the situation at the start (on which very little information will be available) and the situation on completion.

Here, we shall be mostly concerned with the more interesting case of those operations completed in accordance with conventional methods of development assistance but to be started up again on a different basis. The method to be used in drawing up the economic balance will be drawn from both the cases discussed above. To avoid repetition, we will merely say that an economic balance is approximately half way between being a diagnostic survey and a preliminary survey.

The diagnostic survey (the preliminary stage in this particular case) will be based on an in-depth study of the global agrarian system in transition as operated by the peasants. Its main purpose will be to show that what is an issue as regards the difficulties met with previously is not so much the validity of this or that technical theory (fertilizers, for example) as the incorrect assessment in the master plan (and therefore by the supervisory staff, which is dependent directly and exclusively on it) of prerequisite factors to be supplied by the farmers before the theory recommended could be adopted.

These factors consist of a whole network of methods and conditions stemming from the very nature of agricultural activity itself which, one tends only too often to forget, is unified activity and the very opposite of a system of division of labor such as we find in an industrial model. Unfortunately, however, there is every reason to fear that the model used in the master plans very often completely ignores this ~~this~~ fundamental characteristic of agriculture. This being the case, it is objectively impossible for farmers to submit to a system which in essence consists of making the theory in question autonomous from the whole network of conditions which have to be met before it can be put into practice.

This type of study, therefore, will involve proposals -- based on an essentially explanatory comparison -- as to the means to be used by and the characteristics required of the new structure so that the theories now recommended can be learnt and put into practice by them. It will be appreciated therefore that it is not the theory itself which is directly at issue (it may well be valid) but the overall context within which it was previously situated.

Finally, we might add that, since our concern here is to restart rural development operations on a new basis, every effort will be made to treat the problem as one of regional development. This is of course if the hypothesis is accepted, would require a broader review not only of the targets to be attained but also of the situation in the area.

A preliminary study of new types of development could -- once the errors made in the first stage have been eliminated -- concentrate more on other aspects, presumably on integrated development, which would be based on less heavily staffed, national structures.

Part III

Proposals for Immediate Action

Going beyond the disappointment at the unacceptably slow progress of rural development, we have tried to go deeper in search of explanations for delays or difficulties encountered. If our working assumptions are correct -- and we feel they should be, being the fruit of over 10 years -- we must expect a radical change in the design, management and methods of rural development studies and operations.

(1) In the immediate present, the most acute problem facing the various sources of financing -- and primarily the FAC (Fonds d'Aide et de Cooperation) and the European Development Fund -- is the future of the so-called "heavy" or "intensive" development operations underway at this time whose programs covering many years has to be renewed shortly. Though the results of these operations have been somewhat uneven, though in some cases not unimpressive, they do seem at this point to be having some trouble developing a second wind. They have generally been entrusted to assistance and supervisory structures staffed by foreigners whose cost is of necessity very high. Financing agencies are reluctant to simply to renew these costly commitments in their present form. The point is more particularly that these structures are presently the subject of increasingly open criticism in various forms and to various degrees on the part of governments and technical departments concerned.

The reluctance of the financing agencies is understandable:

- It would be difficult simply to suspend these operations; if the African or Malagasy farmers are not able to take them over for their own account, even through their own State technical departments, the result would be a fall in production. Furthermore, it would also be asked how it was that the lasting effect of operations this size could be so small.
- To renew them as a whole in their present form would be met with some reservations on the part of the recipient States and of the sources of aid whose appropriations for rural development have shrunk.
- To continue these operations while changing only the name of the structure and the nationality of its engineers and technicians would just be an easy way out.

Financing agencies are now becoming aware that the crux of the problem goes deeper than the nationality of the structure or of its staff which merely adds one further alien dimension to the already alien nature of this type of structure, in relation to the socio-agrarian structures of a peasant environment.

(2) As regards such immediate problems in operations now underway, of two or three of these operations we propose: to carry out a complete diagnostic survey/using the techniques and methodology described in Part II of this memorandum. This would involve a socio-economic analysis of a

scientific nature, supported by small-scale statistical surveys. The end-result would be very specific and realistic proposals for the correction and reorientation of those operations, possibly leading to changes in the structures themselves.

If, for example, we were to be offered the opportunity to prepare two studies, it would seem best that two operations, having substantially different staffing structures, should be selected for this purpose. For example, we could prepare an in-depth study of:

- One Upper-Volta RDO (Regional Development Organization)
- All or part of the operations in the Ader Doutchi Maggia, in Niger.
in Madagascar, Dahomey or Cameroon, for example,
Or, again, any other operation/of interest to the executing agent.

(3) The most interesting possibility -- since it is linked to the strengthening of existing rural development operations -- would be to make a preliminary study for a project to be set up in an area as yet untouched by development assistance. To our knowledge a study of this type, along the lines described in Part II of this memorandum, has never really been undertaken. But surely this would be the only way to acquire a proper understanding of the agricultural system and, based on this, to be in a position to propose targets, methods and staffing structures which properly reflect an objective assessment of realities and capacities without being tied to the pre-determined constraints of an imported structure.

We would like to make it clear, at this point, that we are prepared to participate in defining a rural development project

-- or program -- working closely with the national authorities involved and in consultation with the agencies responsible for foreign aid. We would also be available to assist, (within the framework of existing national structures and of such ad hoc regional structures as we can expect upon the completion of the preliminary study) in the preparation of socio-economic indicators and in providing additional training in specific areas to staff in charge of development programming. We are actually beginning to get a fairly precise & general picture of the exact shape of this new type of structure, which stems in particular from our experience of spontaneous development (livestock, truck-farming and so on) to which we alluded at the end of Part I. But, of course, only an in-depth preliminary study of the type recommended by us will make it possible to define these structures in the kind of specific terms that would make them directly operational.

For example, should the Malagasy Government wish to undertake a consistent and coordinated regional development program in the southern tip of Madagascar, SEDES is ready to take part, as consultant, in the definition and formulation of its objectives, in the establishment of means and methods, in the follow-up, in setting up progress indicators, and in providing possible additional training for national staff.

There are of course other opportunities which could be submitted.

(4) We would like to point out that we have not submitted these proposals without first examining their scope, in other words, the problems of implementation and the chances of success. We do not have any more than anyone else, any miracle solution to offer in this sphere. But our approach to this problem is ^{and therefore} comprehensive/fundamentally different in nature, in that it is based on an extremely careful historical study of a number of cases familiar to us. As can be appreciated the result has been the formulation of new methodological principles the theoretical consistency of which has already been tested by our ^{this} working group. It is for/reason that we feel we are in a position to assist in any attempt at putting them into practice.

(5) Our basic argument, which we cannot formulate in detail here, rests on the following premise: in any society, and especially in a society in a state of transition, as is the case of rural communities in Black Africa and Madagascar, to exist is not merely a matter of output but also of ensuring the continuity of the material and social fabric required to achieve that output. A community which loses this continuity cannot survive.

Yet rural development operations, and their present structures do not in any way reflect the need for continuity, whether it be of particular forms that ensure the renewal of the fabric as it existed in the reference situation or of new forms that ensure renewal within the system of constraints these new forms themselves solve.

bring about. In fact, these operations overlook and destroy the former, without providing farmers with any means whatsoever to master the latter.

Under such circumstances as these there can be no doubt -- as experience has, in all events, amply demonstrated -- that farmers will have very strong reservations about embarking on the road to development along lines mapped out for them up till now.

In practice, the application of our basic argument will no doubt result in the establishment of small-scale structures (whose specific form will be defined in the preliminary studies) closely reflecting and attuned to the rate and level of adaptation of rural communities. These small-scale structures will therefore be the fruit of a genuine and objective understanding of the production and stockraising patterns of the agricultural "primary units" for which they were intended. They will have at their disposal accurate information enabling them to take action at vital focal points where and when,^{required} so as to smooth the transition to a more advanced technological level.

As H. Legotien remarked: "Transition is bound to cause violent upheaval in other words, failure over the medium or long run, unless we recognize the vital role, implicit in any concepts of "rates" of rural development or farmer "know-how levels" achieved within the framework of a comprehensive agrarian system, played in a society in transition by its forms and system of

reproduction"...We must consider " not only the production techniques and forms to be introduced into the peasant environment: we must also bear in mind and bring to the forefront the existing forms of reproduction, with a view to ensuring that these latter forms (and the rate at which they can be made to adapt, which is certainly greater than may be recognized) dictate the forms of the technical assistance proposed."

(6) In the final analysis, the basic difference between this approach and the one which dominates the present system is that the end result of the former is the takeover by the peasants themselves of their own development whereas by the nature of things, the present system only succeeds in reproducing itself. What could be worse than to be placed in the position where the only option open is either to perpetuate a system of "supervised" farming, hemmed in by costly structures, or to return to the situation as it was before, only worsened by confusion or even inescapable crisis.

Our position is that we do offer an avenue that has been inadequately explored and that alone can provide a durable solution, since its roots are in rural society itself and it can, in the short run, be taken over by that society itself.

(7) What will be the consequences if the sources of financing were to adopt this approach?

(a) This will probably increase the cost of socio-economic analyses, of the orderly sorting and

utilization of information collected (whose purpose is among others, to supply the basis for a periodical evaluation of results). Simply stated, the cost of the studies is probably going to increase. The point will doubtless be made that, since these proposals are the work of a firm of consultants, how could this be otherwise. But a moment's reflection should convince us that, in view of the responsibility we would have to assume our motivation is much less a relative increase in our consultancy contracts than what we feel to be the fundamental need to propose the means to rescue the large-scale operations of the executing agents from their current impasse, while at the same time offering rural African and Malagasy communities a truly effective development process. And it should also be remembered that the studies represent a tiny proportion of the total cost of the projects themselves.

(b) At the same time, there should be a sizable decrease in program costs, due in part to the reduction in engineers and technical staff and to their Africanization, and in part to overheads lower than those associated with the former type of structures.

(c) Overall, the total cost of rural development actions should be appreciably lower, while the quality of the information as to what is really taking place in ~~prod~~ production units should improve considerably and producers

should be in a position gradually to take over the transformation of and improvement in their working and living conditions.

This, in our view, is the direction in which all ideas and actions must travel, if their purpose is to bring about an increase in capital expenditure in the rural sector of Black Africa and Madagascar.

/s/ Department I

"Development Actions"

Rural Development

STEIN 20 51 5000
Mr. Alexander Stevenson

April 27, 1972

G. F. Donaldson

Research Proposal on East African Rural Development Study

1. In the memorandum forwarded by you to Mr. Stern, dated April 26, 1972, an error has crept which may have serious implications for the successful completion of the East African rural development study.
2. As a consequence of point (v) of your memorandum the budget request has now been reduced to \$75,000. This is 40 percent of the original amount proposed (\$180,000) when the terms of reference were first promulgated and roughly 20 percent of that proposed in the Research Proposal (\$280,000 over two years).
3. As Indicated in the draft memorandum I prepared (dated April 19) relating to the Steering Committee's discussions, the projects proposed for in-depth study must now be included among those subject to the less rigorous "project review". These are judged to be the key projects so far as our study is concerned. Even if not now studied "in-depth", these must still be studied in some detail. Yet, the budget to cover their study has now in effect been dropped completely, though I am sure that this was not your intention.
4. In Mr. Reutlinger's absence, may I suggest that the budget request for Phase I should remain at the originally proposed figure of \$180,000, covering FY73 only. This includes all project reviews and other activities. This implies that the "project reviews" of the projects previously slated for "in-depth study" will be more expensive than the other, previously planned, "project reviews". I expect this will be so because (i) they are larger projects, (ii) they are more important in our overall scheme, so that we want to know more about them, and (iii) there is more information available on them which has to be reviewed - even though the in-depth element is now dropped for the time being. Further, since we are not able to proceed with the "in-depth studies", it has become apparent that we cannot now attract the young researchers we had hoped to use for the project review work, and that more extensive short term consultants may now be necessary.
5. For these reasons a reduction in the budget request to \$75,000 would mean that we could not proceed with the study, except in a most perfunctory way.

GFDonaldson:mw

cc: Messrs. M. Haq
A. Egbert
S. Reutlinger

OFFICE MEMORANDUM

Yellow copy
Rural Development

TO: Mr. Ernest Stern

FROM: Alexander Stevenson *AS*

SUBJECT: Research Proposal on East Africa Rural Development Study

DATE: April 26, 1972

In forwarding the above proposal to you on April 17, I had indicated that the Steering Committee was considering this proposal and that its recommendations would be sent to the Research Committee later on. The Steering Committee has met since then and came to the following main conclusions:

- (i) the proposal should be submitted to the Research Committee in its present form, subject to the condition that certain qualifications concerning the proposal (as detailed below) be drawn to the attention of the Research Committee;
- (ii) the Steering Committee supports the budget proposed for FY73 covering the "Review and Analysis of Projects" as spelled out in the proposed terms of reference for Phase I (pages 6-9). The Committee emphasizes its concern that Phase I should be completed within the 12-month period specified in the terms of reference;
- (iii) the activities referred to as "in-depth" studies are not included as part of Phase I. However, it is anticipated that further research studies on rural development will be proposed at a later date reflecting the experience and information gathered under Phase I. These appear as "In-depth Project Studies" in the attached documents;
- (iv) the number of projects to be studied in detail is to be limited to about eight drawn from the list in Annex I. The study will, of course, also draw upon experience with other projects from publications, Bank documents and other sources; and
- (v) the separate provision for "short papers, advisors and seminars" at \$30,000 for FY73 appears to be too large in relation to \$50,000 for "review and analysis of projects" which appears to be an under-estimate. It is, therefore, suggested that the total cost of Phase I should be tentatively shown as \$75,000 with no separate breakdown at this stage.

cc: Steering Committee Members - Messrs. H. Adler
B. de Vries
M. Haq
S. Husain

Messrs. S. Reutlinger
L. Hansen
G. Donaldson
S. Denning
J. Hendry

OFFICE MEMORANDUM

Mr. Reutlinger file
Africa Study

TO: Mr. Alexander Stevenson

DATE: April 25, 1972

FROM: Tariq Husain

SUBJECT: TANZANIA: Appraisal of Phase II Livestock Project -
KENYA : Research - Evaluation of Alternative Livestock Production
Schemes in Kenya - Back-to-Office Report

IFO-Institut, Munich

1. In accordance with my terms of reference I visited Dr. R. Gusten, Director, Centre of African Studies, IFO-Institut für Wirtschaftsforschung, Munich, Germany. The Centre has been working in East Africa for some years and has concentrated on agriculture. Eight persons are working in the African studies group. The Institute publishes three series (a) "Afrika-Studien" - about seventy six publications have been published in this series, (b) "Information and Documentation" - three have been published in this series, (c) "African Research Reports" - about thirty five have been published in this series. Further, about thirteen studies are in various stages of preparation - a list of the published and under preparation studies is attached. I picked ten (marked with an asterisk in the list) of the studies for possible use in the East Africa study.

2. The Centre of African Studies is now shifting its attention towards industry with a regional focus on West Africa. The Institute is non-profit and derives its revenues partially from government grant (40 percent) and partially from consulting work for governments and international organizations and from sale of publications. Dr. Gusten indicated interest in collaborative work on problems of mutual interest and we could find the Institut a useful source of information and expertise for the East African study.

Appraisal Mission - Tanzania

3. From Munich I proceeded to Dar-es-Salaam to participate in a livestock appraisal mission. The proposed project included livestock production (government ranches, Ujjamaa ranches), livestock movement and marketing (stock routes, holding grounds, markets and a marketing organization), meat processing (four plants) and disease control (a foot and mouth vaccine production plant). The cost of the project was US\$38 million, of which US\$14 million was for the meat processing plants. The mission's recommendations include these components except for the vaccine production plant, one meat processing plant, and a smaller number of Ujjamaa ranches than proposed (25 instead of the proposed 90). The revised cost of the project is US\$22 million. The attached back-to-office report of the mission gives some additional details.

Research Mission - Kenya

4. From Dar-es-Salaam I proceeded to Nairobi to discuss the research proposal with the potential participants in the study. I met Drs. H. U. Thimm and Alan Jacobs of the University of Nairobi; Drs. G. Gwyer and I. Carruthers of the Institute for Development Studies; Mr. Sid Meadows of the Ministry of

April 25, 1972

Agriculture; and Mr. Von Kaufman of the Agricultural Finance Corporation. In connection with the Tanzanian proposal I also met Dr. P. Capstick, Mr. I. Osborn of the Vaccine Production Laboratory and Cooper Kenya Ltd. respectively. I had discussions with PMEA.

5. Towards the end of my stay in Nairobi the research proposal had been broadened and sharpened. The tentative proposal is to carry out the study in two stages. In stage I the research team will review the available evidence and develop a set of testable hypotheses and a research plan. If the research plan is well conceived it will be executed in Stage II. The duration of stage I is expected to be five months (September 1972 to January 1973), that for stage II about eighteen months (February 1973 to September 1974). The research review from stage I is expected to contribute to the Phase I of the East African study. A draft of the research proposal has been submitted to Mr. Mahbub-ul Haq; it has also been sent to Area and Projects Departments for comments.

6. In order to initiate stage I of this study by September 1972 it will be necessary to inform the researchers before the end of May 1972. Shlomo will be further discussing this aspect with Profs. Thimm and Jacobs during his visit to Kenya. A more concrete strategy would therefore be suggested after he returns. But the essential problem is that the potential participants have indicated that only a review of literature (stage I) type of proposal will not be very interesting. Their view is for at least a two year study in which some new information may be generated. They are interested in stage I as a necessary starting point for any serious research, but would like to have some assurance that stage II will be forthcoming. The same sort of problem is also likely to arise in the other review exercises that we may undertake for the East Africa study. That is, Phase I of the East Africa study may be difficult to execute because good researchers would be less inclined to participate in a purely review exercise.

THusain:mw

Attach.

cc: Messrs. P. D. Henderson
M. Haq
S. Reutlinger/
G. Donaldson
Mrs. U. Lele
Mr. R. Shaw

**Studies within the African Research Programme
of the
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(as at Autumn 1971)**

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By S. Pausewang

Rural Dev

April 25, 1972

Dr. Earl Kulp
Institute of Public Administration
P. O. Box 20131
Lugogo,
Kampala,
UGANDA

Dear Dr. Kulp:

I have just noticed your address in the graduate program newsletter from the Woodrow Wilson School. I spent a year at the WWS in 1968-69 and finally managed to graduate in January of this year, having worked for the Overseas Development Council in Washington in the meantime. I have recently joined the World Bank in the Agriculture and Rural Development Division of the Economics Department. We are just embarking on a major study of rural development in Africa, with a particular emphasis on East Africa.

One of the first tasks I undertook after joining the Bank was to read your fascinating book on Rural Development Planning. I find it extremely provocative and full of interesting thoughts. And I also understand that it has been of great influence on John Gerhart and consequently on the SRDP's in Kenya.

I am enclosing a copy of our terms of reference and would be very grateful for any comments that you might have on them. I also wonder whether you have any suggestions about particularly interesting rural development projects in Uganda which you might think it worth our while to visit. If there are such projects, might you have any time in the coming year to help to evaluate them? Or do you have any outstanding colleagues or graduate students who might act in a similar capacity. As you will see from the terms of reference, we are still in a rather preliminary stage of thought about these problems, but we do hope to have a conceptual framework and a more clearly defined list of projects or programs worked out within the next few weeks.

Dr. Earl Kulp

- 2 -

April 25, 1972

I look forward to hearing from you. With best wishes,

Yours sincerely,

R. d'G.S.

Robert Shaw
Agriculture & Rural Development Division
Economics Department

Enclosure

RShaw/sks

Rural Dev -

April 25, 1972

Mr. R. J. Ward
R. L. Hines Associates, Inc.
1030 Fifteenth Street, N.W.
Washington, D.C. 20005

Dear Mr. Ward:

Thank you for your kind letter of April 21. Ironically, it was your article in the January 1969 issue of "Economic Development and Cultural Change" which helped to spark my interest in the whole question of agricultural employment. I also think that we have met briefly at an earlier SID function. In any case, I should like to have the opportunity of talking to you in more depth, particularly since we in the Bank are just embarking on a fairly intensive study of rural development experiences in Africa in the hope of being able to produce some guidelines for Bank lending in this rather amorphous area. Perhaps you could give me a call (477-2584) when you have time.

I very much look forward to meeting you.

Yours sincerely,

R.d'G.A.

Robert Shaw
Agriculture & Rural Development Division
Economics Department

RShaw/sks

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Mrs. S. Armstrong

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April 25, 1972

G. F. Donaldson

Research Assistants - African Rural Development Study

1. In accordance with the proposal recently presented to the Research Committee, we wish to recruit several research assistants to work in the Agriculture and Rural Development Division for the summer period. If we are able to get fairly experienced people (e.g. Ph.D. students in their final years) I expect we can use at least four such persons. This is in addition to those sought for other projects within the Division.

2. The main activity will be to assemble documents, files and records relating to past Bank projects, and to summarize and review them.

3. Training in micro-economics, with an interest in development, and in Africa, are essential pre-requisites. The ability to draft in English is also essential. If one or two were able to read French proficiently that would also be useful. The type of experience and training possessed by Miss Deborah Sullivan seem ideally suited to our needs.

GFDonaldson:mw

Cleared with and cc: Mr. A. Egbert

cc: Messrs. S. Reutlinger
R. Shaw
Mrs. U. Lele

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April 25, 1972

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Mrs. S. Armstrong

G. F. Donaldson

Research Assistants - African Rural Development Study

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GFD:Donaldson:wm

Cleared with and cc: Mr. A. E. Ford

cc: Messrs. S. Neutlinger
R. Shaw
Mrs. U. Lela

Rural Dev

Mr. Alexander Stevenson

April 24, 1972

Tariq Husain

Payment for Research Documents obtained from IFO-Institut, Munich for
Use in the East Africa Study

1. According to my terms of reference I stopped in Munich, on my way to Tanzania, and visited IFO-Institut. They have been doing some interesting work in Agricultural Economics in East Africa. Some of their publications could be useful for our own study. I asked them to send the relevant ones to Washington. A partial list of the publications is:

- African Agricultural Development Policy in Kenya 1952-65 by Ruthenburg
- Studies in Production and Trends in East Africa by Zajadacz
- Crafts, Small Scale Industries and Industrial Production in Tanzania by Schadler
- Rural Economic Development in Zambia 1890-1964 by J. A. Hellen.

2. The total cost of ten publications is DM 307.20 (\$98.00) and invoices are attached. Could you authorize payment for this material.

Attachment

THusain:mw

cc: Mr. S. Reutlinger

APR 27 1972

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cc: Mr. S. W. Harrison.

Mr. W. H. Harrison

Mr. W. H. Harrison

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Mr. W. H. Harrison

Mr. W. H. Harrison

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REPORT ON RURAL DEVELOPMENT IN SUB-SAHELIAN AFRICA

Part I: Background

1. Introduction

- Bank's interests and concerns
- past efforts and contributions
- point of departure - reason for study
- possible future interests
- governments concerns - pro and con

2. Dimensions of the Problem

- system pressures
- population growth
- resource base
- local culture and value system

for some countries?

3. State of the Arts

- agricultural expansion projects
- community development schemes
- integrated rural development
- foreign technical assistance
- government programs and policies

Part II: Analytical Framework

4. The African Rural Context

- distinguish "wet" and "dry" regions
- natural resource base and its development
- economic trends
- human resources and social characteristics
- settlement patterns
- non-farm ingredients
- government policies and programs
- environmental considerations

5. Dynamics of African Rural Development.

- (study hypotheses)

Part III: Evidence

6. Development of Farm Technology

- improving current practices (crops and livestock)
- research functions and new technology
- local adaptation and package tuning

7. Development of Ancillary Technology

- small scale processing
- handling and storage
- intermediate techniques
- other primary industries (fishing, forestry, mining)
- crafts and trades (carpenters, blacksmiths, manufacturing)

8. Vehicles for Technical Innovation

- information systems
- production schemes
- package programs
- extension & training
- farming and other activities

9. Capital Formation and Maintenance

- credit needs and availability
- conditions and terms
- delivery systems
- savings, expenditure patterns
- farm and non-farm activities

10. Commercial Support Activities

- output marketing arrangement
- input support services
- price policies and practices
- incentives
- agric. and other activities.

11. Institutional Infrastructure

- health services
- education
- local organizations and institutions
- multi-purpose support institutions
- administrative arrangements

12. Physical Infrastructure

- roads, elect., water supply
- land development, irrigation, forests
- production support
- consumption aspects

Part IV: Summation

13. Critique of Current Practice

- production vs. distribution

14. Scheduling Integrated Rural Development

- potential government strategies

15. Bank Participation in I.R.D.P.'s

- programs or projects
- technical assistance
- intermediaries
- ecological considerations
- socio-cultural considerations

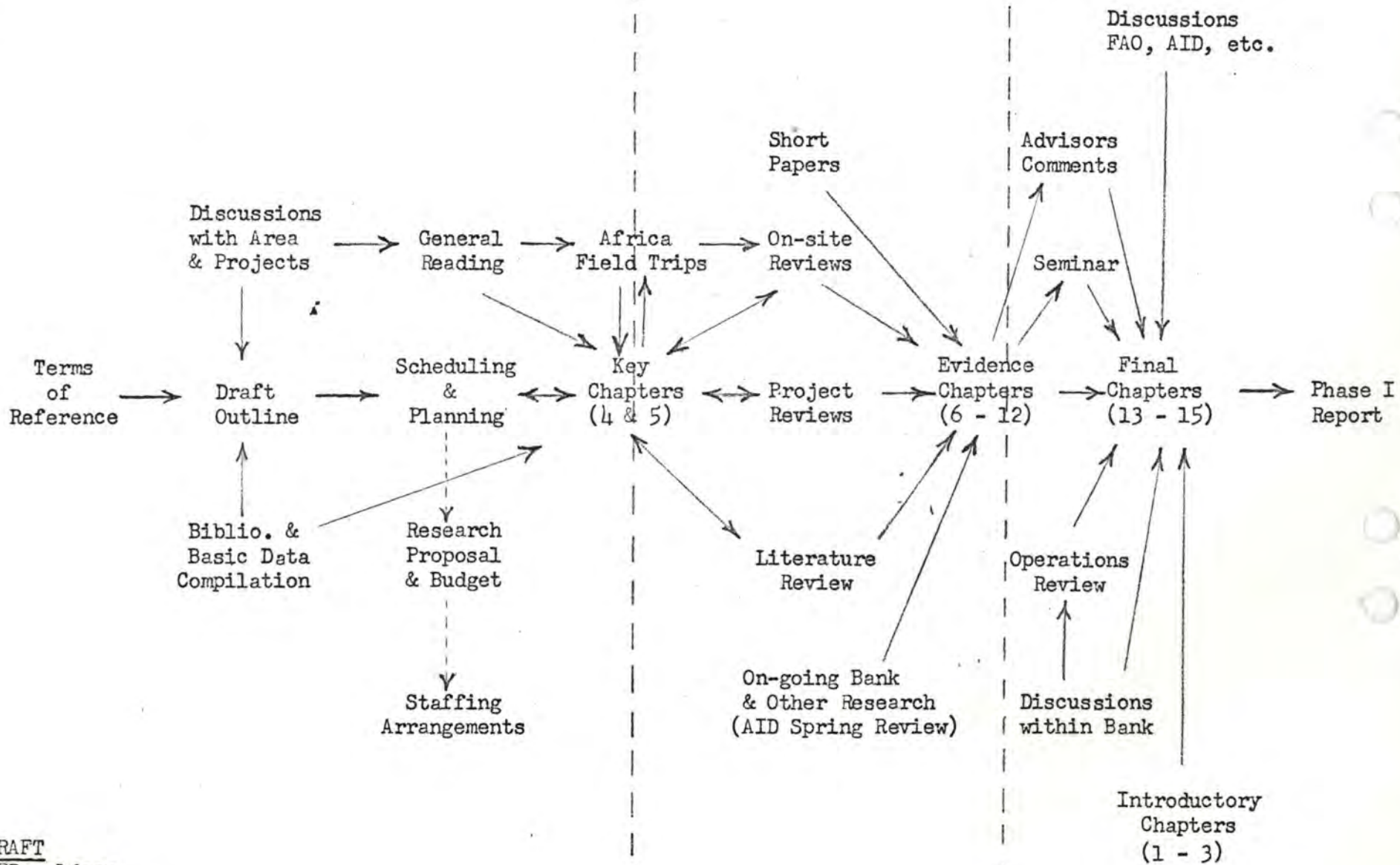
AFRICAN RURAL DEVELOPMENT STUDY - SEQUENCE OF ACTIVITIES

Timing:

Feb. - May 1972

June - Dec. 1972

¹ Jan. - March 1973



DRAFT
GFDonaldson
April 27, 1972

Mr. Alexander Stevenson
Steering Committee of EARDS

April 19, 1972

G. F. Donaldson

Research Proposal - East Africa Rural Development Study

1. The attached Research Proposal was considered by the Steering Committee of the East Africa Rural Development Study, at a meeting on Monday, April 17, 1972, during which the following procedure was agreed:

- (i) that the attached proposal should be submitted to the Research Committee in its present form, subject to the condition that certain qualifications concerning the proposal (as detailed below) be drawn to the attention of the Research Committee;
- (ii) that the Steering Committee supports the budget proposed for FY73 covering Phase I, and emphasizes its concern that Phase I should be completed within the twelve months period specified in the terms of reference;
- (iii) that no activity with a time span exceeding that of Phase I should be initiated as part of the EARDS until the report arising from Phase I is in hand;
- (iv) that the activities referred to as "in-depth" studies will not be included as a part of Phase I, but that the projects previously suggested for "in-depth" study may now be included among those selected for "project review", as commensurate with the nature of Phase I, provided that together these should not exceed 10 in number.

2. The budget provision for FY74, most of which relates to the so-called "in-depth" studies, is included in the proposal only to reflect our expectation that further empirical study and analysis will be necessary as a follow-up to some of the project reviews, subsequent to Phase I but prior to completion of Phase III of the EARDS. Since the Steering Committee felt strongly that such studies should not be initiated at the present time, this provision is tentative and subject to review and agreement by the Steering Committee before proceeding.

Attachment
GFDonaldson:mnw

cc: Steering Committee Members - Messrs. H. Adler
B. de Vries
M. Haq
S. Husain

cc: Messrs. S. Reutlinger Messrs. A. Egbert
L. Hansen R. Shaw
S. Denning Mrs. U. Lele

2. President
1. President
cc: Messrs. 2. Messrs.

Mr. N. 1972
Mr. N. 1972
Mr. N. 1972
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Mr. N. 1972
Mr. N. 1972

cc: Steering Committee Messrs. - Messrs. N. 1972

Mr. N. 1972
Mr. N. 1972

steering committee reports proceeding.
this resolution is tentative and subject to review and amendment by the
joint advisory committee which should not be initiated at the present time.
before the completion of phase III of the study. Since the steering committee
is a joint body to some of the proposed changes, amendments to phase I and
all expenditures must involve committee approval and therefore will be necessary
no matter "in order" articles, as indicated in the proposed bill to reflect
the higher resolution for bill, none of which refers to the

- should not exceed 10 in number.
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should be initiated as part of the study until the report
(15) that no matter with a time when exceeding that of phase I
in the terms of reference:
should be completed within the same month period specified
bill covering phase I, and committee its concern that phase I
(16) that the steering committee approves the higher proposed for
reason) be given to the attention of the research committee:
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committee in the present form, subject to the condition that
(17) that the proposed proposed should be submitted to the research

request, what is to be done with the following proposals are agreed:
committee of the joint advisory committee should, at a meeting on
1. The proposed research proposal was considered by the steering

research proposal - joint advisory committee should

2. 1. President

steering committee of study
Mr. N. 1972

what is to be done

Handwritten signature

Rural Dev

Mr. Alexander Stevenson

April 19, 1972

Hans A. Adler *H.A.A.*

Research Proposal - East Africa Rural Development Study

1. To properly reflect the decisions of the Steering Committee at its meeting of April 17, 1972, I suggest that the following covering memorandum for the proposal be submitted to the Research Committee as an alternative to changing the proposal itself:

The attached Research Proposal was considered by the Steering Committee of the East Africa Rural Development Study, at a meeting on Monday, April 17, 1972, during which the following procedure was agreed:

- (i) that the attached proposal should be submitted to the Research Committee in its present form, subject to the condition that certain qualifications concerning the proposal (as detailed below) be drawn to the attention of the Research Committee;
- (ii) that the Steering Committee supports the budget proposed for FY 73 covering the "Review and Analysis of Projects" as spelled out in the proposed terms of reference for Phase I (pages 6-9). The Committee emphasizes its concern that Phase I should be completed within the 12-month period specified in the terms of reference;
- (iii) that the activities referred to as "in-depth" studies are not included as part of Phase I. However, it is anticipated that further research studies on rural development will be proposed at a later date reflecting the experience and information gathered under Phase I. These appear as "In-depth Project Studies" in the attached documents;
- (iv) the number of projects to be studied in detail is to be limited to about eight drawn from the list in Annex I. The Study will, of course, also draw upon experience with other projects from publications, Bank documents and other sources; and
- (v) the Terms of Reference for the Study as approved by the Steering Committee do not include provision for "short papers, advisors or seminars".

HAA:yt

cc: Steering Committee Members - Messrs B. de Vries
M. Haq
S. Husain

Messrs S. Reutlinger
L. Hansen

Denning
Hendry

HEUNG
DENNING

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cc: Breeding Committee Members: Messrs B. G. Allen

HVGTGL:ΛC

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It is further noted that the following documents are being:

of the Great Villages Union Development Group' at a meeting on Monday, April 1968. The attached Research Proposal was considered at the meeting committee

СЛУЖБА ЗА БЕЗОПАСНОСТ РАБОТЕ:

For the Bureau to be submitted to the Research Committee as an attachment to meeting of May 11, 1945, I submit that the following meeting memorandum is to be submitted to the Research Committee as an attachment to meeting of May 11, 1945.

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Mr. Alexander Stevenson
Steering Committee of EARDS
G. F. Donaldson

April 17, 1972

Research Proposal - East Africa Rural Development Study

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- (iii) that no activity with a time span exceeding that of Phase I should be initiated as part of the EARDS until the report arising from Phase I is in hand;
- (iv) that the activities referred to in the proposal as "in-depth" studies should not exceed the "project review" stage, as commensurate with the needs of Phase I, without first being considered by the Steering Committee separately and on their own merits.

2. The budget provision for FY74, most of which relates to the so-called "in-depth" studies, is included in the proposal to reflect our expectation that further empirical study and analysis will be necessary as a follow-up to some of the project reviews, prior to completion of Phase III of the EARDS. This provision is tentative and subject to review and agreement before proceeding.

Attachment

GFDonaldson:rw

cc: Steering Committee Members - Messrs. H. Adler
B. de Vries
M. ul Haq
S. Husain

cc: Messrs. S. Reutlinger
L. Hansen
S. Denning
R. Shaw
Mrs. U. Lele
Mr. A. Egbert

2. HOWARD
M. DE NOB
B. DE ALTON
H. VICTOR

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APPENDIX

of the future. This booklet is intended and applies to leaders and a portion of some of the brother leaders' input to consideration of these III considerations that further significant areas and suggests many be necessary as co-ordinated "in-between" approach is included in the booklet to discuss only. The booklet booklet for III, more of which leaders for the

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 4. following table.

Research Project - East Africa Policy Development Group

U. S. DEPARTMENT
OF AGRICULTURE
BUREAU OF PLANT INDUSTRY

THESE

Rural Dev -

April 14, 1972

Dr. Judith Heyer
Department of Economics, Nairobi
P.O. Box 30197
Nairobi
KENYA

Dear Dr. Heyer,

As you probably know, there has recently been considerable interest within the Bank in the problems of rural development. The Bank is specifically interested in exploring what role it may play in rural development in East Africa in the future. We, therefore, propose to launch a policy-oriented research program on rural development in East Africa.

In this connection, Shlomo Reutlinger and I will visit Nairobi during April 17, 18 and 19. The purpose of our visit will be to discuss with the persons involved in research on and operations of rural development programs in East Africa the following issues: (1) What policy-oriented research exists or is underway on rural development. (2) What problems related to rural development need a better understanding but have not yet been investigated. (3) What further research may be undertaken in this area. (4) What contribution could persons and institutions from East Africa make in further research on the subject. (5) What possibility may exist for new action programs on rural development. (6) What role may the Bank play in such action programs. From such meetings and with further research work from within and outside the Bank on an approach to rural development may evolve new projects that better meet the goals of improving the living conditions of large numbers of persons in rural East Africa.

Your name has been suggested by several persons because of your considerable involvement in this field. We would very much like to meet you and discuss these various issues with you when we visit Kenya.

Sincerely yours,

f Uma Lele
Agriculture & Rural Development Division
Economics Department

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DEVELOPMENT OF ECONOMICS' HISTORY

DE. VIKTOR HOLST.

וְהָיָה יוֹם יָדָאֵס

rural Dev.

April 14, 1972

Professor Maitha
Department of Economics
P.O. Box 30197
Nairobi
KENYA

Dear Professor Maitha,

As you probably know, there has recently been considerable interest within the Bank in the problems of rural development. The Bank is specifically interested in exploring what role it may play in rural development in East Africa in the future. We, therefore, propose to launch a policy-oriented research program on rural development in East Africa.

In this connection, Shlomo Reutlinger and I will visit Nairobi during April 17, 18 and 19. The purpose of our visit will be to discuss with the persons involved in research on and operations of rural development programs in East Africa the following issues: (1) What policy-oriented research exists or is underway on rural development. (2) What problems related to rural development need a better understanding but have not yet been investigated. (3) What further research may be undertaken in this area. (4) What contribution could persons and institutions from East Africa make in further research on the subject. (5) What possibility may exist for new action programs on rural development. (6) What role may the Bank play in such action programs. From such meetings and with further research work from within and outside the Bank on an approach to rural development may evolve new projects that better meet the goals of improving the living conditions of large numbers of persons in rural East Africa.

Your name has been suggested by several persons because of your considerable involvement in this field. We would very much like to meet you and discuss these various issues with you when we visit Kenya.

Sincerely yours,

f Uma Lele

Agriculture & Rural Development Division
Economics Department

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APR 18 2 57 PM 1972

ECONOMICS DEPARTMENT
UNIVERSITY OF MARYLAND COLLEGE PARK
PAC 100

UNIVERSITY PARK

Let me please please explain to you how much we are going to
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UNIVERSITY PARK

UNIVERSITY PARK

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Rural Dev

April 14, 1972

Mr. J. Njukia
Faculty of Agriculture
P.O. Box 30197
Nairobi
KENYA

Dear Mr. Njukia,

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Sincerely yours,

f Uma Lela
Agriculture & Rural Development Division
Economics Department

SReutlinger:coh

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ЕКОНОМИЧЕСКАЯ РЕФОРМА
УВЕДОМЛЕНИЕ О ВНЕШНЕМ ЗАЯВЛЕНИИ
ОБЪЕКТА

УВЕДОМЛЕНИЕ

Вопрос о предоставлении информации о состоянии дел в области экономики
и о мерах по ее улучшению. В настоящее время в области экономики
наблюдается тенденция к ухудшению дел.

Состояние дел в области экономики в настоящее время характеризуется
следующими факторами: (1) наличие дефицита сырья и материалов,
которые необходимы для производства продукции; (2) наличие дефицита
финансовых средств, необходимых для финансирования производства;
(3) наличие дефицита квалифицированных кадров, необходимых для
производства продукции; (4) наличие дефицита энергии, необходимой
для производства продукции; (5) наличие дефицита информации,
необходимой для производства продукции. В настоящее время в области
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Вопрос о предоставлении информации о состоянии дел в области экономики

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и о мерах по ее улучшению. В настоящее время в области экономики
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Вопрос о предоставлении информации о состоянии дел в области экономики

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Rural Dev

April 14, 1972

Dr. R. Clough
Ministry of Finance, Kenya Government
Nairobi
KENYA

Dear Dr. Clough,

As you probably know, there has recently been considerable interest within the Bank in the problems of rural development. The Bank is specifically interested in exploring what role it may play in rural development in East Africa in the future. We, therefore, propose to launch a policy-oriented research program on rural development in East Africa.

In this connection, Shlomo Reutlinger and I will visit Nairobi during April 17, 18 and 19. The purpose of our visit will be to discuss with the persons involved in research on and operations of rural development programs in East Africa the following issues: (1) What policy-oriented research exists or is underway on rural development. (2) What problems related to rural development need a better understanding but have not yet been investigated. (3) What further research may be undertaken in this area. (4) What contribution could persons and institutions from East Africa make in further research on the subject. (5) What possibility may exist for new action programs on rural development. (6) What role may the Bank play in such action programs. From such meetings and with further research work from within and outside the Bank on an approach to rural development may evolve new projects that better meet the goals of improving the living conditions of large numbers of persons in rural East Africa.

Your name has been suggested by several persons because of your considerable involvement in this field. We would very much like to meet you and discuss these various issues with you when we visit Kenya.

Sincerely yours,

f Uma Lele
Agriculture & Rural Development Division
Economics Department

SReutlinger:coh

APR 17 5 24 PM 1972

APR 18 2 57 PM 1972

Всеполномоченный представитель
Великобритании и Ирландии делегированный правительством
Лондон

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История
История о Лувене? Кеман ГОДЕХИМЕН
ДК. Н. СТОЛЫ

WOLFF J^r 1815

Rural Dev

April 14, 1972

Dr. Dan Etherington
Department of Economics
P.O. Box 30197
Nairobi
KENYA

Dear Dr. Etherington,

As you probably know, there has recently been considerable interest within the Bank in the problems of rural development. The Bank is specifically interested in exploring what role it may play in rural development in East Africa in the future. We, therefore, propose to launch a policy-oriented research program on rural development in East Africa.

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Sincerely yours,

f Uma Lele
Agriculture & Rural Development Division
Economics Department

SReutlinger:coh

MAR 12 5 22 PM 1972

APR 18 2 56 PM 1972

ЕКОНОМСКО ДЕВЈАЉАНЊЕ
УБИЈАЊЕ И ПУЉИ ДЕЈАЉАЊЕ ПУЉАЊИ
ОД ГЕТЕ

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Կարգը և հովիտ-օգնության կեսերը ճիշդն օր կնիշ գաղտնաբանք ին ճիւղ
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VOLUME 115

Rural Development

April 14, 1972

Professor Tim
Faculty of Agriculture
Nairobi
P.O. Box 30197
Nairobi, Kenya

Dear Professor Tim,

As you probably know, there has recently been considerable interest within the Bank in the problems of rural development. The Bank is specifically interested in exploring what role it may play in rural development in East Africa in the future. We, therefore, propose to launch a policy-oriented research program on rural development in East Africa.

In this connection, Uma Lele and I will visit Nairobi during April 17, 18 and 19. The purpose of our visit will be to discuss with the persons involved in research on and operations of rural development programs in East Africa the following issues: (1) What policy-oriented research exists or is underway on rural development. (2) What problems related to rural development need a better understanding but have not yet been investigated. (3) What further research may be undertaken in this area. (4) What contribution could persons and institutions from East Africa make in further research on the subject. (5) What possibility may exist for new action programs on rural development. (6) What role may the Bank play in such action programs. From such meetings and with further research work from within and outside the Bank on an approach to rural development may evolve new projects that better meet the goals of improving the living conditions of large numbers of persons in rural East Africa.

Of course, I am particularly interested to discuss with you the research proposals which you have worked up with Mr. Tariq Husain of my Division.

Sincerely yours,

Shlomo Reutlinger
Chief
Agriculture and Rural Development Division
Economics Department

SReutlinger:coh

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APR 17 12 15 PM 1972

WATSON

DIAGNOSTIC
 LABORATORY BIOCHEMISTRY UNIT, 1000 PINE STREET, NEW YORK, N.Y. 10036
 OF COURSE, I AM INTERESTED IN YOUR RESEARCH ON THE

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אֲבִלְיָהּ יוֹדֵי יִשְׂרָאֵל

Institute for Dev. Studies
✓ Reural dev.

April 14, 1972

Mr. Milan Bedi
Institute of Development Studies
P.O. Box 30197
Nairobi
Kenya

Dear Mr. Bedi,

As you probably know, there has recently been considerable interest within the Bank in the problems of rural development. The Bank is specifically interested in exploring what role it may play in rural development in East Africa in the future. We, therefore, propose to launch a policy-oriented research program on rural development in East Africa.

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Sincerely yours,

f. Uma Lele
Agriculture & Rural Development Division
Economics Department

SReutlinger:coh

list of Dev Studies
✓ cc Rural Dev

April 14, 1972

Dr. Philip Mbiti
Institute of Development Studies
P.O. Box 30197
Nairobi
KENYA

Dear Dr. Mbiti,

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Sincerely yours,

f Uma Lele
Agriculture & Rural Development Division
Economics Department

SReutlinger:coh

list of Dev. Studies
✓ cc Rural Dev

April 14, 1972

Dr. George Gwyer
Institute of Development Studies
P.O. Box 30197
Nairobi
KENYA

Dear Dr. Gwyer,

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Sincerely yours,

Shlomo Reutlinger
Chief
Agriculture and Rural Development Division
Economics Department

SReutlinger:coh

Inst. of Dev. Studies
✓ CC. Rural Dev.

April 14, 1972

Professor Stephen Lewis
Institute of Development Studies
P.O. Box 30197
Nairobi
KENYA

Dear Professor Lewis,

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Sincerely yours,

f Uma Lele
Agriculture & Rural Development Division
Economics Department

SReutlinger:coh

✓ List of Dr. Spiller
cc - Rural Dev -

April 14, 1972

Dr. D.G.R. Belshaw,
Institute of Development Studies
P.O. Box 30197
Nairobi
Kenya

Dear Dr. Belshaw,

As you probably know, there has recently been considerable interest within the Bank in the problems of rural development. The Bank is specifically interested in exploring what role it may play in rural development in East Africa in the future. We, therefore, propose to launch a policy-oriented research program on rural development in East Africa.

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Sincerely yours,

f Uma Lela
Agriculture & Rural Development Division
Economics Department

SReutlinger:coh

list - of Dev-studies
✓ RURAL DEV

April 14, 1972

Dr. Peter Hopecraft
Institute of Development Studies
P.O. Box 30197
Nairobi
KENYA

Dear Dr. Hopecraft,

As you probably know, there has recently been considerable interest within the Bank in the problems of rural development. The Bank is specifically interested in exploring what role it may play in rural development in East Africa in the future. We, therefore, propose to launch a policy-oriented research program on rural development in East Africa.

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Sincerely yours,

f Uma Lele
Agriculture & Rural Development Division
Economics Department

SReutlinger:coh

*Inst. of Dev. Studies
Vcc Rural Dev*

April 17, 1972

Dr. Michael Lipton
Institute of Development Studies
University of Sussex
Falmer, Brighton
Sussex, ENGLAND

Dear Michael:

I am sending to you under separate cover the various publications I brought back from Taipei. I do hope that they get there soon. I am also enclosing a copy of our terms of reference for the African Rural Development Study that the World Bank plans to mount over the next twelve months. Shlomo Reutlinger, Chief of the Agriculture and Rural Development Division, will, I think, be at the Institute of Development Studies at the end of April to see Bob Cassen, among others. If you have any interest in this study and particularly if you have any Ph.D. students who might be able to participate, perhaps you could get in touch with Shlomo through Bob.

I spent a very interesting day after you left with the JCRR. The "poor area" I was taken to visit was obviously a showplace - farms of four hectares each which had been growing tea and making a relatively poor living, but which had now taken up integrated hog production and were doing pretty well. One farmer I spent an hour with had forty hogs in a pen with a capital investment of about \$2,500. His net income was also about \$2,500 a year from these hogs alone! The operation itself was very impressive with the excrement being brushed out of the pens into a large tank. The methane gas was drawn off and used for cooking, while the rest provided excellent fertilizer for the tea fields. I finally managed to persuade my guide to take me to the poorest house in this area. The family had about one hectare of tea, paddy and three or four hogs. But even this family had a brick home and the proverbial television set. Admittedly, two sons were working in town. In the whole day, I only saw one mud and thatch house.

I did, however, spend the evening talking with Raymond Apthorpe who presented a very different picture for the three rice growing areas that he had investigated. It was impossible to believe that he was talking about the same country as the JCRR. Admittedly,

Dr. Michael Lipton

- 2 -

April 17, 1972

pure rice farmers are the poorest segment in Taiwan, largely because of the rice/fertilizer barter which is highly discriminatory against farmers and which is used to feed that army of 600,000. Nevertheless, the difference is quite striking: farmers associations controlled by local businessmen; loans going to industries rather than farmers; exorbitantly high rates of interest (up to 100% a year) being charged on re-lent credit; and considerable disregard for land reform laws. It all made for an interesting but puzzling picture.

I very much enjoyed your company while we were in Taipei and hope we will keep in contact in the future.

With best wishes,

Yours sincerely,



Robert d'A. Shaw
Agriculture & Rural Development Division
Economics Department

Enclosure

Rural Development

Mr. Roger Chaufourmier

April 12, 1972

Barend A. de Vries

Africa Rural Development Study

I completely agree with Mr. Gue that Upper Volta ought to be included in the Rural Development Study. Please see my note of February 17 (copy attached).

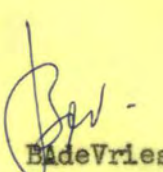
For Phase I of the Rural Development Study the provisional Terms of Reference list a large number of projects to be included in the comparative analysis. These should be ongoing projects on which some experience has been gained. In my memorandum to Mr. Hans Adler I narrowed down this long list to four projects, which should serve as a basis for consideration in case the list has to be cut severely; these suggestions were based on a discussion with Mr. de la Renaudiere.

The second phase of the study includes in-depth studies of two East African countries - so far, there is no agreement to include a West African country despite our urging.

We should keep in mind that the list of projects to be analyzed is not yet in final shape and, most likely, will not be in definitive form until Mr. Yudelman's arrival in the Bank sometime early in the summer.

Attachment

cc. Mr. Gue
Mr. Denning


BadeVries:mfb

Rural Development

April 12, 1972

Dr. A. T. Mosher
Agricultural Development Council
630 Fifth Avenue
New York, N. Y. 10020

Dear Dr. Mosher:

You might be interested in our proposed East Africa Rural Development Study. A copy of the draft terms-of-reference is attached for your information.

Since it is a new type of activity we have had some difficulty in arriving at a workable modus operandi for the study. We recognize that, because of this and because it is a committee document, there are many shortcomings in what we have proposed. Nevertheless, we hope it will serve as a basis for getting on with the job. We would greatly appreciate any comments you might have.

Phase 1 of the study is in the hands of Uma Lele, Bob Shaw (formerly with ODC) and myself. In getting an initial grasp of what we are about, the ADC/RTN Seminar on Small Farmer Strategies, which I attended last September, has been absolutely invaluable. Since one of the aspects that we intend to examine in some depth is that of small-holder credit, the Credit Workshop last week could not have been better timed. My Division Chief, Shlomo Reutlinger, and I are particularly grateful that it was possible for "J. D." Von Pischke to be included in the group. Please accept our thanks to yourself and Wayne Schutjer for inviting him.

We hope to be able to advise you of our progress in due course, but meanwhile would welcome your comments.

Best regards.

Yours sincerely,

G. F. Donaldson
Agriculture & Rural Development Division
Economics Department

GFDonaldson:hvv

Rural Development

Shlomo Reutlinger

April 12, 1972

Mr. Alexander Stevenson

Terms of Reference: Mission to East Africa

You will proceed on April 17 to Tanzania, and Kenya to hold consultations with government officials and researchers on the East Africa Rural Development Study. En route you will stop over in Paris, Israel, Rome and London for brief discussions with researchers about their potential contributions to the study.

SReutlinger/sks

cc: Messrs. Hornstein
Evans



Rural Development

Mr. Alexander Stevenson and
Steering Committee of E.A.R.D.S.

April 11, 1972

Shlomo Reutlinger

Research Proposal Submittal to Research Committee

1. Attached is a Research Proposal to be submitted to the Research Committee covering essentially Phase I of the East Africa Rural Development Study. Presumably Phase II will not require funding from the Research Budget and Phase III will, in any case, not require funds during FY '73.
2. The budget request covers all research related to Phase I, including the in-depth project case studies, discussed in I.3 and II. 5 of the outline of the East Africa Rural Development Study. While, generally, commitments for single large sub-studies will be cleared with the Steering Committee, the Research Committee would apparently prefer to consider the expected total budget commitment on related work. Furthermore, we know already of some cases in which work arrangements need to be made for a one to two year period or not at all, both from the point of view of the research to be performed and the individuals concerned.
3. Changes in the East Africa Rural Development Study outline suggested by Mr. Adler have been made in the attachment of the enclosed Research Proposal.

Attachment

SReutlinger:mv

cc: Steering Committee - Messrs. H. Adler
B. de Vries
M. Haq
S. Husain

cc: Messrs. Hansen
Hendry
Krishna
Donaldson
Shaw
Mrs. Lele

15 18 841215

April 11, 1972

Mr. Alexander Stevenson and
Steering Committee of E.A.R.D.S.

Shlomo Bentliger

Research Proposal Submitted to Research Committee

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3. Changes in the East Africa Rural Development Study outline suggested by Mr. Adler have been made in the attachment of the enclosed Research Proposal.

Attachment

Shlomo Bentliger

cc: Steering Committee - Messrs. H. Adler,
B. de Vries,
M. Had,
S. Husain

cc: Messrs. Hansen,
Hendry,
Kishner,
Donaldson,
Shaw

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Rural Development

Mr. Roger Chaufournier

April 11, 1972

André R. Gué *hr*

Africa Rural Development Study - Mr. de Vries' memo of April 6
to Mr. Adler (copy attached)

1. Am I correct in understanding that Upper Volta has been dropped from the Rural Development Study?
2. If this is so, I would like to express my surprise and my great disappointment. So far, I had always assumed that Upper Volta would be included.

cc: Mr. de Vries (Western Africa)

ARGué:sjb

Ag Rural Dev

Mr. J.P. Huyser, Director
FAO/IBRD Cooperative Programme
F.A.A.
Via della Termedi Caracalla
ROME, ITALY

April 11, 1972.

Dear Mr. Huyser:

We are making some progress on our widely discussed African Rural Development Study. Attached are several copies of the study proposal. I am planning a brief visit to Kenya and Tanzania to discuss the study. On my return, I am tentatively planning for a brief visit with you and your people at Rome on Monday afternoon, May 1st. I am particularly thinking of meeting with Bishop, Harris and Kassam. If I don't hear from you otherwise, I will assume that it will be possible from your point of view to meet on that day.

Best regards,

Shlomo Reutlinger
Director, Agriculture & Rural Development Division
Economics Department.

Attachment

Rural Development

No. 172

April 11, 1972

Mr. Roger Adams
World Bank
P. O. Box 30577
Extelcoms House
Haile Selassie Avenue
Nairobi,
Kenya

Dear Roger:

It has been some time since I promised to keep you informed about the Rural Development Study. I presume that you have received some further indirect information. Just in case it hasn't reached you yet, the attached outline has been produced by an inter-departmental committee. As you can see from the attached copy of letter, I am planning on a very hurried visit to discuss our plans with the Kenya and Tanzania governments and particularly to discuss with researchers potential contributions.

I am, of course, looking forward to discussing related PMEA experiences and suggestions. Please give my regards to Mr. Schaeffer-Kehnert and others you think should be alerted to our visit.

Au revoir.

Yours sincerely,

Shlomo Reutlinger
Chief, Agriculture and Rural Development Division
Economics Department

Attachment

SReutlinger/sks

Rural Development

April 11, 1972

Mr. Robert Cassan
Institute of Development Studies
University of Sussex
Falmer, Brighton
Sussex,
England

Dear Robert:

You may be interested in our East Africa Rural Development Study. The attached document is a committee product, hence may not be particularly interesting reading, but with your Bank experience you should have no difficulty in getting the essential idea.

I will be off next week (with Uma Lele) to launch this study officially in Kenya and Tanzania and to conduct a pre-recruiting survey of potential contributors. On my return I plan to stop over in the U.K. on May 2nd and 3rd. Perhaps I could see interested contributors for your IDS during that time. Could you leave a message for me at our office in London or Nairobi, if you have any suggestions?

Au revoir.

Yours sincerely,

Shlomo Reutlinger
Chief, Agriculture and Rural Development Division
Economics Department

Attachment

SReutlinger/sks

Mr. P. C. H. Goffin

April 10, 1972

G. F. Donaldson

Study of Credit Schemes for Small Farmers in East Africa (CSSF)

1. Attached are draft terms of reference for the proposed study of smallholder credit which forms part of the East Africa Rural Development Study program (EARDS). We would very much welcome your comments and those of your colleagues on this outline.

2. There are numerous points of difference between what is proposed in this outline and in the terms of reference for the Kenya Agricultural Credit Survey (KACS). In my view the main ones are:

(i) Since CSSF is an integral part of our East Africa Rural Development Study, the frame of reference is one of rural development and not any broader context, as would seem to be the case for KACS;

(ii) CSSF is primarily concerned with small-farmer credit and not all rural credit;

(iii) While the focus of CSSF is primarily on Bank projects and experiences, it extends to those of non-Bank sponsored projects and organizations;

(iv) While geographic focus of CSSF is primarily Kenya, it is necessary for EARDS that we examine variations in projects in Tanzania, and perhaps neighboring countries, whereas KACS does not;

(v) In keeping with the purpose of EARDS, the CSSF study examines mainly micro aspects of credit schemes (such as delivery systems and lending conditions), while the main concern of KACS is more macro (such as financial institutions and national policy instruments);

(vi) CSSF proposes detailed comparative study of the ingredients and experimental alternatives that have been studied in various existing schemes, including some that are not exclusively or even mainly "credit schemes", whereas KACS does not;

(vii) While KACS proposes an assessment of overall credit needs, CSSF does not;

(viii) CSSF is scheduled to begin immediately and details of staffing have been arranged, while it is likely that KACS will not begin until early 1973;

(ix) CSSF proposes detailed empirical study based on case studies and farm surveys, while the scheduling of KACS will limit this type of activity.

3. There is clearly some overlap in the data collecting fieldwork proposed for both KACS and CSSF. In view of this the terms of reference of CSSF specifically provide for coordination with KACS to minimize unnecessary work duplication and to minimize interference with the rural population. In this regard I propose that the survey schedules and survey samples used be designed to meet the needs of both studies. The only restriction is that, to allow CSSF to proceed as planned, this arrangement should be finalized by the end of January 1973.

4. If this coordination is effected it would seem that both studies could usefully proceed, with marginal interference from one another, and to the greater advantage of the Kenyan Government in terms of breadth and depth of analysis in this subject area.

GFDonaldson:mw

cc & cleared with: Mr. S. Rutlinger

cc: Messrs. J. R. Burrows
J. B. Hendry
R. A. Horstein
E. M. Schebeck
W. H. Spall

file
Africa

STUDY OF CREDIT SCHEMES FOR SMALL FARMERS IN EAST AFRICA

Study Outline

This study involves comparative analysis of micro aspects of the provision and use of credit by small farmers in East Africa. As it is part of the major East African Rural Development Study, it will examine credit schemes in the context of rural development. In keeping with the aims of the major study, the objective is to identify, evaluate and describe the essential components and characteristics of credit programs that will have a significant and positive impact on smallholder development within a reasonable time.

The initial focus of the study will be on credit provision in projects supported by the World Bank Group in Kenya. In keeping with the broader geographic focus of the Rural Development Study a comparative assessment will be made of similar projects in Tanzania and neighboring countries. To facilitate comparative study it is proposed to examine also projects and pilot schemes in Kenya involving institutions other than the World Bank Group, such as commercial banks, cooperatives, the Agricultural Finance Corporation, bilateral agencies and produce marketing boards, as well as traditional credit sources.

In examining the provision and use of smallholder credit the study will include consideration of (i) the role and use of credit, (ii) credit supply and availability, (iii) organizational aspects of credit provisions, (iv) terms and conditions of loan arrangements, and (v) financial flows and their structure and management. In assessing the role and priority of credit in the context of rural development, the study will evaluate the

impact of credit schemes on farm output, productivity, production patterns, employment, income levels and distribution, consumption patterns and other social and economic indicators. Where possible an assessment of the secondary costs and benefits of credit schemes will also be made.

Methods and Phasing

The proposals will be pursued in a three phase study program, including: (i) a literature review and catalogue of projects and experiences, (ii) a descriptive review of projects in Kenya, based on existing data; and (iii) an empirical study of credit programs for smallholders.

Phase 1 This will involve exhaustive search of the literature, including unpublished reports and documents. The purpose of this phase is to ensure that the study is set in an appropriate scientific and practical context, and to provide background information essential to Phases 2 and 3.

Although the greater part of Phase 1 must be completed by August 31, 1972, it will overlap to some extent with Phases 2 and 3. Phase 1 will not result in a separate report, but all information collected in this search will be organized and indexed for further use.

Phase 2 This will involve a detailed review of all previous and present credit programs for smallholders in Kenya and Bank projects in Tanzania, based on published reports and files and records relating to the projects, where these are available. The review should be supported by analysis of /such data as are available from existing sources, including the subjective assessments of persons familiar with each project, and should include a comprehensive description of each scheme and an evaluation of its impact.

The researcher will undertake Phase 2 in Kenya, and visit the project sites of each case considered.

The purpose of this Phase is: (i) to provide the basis for establishing a research design, including hypotheses, cases, samples, survey questions and methods of analyses for Phase 3 of this study; and (iii) to provide comprehensive review material for use in the preparation of the report of Phase 1 of the East Africa Rural Development Study.

Phase 2 will culminate in a report concerning each case individually, and including an integrated review of all the individual case assessments. It is essential that this phase be completed no later than December 31, 1972.

Phase 3 This will be the longest and most analytical phase of the study. It will involve empirical examination of the features of credit provision and use on a comparative basis between different programs, each considered as experiments. The tools used will include case studies of lenders and of individual borrowers, and sample surveys of borrowers. The surveys may be designed to look at certain projects either separately or concurrently.

The analysis will be as quantitative as is appropriate and will be made within the conceptual framework of cost-benefit analysis. The questions examined will be defined to cover all aspects detailed in the foregoing study outline.

Research design details -- including formulation of hypotheses for testing, specification of analytical procedure, design of surveys, sampling and questionnaires, and choice of data handling and statistical methods -- are to be specified and agreed after the completion of Phase 2 and before the beginning of fieldwork for Phase 3.

The purpose of Phase 3 is: (i) to provide empirical evidence and permit insight and inference relating to the various questions affecting the provision and use of smallholder credit, both as it relates to rural development in general, and the proposals of the East Africa Rural Development Study in particular; and (ii) to provide primary data on the smallholder segment in Kenya for the contractors undertaking the proposed Kenya Agricultural Credit Survey, in keeping with any agreement reached with them prior to Phase 3, and not later than January 31, 1973.

Working Arrangements

The study will be the responsibility of Mr. G. F. Donaldson in the Rural Development Division, Economics Department, and will be undertaken on a contract assignment by Mr. J. D. Von Pischke of the Department of Political Economy, University of Glasgow.

For the purpose of completing Phases 2 and 3, Mr. Von Pischke will be located at the Institute of Development Studies in Nairobi, by agreement with the Director, Professor Dharam Ghai.

The services of a senior researcher may be retained for a maximum of ten days to provide assistance in the preparation of Phase 3 of the study.

To facilitate the review activity of Phase 2 and the fieldwork of Phase 3 research assignments will be retained, particularly to act as enumerators in surveys. The extent of this assistance is to be limited to one assistant for three months in relation to Phase 2 and as many as are essential for Phase 3. This latter requirement is to be determined after the survey plans and arrangements with the Kenya Agricultural Credit Survey contractors have been completed.

Mr. Von Pischke will be employed on contract as from July 1, 1972 for a period of not more than 24 months. He will remain in residence in Nairobi until completion of all fieldwork and data analysis relating to Phase 3, and in any event up to the end of December 1973.

Rural Development

April 10, 1972

Dr. Montague Yudelman
Vice President
OECD Development Centre
94, rue Chardon-Lagache
Paris 16^e,
France

Dear Monte:

I will be going to East Africa next week for a brief visit to launch officially our Rural Development Study (see attachment) and to talk to researchers about their past, present and future contributions to the Bank's study. En route, I am planning to stop over in Paris Tuesday afternoon and Wednesday, April 18 and 19. If it isn't too inconvenient, I would like to visit with you briefly sometime during this period. Perhaps you could refer me to other useful contacts in your organization, Paris or elsewhere. I will call your office on arrival.

Au revoir.

Yours sincerely,

Shlomo Reutlinger
Chief, Agriculture and Rural Development Division
Economics Department

Attachment

Rural Dev

Mr. H. A. Adler

April 7, 1972

S. Shahid Husain

March 28, 1972 Progress Report on African
Rural Development Study

1. I agree with the revisions suggested in the research prospectus for this study.

2. I have no other comments except to say that I agree that it would be useful to have an advisory committee as recommended in paragraph 7, and I suggest that the present members of the working party might constitute this advisory committee. Mr. Lyle Hansen will represent this department on the advisory committee. I should think that as it is to be an informal advisory committee, any member could convene a meeting.

Lm2t
LMHansen:ws

cc: Messrs. M. Haq,
B. deVries

APR 10 1972

April 7, 1972

Mr. H. A. Miller

S. Gerald Hansen

March 28, 1972 Progress Report on African
Rural Development Study

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prospects for this study.

2. I have no other comments except to say that I agree that
it would be useful to have an advisory committee as recommended
in paragraph 7, and I suggest that the present members of the
working party might constitute this advisory committee.
Mr. Lyle Hansen will represent this department on the advisory
committee. I should think that as it is an informal
advisory committee, any member could convene a meeting.

Lyle Hansen

cc: Messrs. M. Hag,
B. deVries

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Mr. Hans A. Adler

April 6, 1972

Barend A. de Vries

Africa Rural Development Study

Following are my comments on the terms of reference for the Africa Rural Development Study, as requested in your note of April 4:

1. We feel that if the Study is to be representative of problems in Africa, Phase II should include work on Cameroon (see paragraph 5 of the terms of reference, draft of February 17). Ideally, this would involve an agricultural sector survey for Cameroon. I understand that your Department is currently considering whether its budget will permit this survey to be undertaken. We feel that on-going work on Cameroon would, in any case, provide material to be considered by the Study. We have in mind the Comprehensive Project Identification Mission scheduled to visit Cameroon this fall and the inclusion in this fall's Economic Mission of an economist specializing in rural development.

2. If, as seems desirable, the projects to be included in Phase I of the Study will be considerably narrowed down from the list in Annex I of the terms of reference, we suggest the following for West Africa :

MALI

- (a) CFDT Cotton program
- (b) Groundnut and Foodcrop Development (EDPA)

CAMEROON

- (a) Yabassi-Bafang project
- (b) The ZAPI's.

cc. Mr. de la Renaudiere (PMWA)
Mr. Denning
Mr. Reutlinger (Economics)

BdeV:mfb

Rural Development

April 6, 1972

Honorable Cleopa Msuya
Minister for Finance
P.O. Box 9111
Dar es Salaam
Tanzania


Dear Mr. Minister:

As you may know, there is growing interest within the Bank in the problems of rural development. We had a brief discussion on this subject with you during the last Bank Annual Meeting. We now propose to launch a policy-oriented research program on rural development which will focus on East Africa. The purpose of this study is to determine what role the Bank Group might play in future in the promotion of broad based rural development projects benefitting large numbers of people. This research program will stretch over a period of about two years and is scheduled to include evaluation in the field of selected rural development projects in five African countries as well as rural sector surveys in Tanzania and Kenya. I would like to stress that this research program aims at establishing some general guidelines for Bank Group assistance to rural development in the longer run and that any specific project identification and appraisal work will not be delayed in the meantime.

In the context of the rural development research program explained above, Mr. Shlomo Reutlinger, Chief of the Agriculture and Rural Development Division of our Economics Department and Mrs. Uma Lele plan to be in Dar es Salaam on April 20 and 21. They will discuss the program with appropriate Government officials and explore the possibility of participation in this program by the Economics Research Bureau of the University College or other suitable local research institutions. Their visit is planned to overlap with the mission of Messrs. Hansen and Bottelier to discuss the draft Bank Economic Report on Tanzania (see Mr. Hornstein's letter of March 21, 1972).

With kind regards.

Yours sincerely,


Michael L. Lejeune
Director
Eastern Africa Department

cc: Mr. E.A. Muloenzi
Principal Secretary
Office of Second-Vice-President
Dar es Salaam, Tanzania

Mr. N.J. Mamuya
Principal Secretary
Ministry of Economic Affairs
and Development Planning
Dar es Salaam, Tanzania

Mr. A. Mushi
Principal Secretary
Ministry of Agriculture and Cooperatives
Dar es Salaam, Tanzania

Mr. S.M. Mbilinyi
Director, Economic Research Bureau
University College
P.O. Box 35096
University Hill
Dar es Salaam, Tanzania

pmH
PB/JRB/RAH/LMH:ws

H

EAST AFRICA RURAL DEVELOPMENT STUDY

I. Approach and Phasing

1. The Economics, Agriculture Projects, Eastern Africa and Western Africa Departments of the Bank will collaborate in a study of the lessons and experience of rural development* in Africa, with a view to examining their implications for future Bank operations. The overall objective of the proposed Study is to identify, evaluate and describe the essential components and characteristics, as well as the phasing, of projects and programs designed to affect the quality of life of large numbers of people within a reasonable time. In view of the slow growth of employment opportunities in the urban areas, it is assumed that the bulk of the constantly growing population will continue to remain in the countryside and, therefore, that programs designed to assist them will have to be implemented principally in a rural setting. The rural development programs (RDPs) should be based on realistic assumptions concerning the availability of finance and staff and also of the institutional and administrative arrangements that could be devised to facilitate their implementation.

2. The Study, for which terms of reference are attached, will proceed in three phases. Phase I of the Study (for which the ARD Division will have the principal responsibility, hopefully with some support from the Eastern and Western Africa Departments), will consist of a review of relevant

* It is not assumed for the purpose of this Study that the term "rural development" should be considered sui generis. Rural development represents an amalgam of activities, many of which have been undertaken for years. Examples of such activities are provided in paragraph 6, and some of these are increasingly being incorporated in projects financed by the Bank Group.

experience of RDPs in selected African countries, which were expected to benefit large numbers of people. The projects reviewed should include those financed by the Bank Group and other donors and, where appropriate, also those developed by the countries themselves.

3. The main objectives of the review are to evaluate RDPs with reference to factors such as motivation, the range of activities covered, institutional arrangements and methods of financing. During Phase I of the Study, an attempt should be made to identify those factors which have either contributed significantly to the success of the projects concerned or inhibited their progress. The principal functions of this investigation will be to identify the essential activities that constitute the content of a potentially successful RDP that is transferable between countries as well as expandable within a country. Quite obviously, it is not possible to cover every project in this field and hence a limited number of projects will be selected with emphasis on geographic representation and variability in approaches to rural development^{1/}. It may be essential at a later stage to add a few other Bank and non-Bank projects which might fit the rural development criteria. The list of projects that is initially being prepared, therefore, only indicates the lower rather than the upper limit of the number of projects that will be selected for an evaluation of their success and transferability. Given the very short period during which Phase I will be completed, and given very inadequate data, it may only be possible to provide qualitative evaluations of the hypotheses during Phase I for some projects. In such cases, more in-depth studies over a two to three-year period will also be initiated on some or all of these projects.

4. The projects will be reviewed in the broad context of political, socio-cultural, administrative and manpower constraints in addition to the usual economic constraints facing countries. A major portion of the Phase I will, therefore,

^{1/} See listing of projects in Annex 1.

involve a systematic review of existing knowledge on these factors as well as on the plans and policies of the countries in question so as to assess the projects with a proper perspective, and to draw lessons about their transferability.

5. During the course of Phase I of the Study, discussions will be held with the governments concerned, particularly with those responsible for planning and implementing RDPs, and also with institutions which are engaged in research bearing on rural development. Discussions with government officials should enable the Study team to get a measure of the commitment that exists for improving the levels of living of vast numbers of people through appropriate projects, and to ascertain what the countries would themselves like to do if the resource constraint could be overcome. Field visits will be made as a means of obtaining a close, personal knowledge of selected projects.

6. It is clear that Phase I of the Study will require that some consultants be retained, and also that initial work concerning field investigated aspects of the Study will have to be farmed out to suitable institutions in the countries themselves. The latter may also lead to close co-operation by the countries with the Study. It is expected that Phase I of the Study will begin in April 1972 and that the basic work, including field visits and discussions, will be completed by the end of March 1973, and that a draft will be available at that time. Experiences will be gathered from both East and West Africa.

7. Phase II of the Study will include rural sector surveys in two countries (Kenya and Tanzania).^{1/} During the Fall of 1972 and the Spring of 1973 the Agriculture Projects Department will mount sector survey missions to Kenya and Tanzania^{2/}, respectively. The broad orientation of these missions will be towards rural development as a whole and not ^{just} the agricultural sector, although the latter will be the principal focus of attention. The personnel of these missions will reflect

^{1/} It has been suggested that the inclusion of a sector survey in a West African country in FY 1973 or FY 1974 would be useful in this connection. A decision is required concerning the practicability of such a survey.

^{2/} The timing of the mission to Tanzania is not firm. If the mission can only be mounted in the Fall of 1973, it will obviously affect the timing of the final outcome of the Study. A decision needs to be taken on this matter.

the broader orientation. The sector survey missions will draw on the findings of Phase I of the Study and, where appropriate, follow-up with complementary work. The report of the sector survey mission will provide a description of the agricultural setting, the principal problems and constraints confronting the non-urban economy as a whole, as well as the opportunities for development, the adequacy of institutional arrangements, and pricing and marketing policies. The report should provide an indication of the full range of activities - both those which are directly productive and others - which can be developed in the rural areas, and the interrelation between them.

8. After the sector survey reports become available, staff of the ARD Division (including consultants), the Agriculture Projects Department and the Area Departments will embark on Phase III - the final phase of the Study - the drawing up of whatever generalizations are warranted by Phases I and II. It is hoped that this will produce a core design(s) around which variations could be built to suit individual country requirements. The design will include possible economic activities (agriculture, industry and crafts, commerce, roads, water supply, electrification, services) and social/cultural activities (schools, health facilities, including nutrition, community development). It will highlight the interrelation, on the one hand, among the economic activities themselves and, on the other, between these and the social/cultural activities. It will provide an indication of the financial and other resources required, and of the methods of raising resources, including self-help and transfers within the economy through fiscal devices. It will suggest minimum requirements with regard to organization, staffing and training.

9. If the rural sector survey mission to Tanzania is mounted in the Spring of 1973, it should be possible to finalize the findings and recommendations of the

Study appropriate to both the countries by December 1973. However, if the Tanzania sector mission is delayed until the Fall of 1973, the initial core design(s) will only reflect the conditions and needs of Kenya. Before the report of the Study Team is finalized, it should be widely discussed within the Bank, and comments should be invited from selected African governments, particularly those of Kenya and Tanzania.

10. As soon as a decision is reached on the scope and phasing of the Study, a Steering Committee will be constituted to oversee all phases of the Study. The Departments named in paragraph 1 will be represented on the Steering Committee. The Steering Committee will be the means for coordinating the work of the various Departments concerned and for determining the timing of each phase of the Study.

11. The specific terms of reference and budget proposal presented below refer only to Phase I of the Study. The general outline of the three phases of the Study places Phase I in an overall perspective. However, only Phase I is regarded as primarily a research activity qualifying for financing from the Bank's Research Budget. Budgetary accommodation for Phase II is expected to be provided in full by the normal budget of the Agriculture Projects Department. Phase III is expected to involve primarily Bank staff, but, to the extent feasible, consultants might be used. Budgetary implications for Phase III as well as the cost of carrying on several in-depth studies growing out of Phase I will be submitted at a later stage.

back-mapping? ^{deliberate} creation (not necessarily necessary) work

II. Proposed Terms of Reference for Phase I

1. For the purpose of this Study, rural development is defined as a set of activities in the rural area with some or all of the following characteristics:

- (a) raise per capita income, both monetary and non-monetary, of the beneficiaries on a self-sustaining basis;
- (b) expand employment, including activities in the field of subsistence production;
- (c) increase the availability of economic and social services to inhabitants of rural areas; and
- (d) affect, or are capable of being extended to affect, in a reasonable time period as large a number of people as is feasible given the following constraints:
 - (i) the limited availability of local currency and foreign exchange for capital and current expenditure;
 - (ii) the limited local availability of technical and professional staff and the high cost of expatriate staff; and
 - (iii) the difficulty of achieving rapid or profound changes in governmental organization, institutions and procedures.

2. When examining specific projects, the following questions will, as far as possible, be answered:

A. In what ways has the project performed in terms of criteria such as:

- (a) Economic -- productivity and increases in output; levels of producer surplus, savings and investment; generation of secondary and tertiary activities; degree of monetization; changes in expenditure and consumption patterns (including diet); changes in the tax base.
- (b) Socio-economic -- increases in family and per capita income; changes in the level and pattern of employment; changes in vertical and horizontal mobility of labor; changes in migration patterns; changes in patterns of income distribution.
- (c) Financial -- need for fiscal resources, subsidies, degree of self-financing, etc.
- (d) Social -- improvements in the supply of services (water, sewerage, electricity); improvements in the level of education; changes in the degree of literacy; improvement in medical facilities. *and nutrition*
- (e) Cultural -- receptiveness to innovations; use of new techniques; changes in local customs (clothing, housing, language); willingness to resettle; self-help.
- (f) Institutional -- development of new organizations and institutions; effectiveness of old institutions; development of local bodies, cooperatives; *village committees, farmers associations etc* initiation of self-help programs emergence of local leaders -- managerial, entrepreneurial, political.

B. What were the essential components, patterns or policies that can be linked to performance? Specific attention should be given to:-

- (i) Comparative advantage in physical-climatic situation
(e.g., quality of soil, weather, distance to market, etc.)
- (ii) Social-cultural characteristics (adaptability and receptivity of people; usefulness of authority system; land tenure practices, etc.)

- (iii) Technology made available (was it simple or complex; inherently available to many or few participants?)
- (iv) Technology supply systems (organization of inputs, credit, extension, adaptive research, marketing, etc.
- (v) Degree of economic and financial risk to Government and participant
- (vi) Incentive systems followed (product and input pricing and tax policy, etc.)
- (vii) Nature of market opportunities (export viz domestic demand, growing fast or declining rate, etc.)
- (viii) Organizational system employed (role of regular ministry viz. special organization; role of local government; role of financial intermediaries; role of cooperatives and self-help, etc.)
- (ix) Financial arrangements and cost (cost per participant or beneficiary; division of finance between government, participant and external sources).
- (x) Staffing and training system
- (xi) Time phasing of preparation and implementation
- (xii) Role of economic and social services (how essential was provision of roads, water, electrification, schools, health services, etc.)
- (xiii) Role of rural-urban opportunities and choices (comparative wage, employment and services, effect on incentives and responses)

C. Were there unanticipated benefits and costs, and to what extent were these due to the project? (catalytic effects, secondary benefits, spill-over effects to non-participants, etc.)

D. To what extent are the characteristics or effects of the project likely to be transferable to other area situations, or what adaptations appear to be necessary to transfer all or parts of the project?

4. In assessing projects, the Study will use, and, to the extent necessary, develop methodologies appropriate to the objectives of rural development. The methodologies should facilitate objective, systematic and comparative analysis of the projects studies.

5. It is anticipated that the study of projects will reveal gaps in knowledge and unanswered questions. The Study will include a definition of further work to be executed to fill these gaps. This work will be done to the extent possible in parallel with Phase I and in subsequent time periods. Long-term research tasks will be proposed to and selected by the Steering Committee.

6. There shall be interim progress reports made at intervals of three months outlining the work program for the balance of the time available.

7. The director of the Study and his staff shall prepare recommendations for a selected list of projects to be studied for the consideration of the Steering Committee of this Study.

8. Tentative estimates of staffing requirements and costs are attached as Annex II.

III. Proposed Terms of Reference for Phase II

1. Phase II will comprise rural sector survey missions to visit selected countries for a period of about six weeks each.^{1/} The mission will be led and staffed primarily by the Agriculture Projects Department, and its work will be coordinated with other phases of the East African Rural Development Study under the Steering Committee. The sector survey mission will include at least one staff member each from the Agriculture and Rural Development Division of the Economics Department and the respective Area Department.
2. The purpose of the mission is to advise the Bank on a lending program for rural areas in the country concerned, even though it is possible that its findings may have wider application. In doing so, the mission will examine all aspects of the rural sector, with primary emphasis on agriculture, to determine prospects for socioeconomic development and to identify constraints to such development. The foci of the mission will be to suggest a suitable lending program for the rural sector in the country over a time span of 5 to 10 years; and to identify policies and institutional features which are critical to the successful implementation of such future lending. The work of the mission will include:
 - (a) Identification of the major constraints to agricultural development and means for increasing agricultural output in a manner that will stimulate continuing growth and

^{1/} Present scheduling calls for a sector survey mission to Kenya in Fall, 1972, and one to Tanzania in Spring, 1973. The possibility of bringing Tanzania forward and of scheduling a mission to a West African country will be decided at a later date. Estimates of staff and cost for a single mission to one country are attached in Annex IV.

will benefit the maximum number of persons. In this context, the mission will:

- (i) review with the Government its proposed program for agricultural development in the light of overall development plans and past experience;
- (ii) examine internal and foreign demand for agricultural products and ways of expanding demand;
- (iii) examine production and marketing methods for agricultural, animal and forest products, and, taking into account regional differences, suggest an appropriate output mix;
- (iv) suggest appropriate levels of technology and production practices (including irrigation in this context), taking into account growth targets, the availability of foreign exchange and domestic capital, and the need to create employment and improve income distribution;
- (v) examine the need for and the feasible rate of expansion of cultivated area;
- (vi) examine the appropriateness of policies on taxation, credit, pricing, export promotion and land tenure for maximizing agricultural development;
- (vii) analyze the effectiveness of institutions and public agencies serving agriculture, including the fields of planning, extension, research, institutional credit, input distribution and land and water development; and
- (viii) review the appropriateness of the proposed level and distribution of public expenditure in agriculture with respect to stimulating growth, creating employment and mobilizing local resources.

- (b) A review of the existing level of rural infrastructural development, and assessment of the need and relative priorities for its improvement. This will include:
 - (i) feeder roads;
 - (ii) marketing and distribution facilities;
 - (iii) rural electrification;
 - (iv) major and minor irrigation facilities; and
 - (v) water supply.
- (c) Examination of the prospects for establishing manufacturing handicraft and processing industries outside the main urban centers. Attention will be paid to:
 - (i) the immediate and longer-term market prospects of such industries;
 - (ii) the competitiveness of such industries under existing or proposed price levels;
 - (iii) the measures necessary to ensure an adequate supply of raw materials for such industries;
 - (iv) the technical, managerial and manpower requirements of such industries; and
 - (v) the alternative forms of financing and management of such industries.
- (d) A review of the level of social services available in rural areas, and the extent to which their inadequacy acts as a constraint to socioeconomic development in these areas. This discussion will be made in the context of available public resources and of the needs of other sectors. The key services to be considered are:

- (i) education, particularly at the technical, vocational and non-formal levels;
 - (ii) medical facilities, including hospital space and availability of doctors and auxiliary medical personnel; and
 - (iii) public transportation.
- (e) An evaluation of the cultural traditions and ethnic characteristics of the population in the major rural areas and the extent to which these may be disturbed or will be compatible with prospective programs of rural development, and, as a function of this, what if any additional measures may be necessary to facilitate the acceptance of these programs.

3. The mission will coordinate closely with the resident representatives of UNDP and FAO and with other World Bank Group personnel active in the country. The mission will produce a Back-to-Office report upon its return to Washington, and a draft sector report within twelve weeks of its return.

*in Accord
g with
PASA
etc first*

Nigeria has a RDP which has
operated for a while and should
be suitable for study, whereas
Ethiopia and Malawi have at
least two projects each.

IV. Program for Phase III

1. Phase III will consist of drawing together the results of Phases I and II. As a minimum, the experience and conclusions so reached will be applied to the countries studied in Phase II (Kenya, Tanzania and/or one West African country--see footnote on page 3) to draw up designs for rural development in these countries. At the same time, it is hoped that the results of Phases I and II will also lead to generalizations applicable to a wider range of countries and conditions; the extent to which this will be feasible cannot, however, be defined a priori.

2. Primary responsibility for completion of Phase III will lie with the Agriculture and Rural Development Division of the Economics Department, but the work will be coordinated closely with the other departments concerned through the Steering Committee. It is expected that a full report will be prepared in the second half of 1973.

AFRICA RURAL DEVELOPMENT STUDYA. Projects to be studied in some depth:Bank Projects

1. Malawi - Lilongwe + Lower Shire + Karonga
 2. Kenya - Credit + Smallholder Tea
 3. Kenya - Livestock
 4. Tanzania - Tobacco
 5. Tanzania - Credit
 6. Ethiopia - Walamo
- Uganda - Tobacco
 Lesotho - Dry Farming
 Zambia - Farming Tobacco
- + 1 education project, particularly relevant to rural development.

Non-Bank Projects

1. Ethiopia - CADU and Minimum Package
 2. Uganda - Dairy Credit
 3. Dahomey - Cotton
 4. Senegal - Groundnuts
 5. Burundi - Imbo Settlement
 6. Malawi - Salima
- Tanzania - Mubone

B. Projects to be reviewed

- commodity oriented
non-existent
just standing
non-existent
1. Kenya - Smallholder Tea
 2. Kenya - Machakos Project
 3. Kenya - SRDP's
 4. Tanzania - Sukumaland Program
 5. Malagasi - Irrigation
 6. Cameroon - Yabassi-Bafang

More similar would be:

1. Ethiopia - Walamo (WADN)
2. " - Chikala (CADN)
3. Malawi - Lilongwe
4. " - Lower Shire
5. " - Salima

(All these are operating for various years and are comprehensive in the sense of RDPs)

Phasing of Study, Staffing and Budget for Phase I

1. Phasing of Study

March-June ('72) Selection of projects and programs and outlining of the methodology

- Reviewing of literature and reports.
- Canvassing suggestions for projects and programs to be included from outside the Bank.
- Recruitment of collaborators from outside the Bank.

May-Dec. ('72) Field survey to establish common threads and project studies

- Field visits and collection of data.
- Evaluation of projects by consultants, particularly in Africa.
- Evaluation of projects by staff in Africa and Washington.
- Initiation of in-depth studies.

Jan.-March ('73) Synthesis of project studies and preparation of report

2. Deployment of Professional Staff and Consultants (Man Months)

Activity	1972												1973		
	Total	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
I. Review of reports and literature and outlining of methodology	11	2	3	3	3										
II. Field surveys to establish common threads and seeking suitable projects and collaborators	6		1			4					1				
III. Project studies	41			3	3	4	9	7	6	5	4				
IV. Synthesis and report	20									1	1	6	6	6	
Total	78	2	4	6	6	(8	9	7) 6	6	6	6	6	6	

3. Professional Manpower by Sources (Man Months)

	1972											1973		
	Total	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<u>Bank</u>														
Economics-ARD	31	1	3	3	3	2	2	2	2	2	2	3	3	3
Economics-Other*	6					1	1	1	1	1				1
W. Africa	5	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$							1	1	1
E. Africa	5	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$							1	1	1
Res.Missions/FAO	5						1	1	1	1	1			
<u>Outside</u>														
US/UK/France	12			1	1	3	3	1		1	1	1		
Africa	14			1	1	2	2	2	2	2	2			
Total	78	2	4	6	6	8	9	7	6	6	6	6	6	6

*Education, Feeder Roads

4. Cost of Consultants, Surveys and Travel

The costs detailed below are estimated to cover the work needed for meeting the objectives of Phase I, including the initiating of several in-depth studies. Separate budget requests will be submitted to the Research Committee for in-depth studies.

<u>Consultants</u>		80,000
Fees (26 months)	80,000	
<u>Surveys</u>		40,000
Research Assistants for survey work in Africa	40,000	
<u>Travel and Subsistence</u>		65,000
<u>Consultants</u>		
6 trips to Africa	10,000	
10 months subsistence	10,000	
Internal travel in Africa	10,000	
<u>Staff</u>		
10 trips to Africa	17,000	
12 months subsistence	13,000	
Internal Travel	5,000	
Total		<u>\$185,000</u>

le 4 avril 1972

Monsieur le Directeur adjoint,

J'ai l'honneur d'accuser réception des rapports intitulés "Enquête sur les exploitations agricoles des hauts plateaux de Madagascar en 1971" (Edition provisoire) et "Effets socio-économiques de l'opération-productivité dans les régions de Thiès, Diourbel et Kaolack" (Rapport d'enquête) de mai 1970. Je voudrais aussi vous remercier très sincèrement de vos commentaires apportés à notre étude relative au développement rural en Afrique, lors de mon séjour à Paris.

Comme je vous l'ai dit, nous venons juste de commencer cette étude. Nous en sommes actuellement au stade du dépouillement de la documentation existant sur le sujet. Nous vous tiendrons au courant de la progression de nos travaux.

Je vous prie d'agréer, Monsieur le Directeur adjoint, l'expression de mes sentiments très distingués.

Stephen Denning
Département Afrique de l'Ouest

Monsieur Gilbert Ancian
Directeur adjoint
S.E.D.E.S.
67, rue de Lille
Paris 7e
France

SDenning:seb - African Rural

cc: Mr. Maillard (with documents)
cc: Mr. Reutlinger

Steering Committee of Africa Rural
Development Study

April 3, 1972

Shlomo Reutlinger

Outline of Initial Activities

1. In view of some questions about the way the Agriculture and Rural Development Division intends to proceed in the near future with the Africa Rural Development Study, I wish to offer some further clarification. The very broad objectives, the tight schedule and the importance of focusing the study on operational meaningful objectives necessitate, in my view, pursuance of a number of parallel activities over the next few months. These activities are as follows:

in Washington

- (a) Review of reports, literature and discussions with Bank staff.

in Kenya and Tanzania (with Government and Research Institutes)

- (b) Soliciting of cooperation of governments of Kenya and Tanzania and their views of how the Bank could be helpful in moving into the direction of meeting the objectives of broad-impact rural development.
- (c) Identification of completed and on-going research in Kenya and Tanzania on the kind of projects, programs and policies in their countries related to the study's objectives.

in Kenya, Tanzania, France, U.K., U.S. and Rome (with researchers and consultants)

- (d) Identification of specific studies needed and recruitment of researchers to carry out studies.

in Project Areas Selected for Study throughout Africa (with researchers)

- (e) Review of nature and progress of project, and status of data, preparation of terms of reference (we have in progress some such work on Kenya-credit, Kenya-livestock and Ethiopia-KADU).

2. In discussions with government officials and research people we will emphasize the Bank's concern with its operations - and also more generally governments' operations - having a broad impact on a large segment of the rural population. From this follows the design of the study and the ways by which we wish to proceed:

April 3, 1972

- (a) Review with people in the governments of how they conceive of the objectives of their programs and their past and future likely impact. Our intention is to carry on a continuous dialogue over the next year or so on relevant issues, but at a fairly abstract level. At least initially, this dialogue should not affect the day-to-day operations of the Bank in the countries, i.e. our study should not be used in any way to hinder or postpone on-going planning or operations in the governments or the Bank.
- (b) Review with people in governments, research institutions and consultants' firms the lists of projects and programs which may be regarded as models for what to do and not to do, and to ascertain that these experiences get properly analyzed in terms of the features responsible for their effectiveness or ineffectiveness and their likely replicability.
- (c) Link with Phase II - the sector study - to the extent possible, but recognizing that the sector study's objectives are at once broader and more limited than Phase I and that the extent to which the two can be related will only be known as we make some progress on Phase I.

SRautlinger:mr

Steering Committee Members: Messrs. H. Adler
B. de Vries
M. Haq
S. Hussain

cc: Messrs. J. Burrows Messrs. J. Hendry
P. Bottelier R. Hornstein
S. Denning K. Krishna
G. Donaldson U. Lele
L. Hansen R. Shaw
P. Henderson A. Stapleton

where z^0 is the initial value of z and τ is the time.

B+P

Rural Development

le 31 mars 1972

Cher Monsieur,


De retour à Washington, je voudrais vous remercier très sincèrement pour les documents que vous m'avez remis pour notre étude sur le développement rural en Afrique, ainsi que pour les commentaires dont vous avez bien voulu nous faire part.

Comme je vous l'ai dit, nous venons juste de commencer cette étude. Nous en sommes actuellement au stade du dépouillement de la documentation existant sur le sujet. Il est vraisemblable que nous aurons ultérieurement besoin de renseignements plus détaillés et que nous nous permettrons de reprendre contact avec vous. De toute façon, nous vous tiendrons au courant de la progression de nos travaux.

Je vous prie d'agréer, cher Monsieur, l'expression de mes sentiments distingués.

Stephen Denning
Département Afrique de l'Ouest

Monsieur Profitt
CFDT (pour le Mali)
9, rue Louis David
Paris 16e
France


SDenning:seb - Af. Rural Development

Summary: Letter acknowledging documents and comments re above project.

APR 3 11 03 AM 1972

CEX AL FILES
APR 5 11 03 AM 1972

Summary: Letter expressing documents and comments to the people of the

Delegation: war - VI. VIET DELEGATION

1968
1972
d' une grande partie
CERL (BOM. 10. 1972)
Monatens 1972

Delegation: VI. VIET DELEGATION
Delegation: VI. VIET DELEGATION

mes sentiments d'attachement.

Je vous prie d'exprimer mes sentiments d'attachement de

la délégation de nos amis.

vous prie de faire savoir à nos amis que nous sommes en contact de
plus en plus et que nous sommes bien sûr de leur contact
ensemble et que nous sommes très intéressés par les résultats de leur
travail et de la documentation qu'ils nous envoient. Il est très
important que nous en sachions plus et que nous en sachions plus
comme je vous prie d'exprimer mes sentiments d'attachement de

sentiments d'attachement de nos amis.

Je vous prie d'exprimer mes sentiments d'attachement de nos amis
et de leur faire savoir que nous sommes bien sûr de leur contact
ensemble et que nous sommes très intéressés par les résultats de leur
travail et de la documentation qu'ils nous envoient.

mes sentiments d'attachement.

Je vous prie d'exprimer

Bob

Delegation: VI. VIET DELEGATION

le 31 mars 1972

Monsieur le Directeur général,

De retour à Washington, je voudrais vous remercier très sincèrement pour les documents que vous m'avez remis pour notre étude sur le développement rural en Afrique, ainsi que pour les commentaires dont vous avez bien voulu nous faire part.

Comme je vous l'ai dit, nous venons juste de commencer cette étude. Nous en sommes actuellement au stade du dépouillement de la documentation existant sur le sujet. Il est vraisemblable que nous aurons ultérieurement besoin de renseignements plus détaillés et que nous nous permettrons de reprendre contact avec vous. De toute façon, nous vous tiendrons au courant de la progression de nos travaux.

Je vous prie d'agréer, Monsieur le Directeur général, l'expression de mes sentiments très distingués.

Stephen Denning
Département Afrique de l'Ouest

Monsieur Muelle
Directeur général
CIDR
57, avenue de Neuilly
92 Neuilly
France

SDenning:seb - African Development

Здравствуй:сер - ваш сын и делегированный

Франсуа
де Монтгю
21, avenue de Montgю
CIDE
Делегированный делегат
Монтгю де Монтгю

Делегированный делегат де Монтгю
Здравствуй

Приветствую вас и ваших друзей.
Я очень рада, что вы и ваш сын и делегированный делегат, я, эк-

сперва была рада, что вы и ваш сын и делегированный делегат.
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Монтгю де Монтгю

Je 31 mars 1972

Montgю de Montgю

Rural Development

le 31 mars 1972

Monsieur le Directeur,

De retour à Washington, je voudrais vous remercier très sincèrement pour les documents que vous m'avez remis pour notre étude sur le développement rural en Afrique, ainsi que pour les commentaires dont vous avez bien voulu nous faire part.

Comme je vous l'ai dit, nous venons juste de commencer cette étude. Nous en sommes actuellement au stade du dépouillement de la documentation existant sur le sujet. Il est vraisemblable que nous aurons ultérieurement besoin de renseignements plus détaillés et que nous nous permettrons de reprendre contact avec vous. De toute façon, nous vous tiendrons au courant de la progression de nos travaux.

Je vous prie d'agréer, Monsieur le Directeur, l'expression de mes sentiments très distingués.

Stephen Denning
Département Afrique de l'Ouest

Monsieur Bour
Directeur
S.A.T.E.C.
110, rue de l'Université
Paris 7^e
France

SDenning:seb - African Dev.

Summary: Letter thanking director for documents and comments re African rural development.

Zusammenfassung: Derzeit befindet sich Österreich im Prozess der Umsetzung der Richtlinie 2002/43/EG des Rates vom 26. Juni 2002 über die Erleichterung der Ausübung der Rechte der Arbeitnehmerinnen und Arbeitnehmer in der Europäischen Union.

အမည်: ခပ် - သီလဝံသ

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ԶԲՈՒՆՆԱԾ ԴԱՄԱՐՆԵՐ

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[illegible]

JE 37 1012 J845

Four days

Rural Development

le 31 mars 1972

Monsieur le Directeur Général,

De retour à Washington, je voudrais vous remercier très sincèrement pour les documents que vous m'avez remis pour notre étude sur le développement rural en Afrique, ainsi que pour les commentaires dont vous avez bien voulu nous faire part.

Comme je vous l'ai dit, nous venons juste de commencer cette étude. Nous en sommes actuellement au stade du dépouillement de la documentation existant sur le sujet. Il est vraisemblable que nous aurons ultérieurement besoin de renseignements plus détaillés et que nous nous permettrons de reprendre contact avec vous. De toute façon, nous vous tiendrons au courant de la progression de nos travaux.

Je vous prie d'agréer, Monsieur le Directeur Général, l'expression de mes sentiments très distingués.

Stephen Denning
Département Afrique de l'Ouest

Monsieur Bourdillon
SCET Coopération
4, place Raoul Dauty
Paris 15e
France

SDenning:seb - Af. Rural Development

Summary: Letter thanking SCET for documents and comments re. Af. Dev.

APR 4 10 34 AM 1972

ЭЛЕМЕНТЫ: сер - VI. КЛЕТЬ ДЕАГОНИОН

Debutsement vlydne de J. Olesf
gfebrun denutne

70 LONG BRIDGE, CHICHESTER, MONMOUTH. 70 D'YESSCHENT, CHICHESTER, J. CHICHESTER.

four long bars upon which little help.

MONSIEUR LE DIRECTEUR GÉNÉRAL,

TE 3J WYLE TDL5

for about

OFFICE MEMORANDUM

TO: Africa Rural Development Study File

DATE: March 30, 1972

FROM: Robert Shaw *RS*

SUBJECT: Meeting with Francis Bour - SATEC

1. On Wednesday, March 29, Reutlinger, Donaldson, Shaw, Longhurst and Roe met with Francis Bour, Director of SATEC; Arthur Fern, SATEC's U.S. representative; and Mary Laird, interpreter. The purpose of the meeting was to discuss SATEC's techniques and organization of rural development.
2. Earlier, in a meeting with Mr. Henderson, Bour had described the overall operation of SATEC. It had started in 1956, funded by FAC, and working principally in the French West Indies on small-scale rural development projects, including agriculture, artisans and fishermen. In 1960, SATEC had been asked to broaden its activities to include larger projects in Francophone Africa. There are now numerous projects in Africa, two of the most successful being the Zou project for cotton in Dahomey and a rice project in Malagasy.
3. SATEC's mode of operation involves essentially technical assistance, the strengthening of institutions for supplies and marketing, the identification and supply of appropriate agricultural technology, the creation of a cadre of managers initially through the use of expatriates, and the training of a large number of low-level technicians to work directly with farmers (the technique of "vulgarisation").
4. Bour stated that the principal challenge for rural development was to create a sense of enterprise among managers and farmers. The colonial experience had concentrated on building an administrative system, but this was not sufficient to cause progress in rural areas, rather it was dedicated to preserving law and order and supplying services. But progress in rural areas required entrepreneurship.
5. In the meeting with ARD, Bour expressed his interest in the Africa Rural Development Study and his approval of the draft terms of reference. He said that he would like to discuss the Zou project in Dahomey to illustrate the terms of reference.
6. The Zou Province of Dahomey has a population of 300,000. The SATEC project was begun in 1964/65 and is now extended to 25,000 farms comprising roughly half the population. These farmers are organized into 450 village groupings. Rainfall in the area is fairly regular and adequate, amounting to at least 800 mm p.a. Soils are reasonably good and land is not in short supply.

7. The principal crops in the project area are cotton, peanuts, maize and some rice. SATEC has focussed most of its efforts on smallholder cotton production, each family owning from 1 to $5\frac{1}{2}$ acre blocks of cotton. In 1965, less than 100 ha. of cotton was grown in the province. In 1970, this had expanded to 14,000 ha. and in 1971 to 20,000 ha. Yields are still relatively low, averaging about 1 ton/ha. In 1971 they were lower because of problems with pesticide supply. Spraying is performed in some cases by the village grouping (which Bour regarded as preferable), in other cases by the low-level technicians employed by SATEC.

8. Incremental per capita income over the six years of the project is estimated at \$100. In 1970, the gross value of sales of agricultural produce was \$2 million, with the cost of inputs being about \$400,000. The aim by 1980 is to raise sales from the project to \$4 million.

9. SATEC has had no opportunity to observe systematically the secondary and tertiary effects of the project. However, farmers were buying radios and bicycles, improving their housing and paying \$15 for simple farm implements (which unfortunately were still imported).

10. Initially, SATEC was in charge of the entire project. It later worked in conjunction with a local governmental organization. In the last two years, a Dahomean government organization SENACO has been established to take overall responsibility for the project and to extend it to other areas of the country. SATEC remains responsible for management. There are 10 expatriates working for SATEC, and these have trained 150 local extension agents, generally local youths who have completed primary school. These extension agents are responsible for direct technical assistance to the village groupings and to farmers, and also for monitoring the project. Each farmer answers a detailed questionnaire on each phase of his activities. SATEC is in the process of building simulation models and doing factor analysis based on this mass of data.

11. Marketing is done through a French monopoly, C.F.D.T., which buys, processes and sells the raw cotton. The Government wanted SENACO to take over the purchase of the cotton from the farmers. A price for the cotton is negotiated between C.F.D.T. and SATEC and SENACO who represent the farmers. The price last year was CFA 37/kg or roughly \$150/ton.

12. Functional literacy is recognized by SATEC as one of the keys to success in their projects. Literacy campaigns have been mounted and for the last year they have been experimenting with the use of simple and cheap audio-visual aids to teach farmers techniques and about the operation of a cooperative.

13. One of the reasons stated by Bour for the relative success of the Zou project as compared to Senegal is that the Dahomeans are more receptive to innovation than the Senegalese (less subject to Islamic influence). However, Bour did not imply that cultural differences are all-important: he maintained that some progress could be made with any community where natural conditions permitted.

14. Bour was concerned about the difficulties created over the role of expatriates in technical assistance. In large capital projects, the salaries and roles of expatriates are hidden in the contract. In SATEC-type projects, they are made explicit, and this creates a problem of presentation. There is also the question of the difference in salaries between local staff and expatriates - this is inevitable but can be minimized if clear plans for local training and takeover are implemented.

RShaw/sks

SOCIÉTÉ D'ETUDES POUR LE DÉVELOPPEMENT ECONOMIQUE ET SOCIAL

(S E D E S)

SOCIÉTÉ ANONYME AU CAPITAL DE 2.000.000 DE F

SIÈGE SOCIAL ET BUREAUX: 67, RUE DE LILLE, PARIS (VII^e)

TÉL. 555-91-00

ADRESSE TÉLÉGRAPHIQUE: SEDECSOC 044

R.C. SEINE N° 58 B 11 509

PARIS, LE 29 MARS 1972

Monsieur DUNNING

Département Afrique de l'Ouest

B I R D

1818 Street N.W.

WASHINGTON 20433

- USA -

Cher Monsieur,

Comme suite à notre entretien du 20 Mars, j'ai le plaisir de vous faire parvenir sous pli séparé un exemplaire des rapports suivants :

- Effets socio-économiques de l'opération productivité dans les régions de Thiès, Diourbel et Kaolack (Sénégal), de M. Pierre Marnay, Chargé d'Etudes à la SEDES ;
- Evaluation des opérations de la SATEC sur la riziculture à Madagascar, également de Pierre Marnay.

Comme vous le verrez, il ne s'agit pas, dans ces deux cas, d'une étude d'évaluation économique, mais d'une approche différente et très riche d'enseignements. Par une enquête rétrospective d' "anthropologie économique" on s'est efforcé de saisir, au niveau des paysans, les effets divers d'une opération de développement massive, axée pratiquement sur un seul produit. Les conclusions que l'on peut en tirer pour la réorientation des actions nous paraissent utiles.

Je reste bien entendu à votre entière disposition pour toute information complémentaire, documentation, etc.... que je serais à même de vous procurer, ainsi que pour toute collaboration éventuelle de la SEDES à vos travaux.

Je vous prie, Cher Monsieur, de croire à l'assurance de ma considération distinguée.

7 A
Gilbert ANCIAN

Directeur, Adjoint

Rural Dev -

Mr. Barend de Vries

March 28, 1972

Stephen Denning *SD*

African Rural Development Study

You will recall that we undertook to provide 6 man-months for Phase I of the study. The material which I brought back from Paris is in French and apparently Mr. Reutlinger's team for the study does not speak French (with the exception of Mr. Shaw).

Mr. Reutlinger suggests, and I agree, that a suitable way for our department to assist the study would be a review of this French material and, in coordination with the team itself, an evaluation of its usefulness for the study.

SDenning:seb

cc: Mr. Chauffournier
Mr. Cheek
Mr. Reutlinger

Rural Dev. ST.

Rural Dev

March 27, 1972

Mr. Jerome French
Office of Development Administration
Bureau for Technical Assistance
Department of State
Agency for International Development
Washington, D.C. 20523

Dear Jerry:

I enclose for your information a copy of the draft terms of reference for our East Africa study. I expect that you will see some shortcomings in this, and I would very much welcome your reactions to the outline as it stands. Please note that it is a committee product and still a draft.

Although the initial reaction from my seniors to the Wellhausen proposal was unfavorable, I have recently had a couple of inquiries as to the developments regarding the idea. Perhaps you could let me know what has happened in that direction?

Very best regards,

Yours sincerely,

G. F. Donaldson
Agriculture & Rural Development Division
Economics Department

Encl.

GFDonaldson:mnw

MAILED 23 APR 1972
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BUREAU

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MAR 28 9 53 AM 1972

DEPARTMENT OF JUSTICE

WASH.

DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL
WASHINGTON, D.C.

RE: [illegible]

Dear Sir:

With reference to your letter of March 22, 1972, regarding the proposed legislation to amend the Federal Election Campaign Act of 1971, I have been assigned to review the proposed legislation and to advise you of the results of my review.

As you are aware, the proposed legislation is being considered by the Senate Committee on Labor and Human Resources. I have been assigned to review the proposed legislation and to advise you of the results of my review. I enclose herewith a copy of the proposed legislation and a copy of the comments of the Senate Committee on Labor and Human Resources.

Very truly,
[illegible]

Enclosure: D.C. 30253
Bureau of the Inspector General
Department of Justice
Office of the Inspector General
Washington, D.C.

Page 51 of 1015

[Handwritten signature]

[Handwritten signature]

Rural Development

March 27, 1972

Mr. I. D. Carruthers
c/o WDD
P. O. Box 30521
Nairobi, Kenya

Dear Ian:

I am very sorry that our trip to East Africa was cancelled, from this end, at the last minute. Apparently there had been some internal disagreement as to the modus operandi for our proposed study. We had a very pleasant and uneventful trip to Australia, travelling via Hawaii on the way out and via Fiji on our way back.

I fully expect that there will be a mission to East Africa in the near future, but as yet it is not scheduled.

I enclose for your information a copy of the terms of reference proposed for our study of rural development. The intention of this exercise is even more practical than the outline might suggest. As I see it, in the Phase 1, we are first going to define the attributes of a rural development project and will then study how far Bank group and other projects have gone toward incorporating these features, and what the experience with implementation has been. The whole idea is to develop an approach to rural development projects so that the Bank can further shift its emphasis in that direction. There has already been a significant shift in the proportion of Bank lending that is to go to investments other than physical infrastructure.

As I indicated, I was very interested to hear of your Hunting's offer. I still think that it would be a very attractive proposition - and I hope you accepted it. Please let me know what you did and what your movements will be in the near future.

I trust that Barbara has come back from the mountain and is now not too disenchanted with domestic life. We made contact with Ann Nelson's parents in Australia in anticipation of visiting you, and ascertained that they were all well.

I will let you know of further development as they occur.

Very best regards,

Yours sincerely,

G. F. Donaldson
Agriculture & Rural Development Division
Economics Department

Encl.
GFDonaldson:mmw

OFFICE MEMORANDUM

TO: Files

DATE: March 27, 1972

FROM: Stephen Denning *SD*SUBJECT: Rural Development Study: Back-to-Office Report

1. This memorandum gives an account of my meetings with FAC, CFDT, SCET Cooperation, SATEC, CINAM, CIDR and SEDES, in Paris on March 20 and 21.

General remarks

2. All the institutions welcomed both the general idea of the study and the particular plan of operation which has been chosen for it. Likewise, all expressed their willingness to cooperate in the conduct of the study as well as their desire to keep in touch with those responsible for executing it, and to hear of the findings.

3. I adopted the following approach. After explaining the general nature of the rural development study, I gave the definition of "rural development" as set out in para. 1 of the draft terms of reference for the study. I then discussed the suitability of including particular projects in the light of the following criteria:

- a. does the project fall at least partly within the definition of rural development?
- b. has the project been in operation for a sufficient period of time to see the results (say, 5 years)
- c. is detailed information available on the situation at the time when the project began?
- d. is detailed information available on the funds invested in the project?

4. The documentation received is listed in Annex I. In several cases, evaluation studies are already in progress by FAC. Thus, FAC is now writing evaluation reports on the ZAPI's program and the Yabassi-Bafang program in Cameroon. Both reports will be made available to us when finished (in September 1972), subject to obtaining the authorization of the Cameroon government. Likewise SEDES is engaged in an evaluation of the SOMALAC Project in Madagascar. It may well save time and money if these individual studies can be incorporated in our overall comparative analysis.

FAC.

5. Mr. Erledan welcomed the rural development study and made a plea to be kept informed of developments. This meant, he said, meetings at the working level as well as meetings with the "grands chefs". I had the feeling that he would have been offended if we had not informed FAC of the study.

6. Mr. Erledan agreed that a representative list of "francophone" projects could include the ZAPI's and Yabassi-Bafang in Cameroon, SATEC's program in the Zou region of Dahomey, CFDT's program at Fana in Mali and the SOMALAC project in Madagascar. He thought we should consider at least one of the really poor countries like Chad or Upper Volta. He said FAC was thinking of doing an evaluation of the ORD program in Upper Volta next year. He also suggested that we might consider the Corongo Rice Project in Ivory Coast.

7. FAC is presently completing evaluations of the Yabassi-Bafang Project and the ZAPI's in Cameroon. When asked, Mr. Erledan said that he could see no objection to giving us the reports, subject to getting the consent of the Cameroon government. We should therefore try to obtain this consent as soon as possible. The reports may not be ready before September 1972. It is clear, however, that Mr. Crepin, who is writing the report on the Yabassi-Bafang Project, would be willing to discuss his evaluation at length before September, if given the opportunity. I did not meet Mr. Sadoul who is said to be doing the evaluation of the ZAPI's.

CFDT

8. CFDT considers its operation in the Fana region of Mali as one of the best examples of its work in Africa, partly on account of the industrious nature of the people living in this region. I asked about CFDT's operation in Cameroon. Mr. Profitt suggested against studying this program because it was suffering from several bad years of rainfall.

SCET

9. SCET was very interested in the study, both from the point of view of participating in it as well as intellectual curiosity. They said they had been advocating integrated rural development projects for many years and they hoped that the study would prove them to have been right. On the other hand, they thought that there was necessarily a conflict between stimulating economic growth and providing better social services.

10. They agreed that the Yabassi-Bafang Project in Cameroon would be a suitable vehicle for study, given the available information and the results obtained. It was begun in 1965 and has had some interesting results, including secondary benefits. There is also the advantage that FAC has already undertaken an evaluation study. As operating costs of health and education are borne by the project, rather than the Government, the project is very vulnerable to discontinuation of external assistance.

11. SCET also suggested that we should look at the SOMALAC project in Madagascar which they considered to be a project where the results had far exceeded the original expectations. This project was begun in 1969 and involves rice production.

12. SCET's fees normally are as follows:

Chief engineer	\$5500 per month
Principal engineer	\$3500 - \$4000 per month
Engineer	\$2700 - \$3000 per month.

13. I questioned SATEC concerning their project in the Zou region of Dahomey and received only a very general summary of their operations. I was told that there was a great deal of very detailed information about each individual farm which had never been collated, simply because SATEC had never been provided with funds to do the work. (Incidentally, Mr. Erledan of FAC suggested that this was a good example of a project which had not worked for several years and then had suddenly become good.)

14. SATEC also said that they were in the process of working out a methodology for evaluation of the results of their project in the Casamance area in Senegal. This project has only been in operation for 2 years and so the results of the project may not yet be fully apparent.

SEDES

15. By way of background, I had the feeling that SEDES had perhaps more of an intellectual than a practical interest in development generally. Thus SEDES struck me as the opposite of CFDT which seemed only interested in getting practical results. SEDES itself has carried out a number of evaluation studies: see the SEDES bibliography: all studies are available on request. Of particular interest is the ongoing study of the Yabassi-Bafang Project in Cameroon in cooperation with FAC and of the SOMALAC project in Madagascar.

16. Mr. Ancian suggested that a major difficulty for an evaluation study such as ours would be the lack of reliable information about the situation at the start of the project. Without this information, it was difficult to say what change had come about as a result of the project. He gave me a document entitled "Principes et proportions pour une analyse et une relance des opérations du développement rural" which contains suggested methodology for evaluation and asked for our comments. My initial impression was that the methodology is so general as to be worthless.

CIDR

17. CIDR is a Catholic organization which has adopted an approach called "animation rurale". I received a rather long lecture from Mr. Muelle about the need for the Bank to provide credit for small farmers, rather than the wealthy elite. He cited Dahomey as an example where the Bank's intervention had only helped the elite. I suggested in reply that there was no disagreement as to objectives; the question was how to achieve these objectives. One of the purposes of the study in hand was to see the actual effect of the development projects and, hopefully, to learn from experience.

18. CIDR said that their programs in Upper Volta and Dahomey would be best suited for the comparative study. They supplied me with their annual reports of these programs.

Other Organizations

19. The main omissions were FED and BDPA. In the light of FAC's reaction to my visit, I think it desirable that we acquaint FED with the general nature of the study and hear any ideas they may have.

CINAM

20. CINAM is a small organization and feels overshadowed by the large French firms which dominate technical assistance in francophone Africa. It is highly decentralized and it may prove more fruitful to make contact in future with the office in the field in Cameroon. Mr. Berclaye felt that the ZAPI's in Cameroon was worthy of study. FAC is already engaged in an evaluation of the program led by Mr. Sadoul. Mr. Berclaye felt that the project had succeeded in achieving the goals of self-financing and independence from technical assistance after the early years. He felt that the organization of credit had not succeeded as well as expected. He promised to send us the "projet initial" and the "rapports d'activité". FAC's evaluation should be available later this year and CINAM's final report will be available in November 1972.

21. As other experiences worthy of study, he suggested:

- a. the Barrage de Cossu near Bonafle on the Bandama River (AVB) in Ivory Coast;
- b. UNCC in Niger financed by FED and now 8 years old;
- c. SONADER in Dahomey/Togo.

Recommendations

22. I recommend:

- a. that we should maintain contact with the various organizations, especially FAC, in the course of executing the study;
- b. that we make contact with FED, acquaint them with the general nature of the study proposed and hear their opinions; and
- c. that we obtain the consent of the Cameroon government to see the FAC reports on the Yabassi-Bafang Project and the ZAPI's.

SDenning:seb

cc: Messrs. Chaufournier

Cheek
deVries
Gué
Huber
Steckhan
Munthali
Husain
Hansen
Krishna
Reutlinger
Hendry
Stapleton

Mrs. Lele

Messrs. Shaw

Donaldson

Persons met

FAC	Mr. Erledan	
	Mr. Crepin	
CFDT	Mr. Tourancheau	- Directeur technique
	Mr. Proffit	- (CFDT's operations in Mali)
SCET	Mr. Bourdillon	- Directeur général
	Mr. Gaspary	- Directeur des relations extérieures
	Mr. Monnier	- Secrétaire général
	Mr. Argouillon	- Directeur de la recherche et du développement
SATEC	Mr. Bour	- Directeur
SEDES	Mr. Mercier	- Directeur général
	Mr. Ancian	- Directeur adjoint
CIDR	Mr. Muelle	- Directeur général
	Mr. Préault	
CINAM	Mr. Berclaye	

Documents Received

1. Cameroon: Yabassi-Bafang Project (SCET)
 - a. Avant projet dated September 1967: equivalent of an appraisal report.
 - b. Progress report up to June 1970.
2. Madagascar: SOMALAC Project (SCET)

Report on operations 1961-1971: basically public relations material but includes some broad quantitative perspectives.
3. Mali: Fana Program (CFDI)
 - a. Programme for Fana Program dated February 1967: submission to FED.
 - b. Financial agreements for Fana Program.
 - c. Progress reports Nos. 1, 2 and 3 on Fana Program up to April 1971.
 - d. Reports on cotton production for the whole of Mali: 1967-1971.
4. Dahomey: Zou Program (SATEC)

Summary of situation as at 1971 gives a broad picture of the program since 1964.
5. Dahomey: Borgou Program (CIDR)
 - a. Mémoire dated December 1971 summarizing Program 1964-1971.
 - b. Annual report: Secteur Primaire dated May 1971.
 - c. Annual report: Secteur Secondaire dated May 1971.
 - d. Annual report: Secteur Tertiaire dated May 1971.
 - e. Annual report: Animation Féminine dated May 1971.
6. Upper Volta: Diébougou and Gaoua
 - a. Annual report dated July 1971.
 - b. L'animation féminine dated November 1971.

7. Miscellaneous Documents.

- a. Bibliography of Studies already performed and being performed by SEDES dated December 1971.
- b. SEDES: "Principe et propositions pour une analyse et une relance des opérations de développement rural."
- c. SCET: Conception générale des opérations.

file
Africa Sh. 1/2

OFFICE MEMORANDUM

TO: Mr. Shlomo Reutlinger

DATE: March 27, 1972

FROM: Robert Shaw *RS*SUBJECT: Meeting with Education Projects Department

1. On Friday, March 24th, I had an exploratory meeting with Messrs. Ballantine and Hultin to discuss EPD's experience with projects for rural development and their reaction to the draft terms of reference for the East African Rural Development Study.
2. With regard to the draft terms of reference, both Ballantine and Hultin felt that they were too highly oriented towards production and did not reflect sufficient concern for less tangible aspects, such as the receptivity and demand for services. They have numerous other specific comments, which Hultin agreed to put in writing.
3. They suggested I should become familiar with the case study and summary material being prepared on non-formal education by I.C.E.D. I shall read their files on this project and have been invited to sit in on any meetings held in Washington with I.C.E.D. In the meantime, since they do not expect to see drafts of case studies for two months or so, they suggested it would be valuable for me to spend some time in Connecticut with the I.C.E.D. team.
4. They also suggested I should read the report of the Overseas Liaison Committee mission to Tanzania (already done), and familiarize myself with the educational components of the Vihiga S.R.D.P., and the Upper Volta Rural Development Fund. Furthermore, a tentative list of Bank projects in which there has been a significant training component has been prepared by John King (Office of Projects). I have requested a copy of this. Lilongwe is a prime example, and one which Mr. Ballantine concerned well worth examining. The question of what one does about training for non-education projects in rural development is of considerable interest to EPD.
5. With regard to specific Bank education projects, there appears to be nothing of relevance to rural development that is actually in operation. However, Education Projects suggested that it would be valuable to look at the identification, appraisal and negotiation stage of some education projects, to see the ways in which action could be concerted between various ministries and institutions so that education was made more useful to rural development. Loans identified as Kenya II and Tanzania III would be good candidates for this.
6. Finally, Mr. Hultin suggested that the draft terms of reference ignored environmental considerations. In view of the impact of rural development on the African environment, he wondered whether we could try to include these aspects in our Study.

RShaw/sks

*Meeting March.
✓ cc Rural Development*

Robert d'A. Shaw

March 24, 1972

P. D. Henderson *P.D. Henderson*

Terms of Reference - TAIWAN

1. On or about March 31, 1972, you will proceed to Taiwan for a period of one week.
2. The purpose of the journey will be twofold: firstly, to attend and address the 20th session of the ICC Commission on Asian and Far Eastern Affairs (3rd - 5th April). The meeting is on the theme "Towards Greater Productive Employment in Asian Countries." Your address will be based on material developed with the Overseas Development Council prior to your joining the Bank.
3. Secondly, you will spend three days with the Joint Commission on Rural Reconstruction investigating their institutional and educational arrangements for rural development both at the national and local level. This information will be used for comparative purposes in the African Rural Development Study Phase I to be undertaken principally by ARD.
4. The fare and subsistence costs for the first purpose above will be met by the ICC National Committee of the Republic of China (!).
5. On your return to Washington, you will prepare a back-to-office report on the trip.

RS/ss

cc and cleared: Mr. Reutlinger *SR*

Rural Dev - OF

Mr. Roger A. Hornstein

March 24, 1972

Messrs. P. Bottelier and John R. Burrows

East African Rural Development Study

1. We discussed the draft memorandum of the working party with Messrs. Hansen and Krishna and indicated some misgivings about the proposed terms of reference for Phase I and the timing of all three phases of the study. Our main concern regarding Phase I is that the terms of reference place too much emphasis on the measurement or evaluation of the benefits and effects of projects selected for this study. This part of the exercise is in our opinion bound to be largely inconclusive and of little - if any - operational use in the identification and preparation of future rural development projects. Methodologically and practically there are fearsome problems in trying to attribute rural development - or the lack of it - to any particular project or input. Besides, the projects selected for this study are typically very complex. The number of relevant factors, many of which interact, is extremely large while benchmark data (i.e., quantitative information on the pre-project situation) will be scarce. This is not to argue that the Bank should not try to evaluate the impact of its projects but to question the appropriateness of making this a central theme of this study. At best, we think, one could come up with some broad qualitative impressions and intelligent guesses. The terms of reference for Phase I should be redrafted so as to avoid the team spending a lot of time (including the time of officials in the project countries) on research that is bound to lead to an even longer list of unanswered and in most cases unanswerable questions.

2. Rather we would place the emphasis of Phase I on project design and implementation. Here we are on more familiar ground and by focusing on these aspects the results of the study are more likely to be of operational use. After defining the attributes of a "rural development project", it would be useful to study how far Bank Group and other projects have gone towards incorporating these features and what the experience with implementation has been. This might well throw up some interesting generalizations about design and implementation problems (including constraints on the country's side). All of this could be done in Washington by using information available in the Bank. Phase I field studies might be desirable to give the researchers a better perspective but they should be limited to those countries where no comprehensive rural sector surveys are planned. Field study of projects in Kenya and Tanzania should be carried out - if needed - as part of Phase II and simultaneously with the rural sector surveys. Finally, we place a great premium on maximum participation by operational personnel in this exercise. This is partly to avoid reaching for unattainable and in any event unnecessary levels of academic perfection and also to ensure that the research work will be tuned to the needs for operational use later on. In short, we are concerned that the research project as conceived by the working party reaches too high, will take too long, and that its operational use will be too limited.

cc: Messrs. Hansen, Krishna, Reutlinger

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Rec
Africa R.D.

Mr. G. F. Donaldson

March 23, 1972

W. H. Spall

KENYA--Agricultural Credit -- Survey and Research Proposals

1. Referring to your memorandum of March 22, 1972, addressed to Mr. Reutlinger, I am afraid I was not aware during our discussions that you had two studies in mind, firstly "Rural Credit Provision to Small Farms in East Africa" and secondly, "East Africa Rural Development Study". I was under the impression that the study you proposed in Kenya would form part of the second larger study.

2. You will see from the provisional terms of reference for the Kenya Agricultural Credit Survey that farm credit needs for both small and large scale farms, based on farm surveys, are included. I think that before we proceed any further, it would be helpful if you could let us have your draft terms of reference for the type of study which you envisage in paragraph 8 of your memorandum. We could then see if there really is any conflict with the proposed Agricultural Credit Survey or whether your study will be complementary to such a Survey or alternatively whether it could be integrated.

3. It is not correct to say that we do not have any great interest in your proposed study "Rural Credit Provision to Small Farms in East Africa". As I have mentioned in para 1 above, I was not aware that two studies were contemplated. What I did wish to convey was that we in the Agricultural Credit Division were presently primarily interested in a much wider and in-depth study of credit requirements in Kenya, both small and large scale.

4. I would welcome your suggestions/comments on our terms of reference and if you, in turn, could produce your draft terms of reference as mentioned in para 2 above, perhaps we could have further discussions to determine a course of action.

WHS:ms
IBRD

Cleared with Mr. P. C. Coffin

cc: Messrs. S. Reutlinger ✓
R. A. Hornstein
J. D. von Pischke
Mrs. U. Lale

OFFICE MEMORANDUM

TO: Mr. Shlomo Reutlinger

DATE: March 22, 1972

FROM: G. F. Donaldson *G.F.D.*SUBJECT: Kenya Agricultural Credit - Survey and Research Proposals

1. As you are aware, there has been proposed a Kenya Agricultural Credit Survey, which is to examine all aspects of rural credit schemes in Kenya and which this overlaps our proposed study of Rural Credit Provision to Small Farmers in East Africa. As suggested, I have discussed these proposals for studies with Mr. W. H. Spall of the Agricultural Credit Division, AGP. The concern of our discussions was the possibility of conflict in the existing proposals. The discussion was cordial and constructive.
2. The provisional terms of reference for the proposed Kenya Agricultural Credit Survey have been tentatively agreed by the Kenya Government. A copy of the "terms of reference" is attached for your information.
3. The main features of the proposal are:
 - (i) a broad study of all aspects of rural credit, with particular attention to institutional arrangements and procedures;
 - (ii) the Survey to be undertaken by outside consultants, over a period of 12 months (including 4 months documentation time);
 - (iii) a suggested team of 9 or so specialists is specified in the terms of reference;
 - (iv) the study, it is hoped, will be underway early in 1973;
 - (v) the budgeted cost is \$500,000 to be funded within the forthcoming IDA credit; and
 - (vi) the Survey is to be under direction of a "steering committee" within the Kenya Government on which the Bank is to be represented.
4. From our discussion, it is clear that Agricultural Credit Division has no great interest in our current proposal for a relatively small study of "Rural Credit Provision to Small Farms in East Africa". However, there seems no specific objection to it. The idea would likely receive some support insofar as it might complement the proposed Survey. There is no suggestion that Agricultural Credit Division would oppose our proposal. Their major consideration is obviously that the two activities should not be in conflict, particularly at an administrative level.

5. There are numerous points of difference between what they propose in the Survey and what we have in mind in our study. For instance:

- (i) we are primarily interested in small farmer credit, and not all rural credit;
- (ii) we propose detailed comparative study of existing schemes and experimental alternatives that have been tried in various situations, which they do not;
- (iii) we propose empirical study based on case studies and farm surveys using primary data collected in the field, whereas the collection of much new farm level data will be difficult in the 8 months proposed in the terms of reference for information gathering under the Survey;
- (iv) we propose to begin almost immediately (since our man is available now, has begun preparatory work, and has been on the recent project appraisal mission to Kenya as a consultant), whereas a starting date about 12 months hence is proposed for the Survey; and
- (v) our focus extends to all of the countries in East Africa where interesting experiments have been made, and is not exclusive to Kenya as is the case for the Survey.

6. The study of "Rural Credit Provision to Small Farms in East Africa" must proceed immediately if it is to provide useful input for our East Africa Rural Development Study. If it does go forward as presently envisaged it could, in addition, provide much useful background information and data for the proposed Survey. In fact, it may be essential that some preliminary empirical field work be initiated prior to the beginning of the main Survey in order to facilitate the analysis of the Survey team. In discussion, it was suggested that the Kenya Government would probably favor any move which represented an early start towards the Survey.

7. In view of the scope and scale of the proposed Survey, it is clearly futile for us to proceed without some regard to it. Three alternatives seem open to us:

- (i) to proceed with our study, but to tailor its scope so that it is supplementary to the Survey and not in conflict;
- (ii) to proceed with the study, but to adjust its scope and intent to specifically complement the larger Survey and provide input to it (in which case, we might perhaps start out independently but to be taken over by them after the first year); or

To: Mr. Shlomo Reutlinger

- 3 -

March 22, 1972

- (iii) drop our proposal until the Survey is completed and perhaps altogether if the Survey adequately covers the subject area (which seems unlikely).

8. I suggest that, by way of compromise, we should proceed forthwith with our study - orienting it so that the activity of the first year contributes as much as possible to our East Africa Rural Development Study, but with an equal interest in initiating work that will contribute to the Survey. In my judgment this is both feasible and reasonable, and can be done with a minimal adjustment in our present research proposal. Such a shift will make our study less self-contained, and will thus create some additional concern for the country based researcher. It will also involve an increased coordinating effort, but not necessarily an unreasonable one. It seems possible that we could proceed in this way with minimum effect on the arrangements for the Survey, and with little disadvantage to our plans.

GFDonaldson:hrv

cc: Mr. W. H. Spall
Mr. R. Hornstein
Mr. von Pischke
Mrs. U. Lele

K E N Y AAGRICULTURAL CREDIT SURVEY1. Objective

The objective of the proposed agriculture credit survey is to review and define Kenya's agricultural credit needs, short medium and long term, in relation to the priorities for agricultural development over the next five years, to examine and recommend appropriate policies, capital sources, and institutional arrangements for supplying these needs and to examine the possibilities of developing agricultural credit programs. The survey would include:

- (a) A review of past agricultural credit experience over the last five years, concentrating on credit for production purposes, but giving brief details of credit for marketing of agricultural produce and for related agricultural activities:
 - (i) existing credit policies of Government, Central Bank and other credit institutions, and their relationship to credit policies in other sectors;
 - (ii) existing agencies: commercial banks, agricultural banks and co-operatives concerned with agricultural credit; their place in credit and banking system, organization, inter-relationship, review should also examine role of non-institutional credit sources;
 - (iii) sources of credit funds for lending agencies, re-discounting facilities, rural savings, budgetary and foreign sources and role of agricultural banks and co-operatives in mobilizing resources; analysis of costs of funds from main sources for each credit agency;
 - (iv) analysis of costs of lending operations, comparison of agricultural interest rates with those of other sectors, their relation to size and purpose of loan, to agricultural subsidies, and to inflation: analysis of overdue loans, covering period overdue, efficiency of collection techniques and reasons for delinquency;
 - (v) types and volume of production credit for current inputs, on-farm investments and investments in agriculture-related industries compared with gross agricultural production, GNP, and total credit for all purposes; loan distribution by purpose, number and size of loans, related to farm size categories, and to total number of farms;

(2)

- (vi) technical and financial loan appraisal techniques, borrower selection and borrowing terms with due attention to security requirements, legal instruments of security and their effectiveness;
 - (vii) external constraints to agricultural credit, including land tenure situations, existing indebtedness, sufficiency of qualified staff, extension, research, timely availability of farm inputs, and marketing facilities; price policies regarding farm inputs and commodities; and
 - (viii) taxes including import/export duties and their effect on farm input costs, farm output prices and generation of government tax revenue.
- (b) Future agricultural credit policies and institutions, including any recommended changes in institutional arrangements, policies and practices, and any measures for increasing and mobilizing rural savings, expanding rediscount facilities, and encouraging further private commercial banking in agriculture.
- (c) Estimated credit requirements for the next five years:
- (i) farm credit needs, based upon survey of farm households including both small and large scale and pastoralists and projected future developments, for seasonal and longer term credit; these should cover the relationship between seasonal and longer term loans, and include investments for land and water development; and
 - (ii) credit needs for related agricultural activities, including handling, marketing, and processing of farm products; procurement and distribution of fertilizers, seed, farm chemicals and machinery.
- (d) Propose specific credit programs in support of priorities in Agricultural Sector:
- (i) institutions concerned;
 - (ii) lending programs.

2. Organization of Study

The Government would designate the responsible agency for the implementation of the study (such as Ministry of Finance and Planning). A steering committee composed of representatives of Ministry of Finance and Planning, Ministry of Agriculture, Ministry of Commerce, Agricultural Finance Corporation, and IBRD would be set up to supervise and guide the study and to review interim and final reports. The study will be conducted over a period of twelve months, allowing eight months for compiling and analyzing data and four months for preparing the report. It will be based upon past studies, and other

existing available data, Government plans and projections, field survey and interviews with appropriate officials.

3. Key Personnel

The work would probably require a team of experts whose expertise would cover the range of problems outlined above. The qualifications offered for guidance are:

- (a) Agriculture Credit Expert: Project leader, responsible for organization of study, overall credit situation, interim and final report, liaison with steering committee, etc. He should have long experience in operational and policy levels with agricultural credit institutions.
- (b) Management Expert: He would be responsible for reviewing the management of the various institutions involved in credit. He should have had considerable management experience in the type of credit institution involved.
- (c) Agriculturalists: Responsible for costs and operational needs of farmer inputs for both short, medium and long term on-farm investments for all major crops in Kenya. He should have a thorough knowledge and experience in crop production and animal husbandry and livestock problems, and farm management.
- (d) Agriculture Production Economist: Responsible for evaluation of inputs requirements in liaison with Agriculturalist and estimates of operating costs for major crops in Kenya and on-farm investments.
- (e) Marketing and Processing Expert: Responsible for off-farm credit requirements for agriculture development. He should be experienced in marketing, processing, or storage enterprises, and familiar with credit needs of such enterprises.
- (f) Planning Expert: Responsible for organizing necessary sub-surveys. He should be experienced in Governmental planning operations and organizational problems.
- (g) Auditor - Accountant: Responsible for review of financial statements of banks and cost accounting (in connection with lending operations and raising resources).
- (h) Statistician: Responsible for analyzing data and of preparing tables and graphs.
- (i) Four or five Interviewers for farmer surveys.
- (j) Five clerical and secretarial personnel.

It is anticipated that the personnel required for (a), (b), (d), (e), (f), (g) and (h) would be recruited internationally and the other personnel would be found in Kenya.

4. Reports

The reports would include an interim report after six months to be reviewed by the steering committee and IBRD and a final report acceptable to the steering committee and IBRD. The report would include specific recommendations including detailed proposals for the realization of these recommendations. The interim report should if possible identify projects which could be the subject of immediate preparation. Reports would be made in English and 25 copies would be printed.

Rural Development

Mrs. Uma Lele

March 17, 1972

P. D. Henderson

P.D. Henderson

Terms of Reference for East Africa (an amendment to the terms of reference for India)

On or around April 16 you will proceed from India to Nairobi, Kenya and Dar es Salaam, Tanzania for approximately a week in connection with the Bank's proposed research on rural development in East Africa. The purpose of your mission will be to discuss the terms of reference of the East Africa study with persons involved in research on and operations of the rural development programs. You will also familiarize yourself with ongoing research, if any, related to rural development. Further, you will explore the possibilities of pursuing the Bank's research in cooperation with persons and institutions in these two countries.

cc and cleared: Messrs. Reutlinger
Hornstein
Krishna/Hansen
Evans

S.R.

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Personal

March 17, 1972

Mrs. Uma Iela

Handwritten: P. D. Henderson
10/17/72

Terms of Reference for East Africa (an amendment to the terms of reference for India)

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Handwritten: 2.2

cc and cleared: Messrs. Rentschler
Hornstein
Krishna/Hansen
Evans

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YELLOW COPY
Rural Development

OFFICE MEMORANDUM

TO: Mr. P. D. Henderson

DATE: March 16, 1972

FROM: Bruce M. Cheek

SUBJECT: Rural Development Study

Since receiving your memorandum of March 1, 1972, I have discussed with you and the members of the Steering Group the matter of this Department being represented in the Group. This note is to confirm that after talking with you, I checked out this idea with Messrs. Husain, Hans Adler and Haq and there is agreement on this proposal. Mr. de Vries would represent this Department.

cc: Messrs. Hans Adler (AGP)
Husain (EAF)
Haq (ECD)
de Vries

BMCheek:ia

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Agric. & Rural Development Division Staff

March 9, 1972

S. Reutlinger

Rural Development Experts

In the past few weeks, I have received requests to supply "rural development experts" for missions to Brazil, Colombia and Trinidad. We can count on many more requests to come. Except in rare instances, I do not think that we should send Division staff for the simple reason that we should concentrate our efforts to learn something more thoroughly about the subject (like doing the Africa study).

It would be good policy to recommend short-term consultants to meet this demand, and I have tried to do this to a limited extent. It would provide another source for accumulating knowledge about the subject by the Division at little cost to us, and it would be a good service to the Bank.

My purpose in sending around this note is to ask you to be on the lookout for suitable candidates who might be available on short notice. Our Division might also attempt to prepare something like a general outline of terms of reference and keep a roster of candidates. As the new unit in Agricultural Projects gets going, we may perhaps pass on our suggestions and phase out of this largely strictly operational program.

cc: Mr. Churchill
Mr. Henderson
Mr. Hawkins
Mrs. Hughes
Mr. Keare
Mr. Price

OFFICE MEMORANDUM

TO: Mr. S. Reutlinger

DATE: March 8, 1972

FROM: Richard M. Westebbe *RW*SUBJECT: Africa Rural Development Study

1. Thanks for your memo of March 7. Unfortunately, I interpreted your statement as referring to the increased numbers in the population and not the absolute size as you intended. The figures used in the table I sent you (copy attached) from the 1970 UN study ^{1/} bear out your point as Africa's rural population is estimated at 498 million in 2000, and the urban at 320 million.

2. However, for the period 1970-2000 in Africa, more people are expected to be added to the urban than the rural population. There may, of course, be differences in the projections we are using because of different definitions of urban (20,000 minimum or national) and in geographic regions. We may also be using UN estimates of different dates. The source I used does not break out tropical Africa, but does identify the following regional changes in urban and rural populations.

Additions to Urban and Rural Population (million) 1970-2000

	<u>Urban</u>	<u>Rural</u>
Africa	243*	230*
Western Africa	76	63
Eastern Africa	41	96
Middle Africa	27	18
Northern Africa	83	45
Southern Africa	19	9

* The sum of the changes in the regions do not add exactly to the changes for Africa, probably due to rounding in the original study.

Only Eastern Africa is expected to have a larger absolute increase in rural than urban population for the period 1970-2000.

RWestebbe:jod

1/ Urban and Rural Population: Individual Countries 1950-1985, and Regions and Major Areas 1950-2000. UN, Dept. Econ. and Social Affairs. Sept. 23, 1970.

cc: Mr. Barend A. de Vries

URBAN - RURAL POPULATION 1950, 1970, 2000

(in millions)

World Population		Urban	Rural
2000	6,515	3,329	3,186
1970	<u>3,635</u>	<u>1,352</u>	<u>2,283</u>
1970-2000	(+2,880)	(+1,977)	(+ 903)
1950	<u>2,486</u>	<u>704</u>	<u>1,782</u>
1950-1970	(+1,149)	(+ 648)	(+ 501)
<u>Less Developed Countries</u>			
2000	5,061	2,155	2,906
1970	<u>2,545</u>	<u>635</u>	<u>1,910</u>
1970-2000	(+2,516)	(+1,520)	(+ 996)
1950-1970	<u>1,628</u>	<u>265</u>	<u>1,363</u>
	(+ 917)	(+ 370)	(+ 547)
<u>Africa</u>			
2000	818	320	498
1970	<u>344</u>	<u>77</u>	<u>268</u>
1970-2000	(+ 474)	(+ 243)	(+ 230)
1950	<u>217</u>	<u>30</u>	<u>187</u>
1950-1970	(+ 127)	(+ 47)	(+ 81)

Source: See footnote.

Mr. E. Stern

March 8, 1972

S. Reutlinger

East Africa Rural Development Study

Thanks for taking an interest and commentary on the East African study in its pre-research budget proposal stage.

I completely share your view that the operational significance of the study would be severely impaired if the operational objective is to come up with a general core design. Hopefully there will be lessons for planning in many countries, but as a matter of discipline we should first of all insist that the research results apply at least to one existing, not merely hypothetical, planning environment.

The study proposal as it stands is an inter-departmental compromise. I had originally proposed that we should begin from a preliminary survey of the planning environment in two countries, and then proceed to study historical lessons and apply these primarily to the modifications of our initial planning notions for the specified countries. For various reasons - differences in point of view, difficulties with timing of large missions to the countries and staffing problems in other departments - the current proposal is a modified version of my original proposal. But, by and large, I think the iterative process between forward and backward looking is still preserved in the current proposal (you may be interested in the attached background material).

The country missions will not be charged to the research budget.

I do not think that we can further reduce at this stage the in-house staff input. It will take a lot of coordination to get the studies of historical lessons integrated among themselves and with the sector surveys. However, if at the recruitment stage we can identify a suitable "subcontractor" who could be available full time, so much the better.

Your observation that the terms of reference for Phase II (the sector missions) do not yet fully reflect the broader rural development objectives and problems, is correct in my view. This concern was expressed by many members of the committee. But we could not come up with many practical suggestions for dealing operationally with these problems adequately in the context and time constraints of a sector mission. I think we might deal with some of the issues you raised in Phase I of the study, and then, if feasible, make specific proposals for modifying by October the terms of reference for Phase II.

SReutlinger:coh

Mr. Reuthlinger

March 7, 1972

E. Stern

East African Rural Development Study

The draft description of the East African rural development study sounds interesting. I am uncertain that one can in fact develop a core design which is of relevance outside of the countries studied, but perhaps that is not intended. The elements of a core are fairly easy to list (e.g. see para 6) but the question is which combination is appropriate in a given socio-economic setting and which can be implemented.

The project description does not make it entirely clear as to why the whole program should be financed out of research funds; for instance I would have some questions about charging two country sector missions to the research budget unless they are more exploratory in nature than they are described in the draft. If the sector missions are primarily designed to identify lending programs in rural areas, then they are part of our normal operational program and should be so funded.

I also would suggest we have another look at the work programs of the departments involved. The suggested blend between consultants and staff in phase I might, it seems to me, be adjusted further to free scarce staff time without losing control over research design and methodology.

The terms of reference for phase II deal exclusively with agricultural production and with some of the more obvious non-agricultural investments possible in the rural sector. It seems to me however that if we are going to look at rural development as a problem we need a more effective review and analysis of the institutional aspects of rural areas. Rural development is more than increasing agricultural production and simultaneously increasing the related production and service facilities. While even this latter concept is a step forward from looking at the rural sector purely in terms of agricultural production it still fails to treat the rural environment as an integrated unit. This requires a review of geographic areas of a country to see how the rural sector is related to specific urban areas, the nature of ownership (land, industry and service facilities) rural areas, the parameters of co-operative production and distribution, and the economic basis for cultural patterns. None of this is covered in the terms of reference except under the heading of a review of such cultural traditions might be changed by prospective programs of rural development. The real question here is precisely the reverse, i.e. what programs of efficient rural development can be built on existing cultural traditions.

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Mr. R. M. Westebbe

March 7, 1972

S. Reutlinger

Africa Rural Development Study

1. Thanks for sending me your comment on the Africa Rural Development Study. However, you should note that our statement to the effect "that the bulk of the constantly growing population will continue to remain in the countryside" remains true (unfortunately), in spite of higher growth rates in the urban than in the rural population, in every country having today a very large proportion of its population in rural areas.

2. U.N. Projections (Population Studies No. 14) for Tropical Africa are as follows:

	<u>Population (millions)</u>	
	<u>Urban</u>	<u>Rural</u>
1970	23	214
2000	<u>105</u>	<u>419</u>
Addition	82	205

3. Regardless of how inaccurately the growth rates of total and urban population are estimated, it would seem that more people will be added to the rural than to the urban population, in the foreseeable future, when 80 to 90 percent of the population is now rural.

SReutlinger:coh

cc: Mr. Barend de Vries
Mrs. Lele

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March 7, 1972

Mr. R. M. Westphal

S. Bentlinger

Africa Rural Development Study

1. Thanks for sending me your comment on the Africa Rural Development Study. However, you should note that our statement to the effect "that the bulk of the constantly growing population will continue to remain in the countryside" remains true (unfortunately), in spite of higher growth rates in the urban than in the rural population, in every country having today a very large proportion of its population in rural areas.

2. U.N. Projections (Population Studies No. 11) for Tropical Africa are as follows:

Population (millions)

	<u>Urban</u>	<u>Rural</u>
1970	23	31
2000	102	113
Addition	82	202

3. Regardless of how inaccurately the growth rates of total and urban population are estimated, it would seem that more people will be added to the rural than to the urban population, in the foreseeable future, when 80 to 90 percent of the population is now rural.

S. Bentlinger:cc

cc: Mr. Bernard de Vries
Mrs. Lefe

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Rural Dev - *see Dev*
Le 7 mars 1972

Monsieur Francis Bour
Directeur Général
SATEC
110, rue de l'Université
Paris 7ème
France

Monsieur,

La Banque Mondiale s'est chargée de faire une recherche sur le développement rural en Afrique (voir pièce jointe). Nous avons décidé de commencer par une analyse comparative de quelques programmes déjà en marche. En ce moment nous sommes en train de choisir les programmes pour cette analyse.

Parmi les programmes que nous considérons pour l'étude, il y en a plusieurs que votre société a géré, par exemple, le programme de SATEC dans la région de Zou au Dahomey. Nous serions reconnaissants si nous pouvions nous entretenir avec vous des questions relatives à ces programmes. Nous nous demandons donc si ces programmes sont susceptibles d'une analyse comparative compte tenu de la nature et de l'étendue des informations disponibles relatives aux programmes, si votre société a déjà fait des études d'évaluation des résultats de ces programmes, et si votre société pouvait nous assister dans la poursuite de notre étude.

Monsieur Denning de notre département se trouvera à Paris les 20 et 21 mars 1971, et voudrait vous voir afin de soulever ces questions avec vous et vos services. Nous avons demandé à notre bureau à Paris de vous contacter et j'espère qu'il sera possible de fixer un rendez-vous pour Monsieur Denning.

En vous remerciant d'avance, je vous prie d'agréer, Monsieur, l'expression de mes sentiments distingués.

Bruce M. Cheek

Bruce M. Cheek
Directeur Adjoint
Département Afrique de l'Ouest

SDenning:dm *6*

File - African rural development study.

Etude du Développement rural

Le terme "développement rural" est assez vague. Aux fins de la présente étude, il peut être défini comme l'ensemble des activités qui concourent à un ou à la totalité des résultats suivants dans le secteur rural:

- a) relever le revenu par habitant tant monétaire que non monétaire des bénéficiaires par le développement de leurs propres ressources;
 - b) accroître l'emploi, notamment dans le secteur de la production de subsistance;
 - c) développer les services économiques et sociaux mis à la disposition des habitants des campagnes;
 - d) toucher (ou être à même de toucher éventuellement) le plus grand nombre d'individus possible dans les délais raisonnables
 - i) ressources limitées en monnaie nationale et en devises pour couvrir les dépenses d'équipement et de fonctionnement;
 - ii) ressources limitées en personnel technique et en cadres sur le plan local, et coût élevé du personnel étranger;
 - iii) difficulté d'obtenir une réorganisation rapide et profonde des structures, organismes et pratiques administratives de l'Etat.
-

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Étude du développement rural

Le terme "développement rural" est assez vague. Aux fins de la présente étude, il peut être défini comme l'ensemble des activités qui concourent à un ou à la totalité des résultats suivants dans le secteur rural :

- a) relever le revenu par habitant tant monétaire que non monétaire des bénéficiaires par le développement de leurs propres ressources;
 - b) accroître l'emploi, notamment dans le secteur de la production de subsistance;
 - c) développer les services économiques et sociaux mis à la disposition des habitants des campagnes;
 - d) toucher (ou être à même de toucher éventuellement) le plus grand nombre d'individus possibles dans les délais raisonnables.
- i) ressources limitées en monnaie nationale et en devises pour couvrir les dépenses d'équipement et de fonctionnement;
 - ii) ressources limitées en personnel technique et en cadres sur le plan local, et coût élevé du personnel étranger;
 - iii) difficulté d'obtenir une réorganisation rapide et profonde des structures, organismes et pratiques administratives de l'État.

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Rural Dev

Monsieur Maurice Tburancheau
Directeur Général
CFDT
9, rue Louis David
Paris XVIe
France

Le 7 mars 1972


Monsieur,

La Banque Mondiale s'est chargée de faire une recherche sur le développement rural en Afrique (voir pièce jointe). Nous avons décidé de commencer par une analyse comparative de quelques programmes déjà en marche. En ce moment nous sommes en train de choisir les programmes pour cette analyse.


Parmi les programmes que nous considérons pour l'étude, il y en a plusieurs que votre société a géré, par exemple, le programme de la CFDT dans la région de Fana au Mali. Nous serions reconnaissants si nous pouvions nous entretenir avec vous des questions relatives à ces programmes. Nous nous demandons donc si ces programmes sont susceptibles d'une analyse comparative compte tenu de la nature et de l'étendue des informations disponibles relatives aux programmes, si votre société a déjà fait des études d'évaluation des résultats de ces programmes, et si votre société pouvait nous assister dans la poursuite de notre étude.

Monsieur Denning de notre département se trouvera à Paris les 20 et 21 mars 1971 et voudrait vous voir afin de soulever ces questions avec vous et vos services. Nous avons demandé à notre bureau à Paris de vous contacter et j'espère qu'il sera possible de fixer un rendez-vous pour Monsieur Denning.

En vous remerciant d'avance, je vous prie d'agréer, Monsieur, l'expression de mes sentiments distingués.


Bruce M. Cheek
Directeur Adjoint
Département Afrique de l'Ouest

P. J.

SDenning:dm 

File - African rural development study.

Etude du Développement rural

Le terme "développement rural" est assez vague. Aux fins de la présente étude, il peut être défini comme l'ensemble des activités qui concourent à un ou à la totalité des résultats suivants dans le secteur rural:

- a) relever le revenu par habitant tant monétaire que non monétaire des bénéficiaires par le développement de leurs propres ressources;
 - b) accroître l'emploi, notamment dans le secteur de la production de subsistance;
 - c) développer les services économiques et sociaux mis à disposition des habitants des campagnes;
 - d) toucher (ou être à même de toucher éventuellement) le plus grand nombre d'individus possible dans des délais raisonnables, compte tenu des limitations suivantes:
 - i) ressources limitées en monnaie nationale et en devises pour couvrir les dépenses d'équipement et de fonctionnement;
 - ii) ressources limitées en personnel technique et en cadres sur le plan local, et coût élevé du personnel étranger;
 - iii) difficulté d'obtenir une réorganisation rapide et profonde des structures, organismes et pratiques administratives de l'Etat.
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Étude du Développement Rural

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- b) accroître l'emploi, notamment dans le secteur de la production de subsistances;
- c) développer les services économiques et sociaux tels à disposition des habitants des campagnes;
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 - iii) difficulté d'obtenir une réorganisation rapide et profonde des structures, organisations et pratiques administratives de l'État.

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MAR 8 12 44 PM 1972

Rural Dev

Monsieur Jacques Bourdillon
Directeur Général
SCET Coopération
Immeuble Arago - Défense
5/7 Rue Bellini
Paris
France

Le 7 mars 1972

Monsieur,

La Banque Mondiale s'est chargée de faire une recherche sur le développement rural en Afrique (voir pièce jointe). Nous avons décidé de commencer par une analyse comparative de quelques programmes déjà en marche. En ce moment nous sommes en train de choisir les programmes pour cette analyse.

Parmi les programmes que nous considérons pour l'étude, il y en a plusieurs que votre société a géré, par exemple, le programme Yabassi Bafang au Cameroun. Nous serions reconnaissants si nous pouvions nous entretenir avec vous des questions relatives à ces programmes. Nous nous demandons donc si ces programmes sont susceptibles d'une analyse comparative compte tenu de la nature et de l'étendue des informations disponibles relatives aux programmes, si votre société a déjà fait des études d'évaluation des résultats de ces programmes, et si votre société pouvait nous assister dans la poursuite de notre étude.

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Bruce M. Cheek
Directeur Adjoint
Département Afrique de l'Ouest

P. J.

SDenning:dm

File - African rural development study.

Etude du Développement rural

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 - iii) difficulté d'obtenir une réorganisation rapide et profonde des structures, organismes et pratiques administratives de l'Etat.
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Etude du Développement Rural

Le terme "développement rural" est assez vague. Aux fins de la présente étude, il peut être défini comme l'ensemble des activités qui concourent à un ou à la totalité des résultats suivants dans le secteur rural:

a) relever le revenu par habitant tant monétaire que non monétaire des bénéficiaires par le développement de leurs propres ressources;

b) accroître l'emploi, notamment dans le secteur de la production de subsistance;

c) développer les services économiques et sociaux mis à la disposition des habitants des campagnes;

d) toucher (ou être à même de toucher éventuellement) le plus grand nombre d'individus possible dans les délais raisonnablement courts, compte tenu des limitations suivantes:

i) ressources limitées en main-d'œuvre nationale et en devises pour couvrir les dépenses d'équipement et de fonctionnement;

ii) ressources limitées en personnel technique et en cadres sur le plan local, et coût élevé du personnel étranger;

iii) difficulté d'obtenir une réorganisation rapide et profonde des structures, organismes et pratiques administratives de l'Etat.

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Rural Dev

Mr. S. Reutlinger

John English

J.C.E.

East Africa Rural Development Study

Doug Keare and I have had a chat about this, and the following is a summary of the main queries we have after reading the Working Paper.

(1) Phasing. The timing and split between Phases I and II is somewhat obscure. Because of the uncertainties involved it is not clear what Phase I will contribute to Phase II. Would it be better to confine the research project per se to Phase I, or alternatively view the whole project as an extended mission extending over a year or so and spread out the indigestible lump of 6 - 8 people for 6 weeks?

(2) Coverage. While the title suggests the focus is East Africa, the projects listed cover the whole of the continent. Could the coverage be reduced to East Africa to cut down the time required and allow better work to be done?

Within countries Phase I appears to emphasise areas covered by specific projects, either funded by the Bank or other agencies. Could some areas not so blessed be included as controls to see if they prospered despite lack of attention or are lagging badly?

(3) Framework. The paper suggests that Phase II will be oriented towards rural development as a whole (i.e. presumably non-metropolitan) rather than just the agricultural sector, but the terms of reference seem to be still in very agricultural terms. Thus, both Kenya and Tanzania have plans on a regional basis and are promoting growth of rural service centers. Could their role be reviewed?

(4) Recipients. Specific reference to the reaction of and expressed desires of the target groups appears to be lacking. This may be implicitly assumed but might be explicitly articulated.

(5) Presentation. We felt it would sharpen the focus of the paper if the relationship of the present study to the earlier one carried out by de Wilde and others could be clarified.

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MAR 6 9 56 AM 1972

John Hunter
M.D. F.R.S.

— 2nd January

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

Rural Development

OUTGOING WIRE

TO: GRAHAM DONALDSON
c/o E. M. DONALDSON
WILLOW CREEK
TERRALONG ST
KIAMA, N.S.W.

DATE: March 1, 1972

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SERVICE: *PR LT*

COUNTRY: AUSTRALIA

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Cable No.:

R.

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REUTLINGER

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Shlomo Reutlinger
Chief, Agric. and Rural Development Division
DEPT. Economics

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

REFERENCE:

SReutlinger:coh

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(IMPORTANT: See Secretaries Guide for preparing form)

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DEPT

ECONOMY

NAME

Chief, Public and Rural Development Division
Antonio Hernandez

AUTHORIZED BY

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VENEZUELA

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LEONARDO AL

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c/o E. M. DOWNES

TO:

GUYANA DOWNES

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March 1, 1972

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ASSOCIATION

INTERNATIONAL DEVELOPMENT

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FORM 10-72

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Rural Development

Mr. John English

March 1, 1972

S. Reutlinger

East Africa Rural Development Study

Thanks for your comments on the study outline. As you know, this report has been prepared by a steering committee. I have distributed your comments to the other members of the committee. My tentative answer to your queries are briefly as follows:

Re (1). As you seem to have noted quite appropriately, Phase I and Phase II could have been perhaps more appropriately labeled Parts I and II. While they are different in scope and objectives, they are quite related and there is some advantage to have them proceed concurrently. The lessons from past experiences should be tested for their applicability in a planning context and should be used to guide the sector appraisal team. Conversely, knowledge of the conditions which actually prevail in the countries selected for testing generalizations derived from past experiences should be known in order to identify useful generalizations. The timing of Phases I and II seems to us a reasonable way for getting feedback in both directions. A progress report, available in October, plus participation of some of the Phase I people in the Phase II mission in November, should benefit that phase. Preliminary findings of Phase II in January may sharpen the focus of the analysis and conclusions from Phase I to come out in April.

Re (2). East Africa is chosen as the focus for testing generalizations. But we do think it would be too restrictive to limit ourselves to East Africa for deriving some useful generalizations (working hypotheses). Apparently there are some interesting programs going on in West Africa which have no counterpart in East Africa. Just like it would be a mistake to limit ourselves to Bank projects, it would also be a mistake to limit observations too much geographically.

As for control areas, I would expect that such will be used wherever possible to isolate the project impact from development which would have occurred without the project.

Re (3), (4) and (5). These points need to be better specified, as we proceed.

SReutlinger:coh

cc: Mr. Denning
" L. Hansen
" Hendry
" Krishna
Mrs. Lele
Mr. Stapleton

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MARCH 1 1972

Mr. John W. ...

East Africa's Rural Development Study

your question are briefly as follows:
 comments to the other members of the committee. If tentative answer to
 reports has been prepared by a steering committee. I have distributed your
 Thanks for your comments on the study outline. As you know, this

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geographically. To that extent, it would also be a mistake to limit observations too much to East Africa. Just like it would be a mistake to limit ourselves to East Africa. There are some interesting programs going on in West Africa which have no for deriving some useful generalizations (working hypotheses). Apparently, we do think it would be too restrictive to limit ourselves to East Africa. In (5). East Africa is chosen as the focus for testing generalizations.

As for control areas, I would expect that such will be used wherever possible to isolate the project from developments which would have occurred without the project.

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Mr. Don Stoops

March 1, 1972

R. H. Khouri

East Africa Rural Development Study-Comments on Draft
dated February 17, 1972.

This appears to be a very comprehensive document. I can only suggest that the proposed study pays particular attention to land tenure, marketing, training, water resources, and transportation.

RHKhour/i/pam

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March 1, 1972

Mr. Don Stoops

R. H. Rhour

East Africa Rural Development Study-Comments on Draft dated February 11, 1972.

This appears to be a very comprehensive document. I can only suggest that the proposed study pays particular attention to land tenure, marketing, training, water resources, and transportation.

RH Rhour:pan

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Rural Development

INCOMING CABLE

DATE AND TIME OF CABLE: MARCH 1, 1972

LOG NO.: ITT TELEX/1

TO: INTBAFRAD

FROM: ABIDJAN

ROUTING

ACTION COPY: MR. DENNING

INFORMATION COPY: MR. CHAUFOURNIER

DECODED BY:

TEXT:

116 FOR DENNING.

REURCAB 100 AND OURCAB 86

AFTER FURTHER CONSIDERATION WE FEEL WE SHOULD OFFER ADDITIONAL COMMENTS ON LIST OF PROJECTS FOR RURAL DEVELOPMENT STUDY. WHILE VIRTUALLY NO PROJECT LISTED BY YOU OR US HAS ALL CHARACTERISTICS MENTIONED IN YOUR CABLE SOME HAVE ONE OR SEVERAL OF THESE CHARACTERISTICS AND MAY DESERVE CONSIDERATION. ON BALANCE WE SUGGEST CONSIDERATION FOLLOWING PROJECTS

PRIMO WE AGREE WITH PROPOSED INCLUSION CAMEROON YABASSI BAFANG AND ZAPIS

SECUNDO WE FEEL MALI SEGOU RICE AND MALI CFDT COTTON OUTSIDE FANA REGION ARE ONE CROP TYPE DEVELOPMENT WHICH DO NOT FIT YOUR DEFINITION

TERTIO WE HAVE SERIOUS DOUBTS ABOUT UPPER VOLTA CIDR PROGRAM BECAUSE OF ITS HIGHLY AMATEURISH APPROACH

QUARTO WE RECOMMEND INCLUSION MALI GROUNDNUT PROGRAM WHICH INVOLVES FARMERS EDUCATION AND FORMATION OF VILLAGE BLACKSMITHS FOR MANUFACTURE OF FARM EQUIPMENT

QUINTO WE ALSO RECOMMEND FANA PART OF MALI CFDT PROGRAM WHICH EMPHASIZES BOTH COTTON AND OTHER CROPS AIMS AT STABILIZING FARM BOUNDARIES AND INTRODUCING RATIONAL CROP ROTATION, OXDRAWN EQUIPMENT AND SELF HELP CONCEPT. PROJECT IS THREE YEARS OLD AND FINAL ASSESSMENT MUST AWAIT ADDITIONAL RESULTS APPEARS AS SERIOUS AND INTERESTING EFFORT AT INTEGRATED DEVELOPMENTS

/2...

INCOMING CABLE

DATE AND TIME
OF CABLE: MARCH 1, 1972

LOG NO.: ITT TELEX/1

TO: INTBAFRAD

FROM: ABIDJAN

TEXT:

ROUTING

ACTION COPY: MR. DENNING

INFORMATION COPY: MR. CHAUFournIER

DECODED BY:

- 2 -

SEXTO WE RECOMMEND STATEC ACTION ZOU REGION IN DAHOMEY WHICH INCLUDES
FARM GROUPING FOR COTTON CULTIVATION INTRODUCTION OF CROP ROTATION INCLUDING
STAPLE FOOD CROP ESTABLISHMENT OF VOLUNTARY FARMERS PRECOOPERATIVES AND
INTRODUCTION OXDRAWN EQUIPMENT. IF WE HAPPEN THINK OTHER PROJECT MEETING
RURAL DEVELOPMENT CRITERIA WE SHALL ADVISE YOU REGARDS.

DE LA RENAUDIÈRE

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Mr. Reutlinger

OFFICE MEMORANDUM

TO: Messrs. L.J.C. Evans and Shahid Husain

DATE: March 1, 1972

FROM: P. D. Henderson *P.D.H.*

SUBJECT: Proposed East Africa Rural Development Study

1. I think it is agreed that the interdepartmental working party which was asked to prepare terms of reference for this study, has produced a very good report. In the light of this report, of various comments which have been made on it, and of our discussions yesterday, I think it may be useful to try to set down the present position and the next steps to be taken.
2. Since it is agreed that the study should go forward, the next stage is to submit it to the Research Committee. The submission can be based on the working party report with suitable amendments.
3. Aside from a number of points of detail, the main amendments which appear to be needed are as follows:
 - (a) The list of possible projects for study, set out in Annex I of the report, should now be reduced and a specific final list of six to eight projects agreed between the Departments concerned.
 - (b) More work needs to be done on the cost estimates. The costs should be defined as those that are specifically associated with the study - i.e., costs that would be incurred in any case, in connection with prospective sector missions, should be excluded. There should be more detail on consultants, and the costs of work time should be noted as well as travel time. These points will be dealt with in the course of preparing the standard form of submission to the Research Committee.
 - (c) The section on methodologies (Annex II) may need to be reconsidered.
4. It is suggested that the task of revising the report, and of preparing the submission to the Research Committee, should be assigned to a small group of persons from the Departments concerned. For Agriculture Projects, Mr. Adler will act; for Eastern Africa, Messrs. Hansen and Krishna; for Western Africa, Mr. Denning; and for the Economics Department, Mr. Reutlinger.
5. We agreed that a Steering Group of senior officials of each of the three Departments mainly concerned should be established to exercise general direction of the study and to review its progress. The Steering Group will be chaired by the head of the new Rural Development Unit in the Agriculture

Messrs. Evans and Husain

- 2 -

March 1, 1972

Projects Department and pending his appointment by Mr. Adler. The Eastern Africa Department will be represented by Mr. Husain, and the Economics Department by Mr. Haq. Further arrangements may need to be made for supervision and coordination among those directly engaged in the study.

cc: Messrs. Lejeune, Collier, Hansen, Krishna
Wapenhans, Adler, Eccles, Hendry
Stevenson, Haq, Reutlinger
de Vries, Denning

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

NAME

ROOM NO.

Mr. S. Reutlinger ✓

D544

Mr. Shaw ✓

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Should be relevant
for Africa Study.

From

R.P. Brandenburg

OFFICE MEMORANDUM

File
Hm

TO: Mr. A. Stevenson

DATE: February 29, 1972

FROM: R. Brandenburg

SUBJECT: UNESCO Conference in Dakar, Senegal, February 7-12, 1972:
Back-to-Office Report

1. According to my terms of reference I proceeded to Dakar, Senegal to attend a Round Table discussion concerning "Out of School and Work-Oriented Education Programs for Youth in Africa South of the Sahara", sponsored by the UNESCO Regional Office for Education in Africa. Participants were drawn from approximately 10 African countries and the United Kingdom.
2. The opening address, given by M. Lamine Diack, Secretary of State for Youth and Sports in Senegal, was directed to the topic of the conference, The Search for an Alternative Education for Youth. The Secretary stressed the need to look for something beyond the traditional school which would assist two specific categories of youth, (i) the young illiterates, and (ii) primary school leavers, and enable them to more readily adapt to the realities of life and contribute productively to society. Since traditional schools are being challenged throughout Africa and other LDCs, M. Diack suggested that schools should no longer be designed merely as a means of preparing man for life but rather as a dimension of life itself. Since the imported school prototype has poured "semi-finished products" (students) on the labor market who are scornful of manual productive labor, an attempt should be made to break with the dichotomy, general culture vs. technical and vocational education, and replace it with an overall continued functional education.
3. The purpose of the seminar was more clearly defined in terms of the targets set at the Addis Ababa Conference in May, 1961 where it was declared and resolutions adopted to the effect that ways and means of education for the mass should be found. In addition, it was pointed out that the targets which were espoused in the sixties were unrealistic and that conventional education may not be the answer. Therefore, the conference should address itself to determining alternative education patterns for youth. After these remarks the following points concerning universal education were presented:
 - (i) There are serious bottlenecks in the transition between primary and secondary education, while programs in adult education have been viewed as remedial action and a kind of charity.
 - (ii) Resources have been directed into conventional channels and it may well be time to look for other uses.
 - (iii) The employment problem has become more acute as a result of the expansion of secondary schools in the sixties together with the lack of concern with respect to the imbalance in formal schooling and the number of jobs available. Youngsters do not want to take certain jobs that do not measure up to their aspirations.

(iv) The conventional approach to education has held tenaciously and erroneously to the following axioms:

- a) a person must follow through the system according to the prescribed curriculum and syllabus;
- b) education should be given in a certain place: as a result teachers are very indifferent as to what happens outside the walls of their schools;
- c) education should be left to the specialists and in the hands of the State. The line of demarcation between adults and minors is quite sharp and only at the university level does one see a semblance of a dialogue.

4. The main conclusions from the first sessions pointed out that if education is a way of life it should provide a child with certain behavior patterns within which he is able to produce in his own milieu. Some participants claimed that education, once a monopoly of the colonizers, had uprooted the young, and made them want to fit into an urban society. This situation had been compounded by foreign investments in infrastructure, the external expenses of which increased faster than those which were developed internally, thus leading to the imbalance and dismembering of traditional indigenous structures and other observed inequities.

5. Approximately 10 papers were delivered during the Round Table discussion covering current informal education projects in various African countries. The types of training discussed covered apprenticeship training schemes, young farmers programs (along 4-H types), functional literacy programs, civic services and artisan craft training.^{1/} Most of these papers dealt with those programs descriptively and only one concerned itself with methodological aspects.

6. One of the most interesting papers was delivered by Professor Archibald Calloway of the Institute of Commonwealth Studies, discussing the Nigerian system of traditional apprenticeship by which young people (some of whom have attended school) learn on the job within locally owned and managed small enterprises. Professor Calloway felt that entrepreneurship is a direct result of a child's traditional background: learning is done in the marketplace; apprenticeship training can be a dynamic instrument for the infusion of new skills. The fact that this approach is more successful in some countries than others evoked an interesting discussion on socio-cultural differences.

^{1/} Women's and girls' programs were hardly discussed and the participants did not appear overly concerned about them.

7. The conference concluded that "action training" programs should address themselves to a clientele which includes not only early school leavers and the illiterate, but others as well and should:

- (i) avoid the problems of parallel education systems by permitting the meshing of the two systems at some point (how this was to be accomplished was not specified);
- (ii) provide an equal education which is tailored to the environment and acceptable to the community, with strong grass roots support;
- (iii) program definitions should be clear, specific, measurable and testable, yet great care must be taken in adapting foreign models.

The most typical factors of success for such programs should include:

- (i) a total integration and involvement with a country's development plans, particular attention being paid to regional needs; and
- (ii) efficient administration and control.

The most difficult obstacles to overcome in implementing and extending these programs were considered:

- (i) the "myth" of the diploma;
- (ii) the motivation of the population;
- (iii) the financial and managerial constraints;
- (iv) the resistance of existing vested interests among parents and teachers; and
- (v) the dispersion of the population and the concomitant problems of language and communications.

8. It was the opinion of most participants that out-of-school work-oriented education programs may create an alternative education for youth which would be functional, reach the greatest number of people, and increase productivity in areas heretofore neglected. These programs may also help to curtail the migration flows towards urban areas, as evidenced so frequently in LDCs.

9. My general impressions were that this Round Table was on the whole a successful conference. Most of the participants were currently engaged in non-formal education projects within their own country and seemed particularly

February 29, 1972

eager to exchange experiences and views relating to their programs. Unfortunately there was not enough discussion concerning the financial implications of these programs, and when I questioned the Round Table on this subject it was not met with much enthusiasm.

10. In conclusion, the participants felt they wanted more interchange of experience in similar meetings and more cross-fertilization of current programs. In this context, the forthcoming study on informal rural education undertaken by P.C. Coombs and his associates, on behalf of the Bank's Education Projects Department, would seem to have a unique chance of meeting this specific need.

11. A list of the participants is attached. The conference papers are available in Room D-501.

cc: Development Services
Mr. Demuth

Economics Department
Messrs. Henderson
Hawkins
Thias
Mrs. Armstrong

Education Projects Department
Messrs. Ballantine
Hultin

Western Africa Department
Messrs. Cheek
de la Renaudiere (PMWA)
Huber

RBrandenburg:dj

UNE AUTRE EDUCATION POUR LA JEUNESSE ?

Table ronde

sur

LES FORMES D'EDUCATION EXTRASCOLAIRES,
ORIENTEES VERS LE TRAVAIL, POUR LA JEUNESSE
DES PAYS D'AFRIQUE SUB-SAHARIENNE

Dakar, 7 - 12 février 1972

AN ALTERNATIVE EDUCATION FOR YOUTH ?

A Round Table

on

OUT-OF-SCHOOL AND WORK-ORIENTED
EDUCATION PROGRAMMES FOR YOUTH IN
AFRICA SOUTH OF THE SAHARA

Dakar, 7 - 12 February 1972

LISTE PROVISoire DES PARTICIPANTS /
PROVISIONAL LIST OF PARTICIPANTS

NOMS / NAMES

FONCTIONS / FUNCTIONS

M. Ambroise AGBO

Haut Commissaire à la Jeunesse & à la Culture,
Ministère de l'Education Nationale,
des Affaires Sociales,
de la Jeunesse & de la Culture
Porto-Novo
République du Dahomey

Mr. Alhaji Hamidu ALKALI

Ministry of Education
P.O. Box 46
Maiduguri
Federal Republic of Nigeria

NOMS/NALESFONCTIONS/FUNCTIONS

M. Amadou Lamine BA ✓

Conseiller Technique
 Secrétariat d'Etat auprès du Premier Ministre
 chargé de la Jeunesse & des Sports
 B.P. 3.372
Dakar
 République du Sénégal

M. Ben Mady CISSE

Directeur
 Institut Panafricain pour le Développement
 B.P. 4.078
Douala
 République Fédérale du Cameroun

M. Maurice GANSORE ARZOUMA

Ministère de la Jeunesse & des Sports
Ouagadougou
 République de Haute-Volta

M. Fakoney LY

Chef du Service de l'Alphabétisation
 & de l'Education de Base
 Ministère de l'Education Nationale
 Direction de l'Enseignement Fondamental
 & de l'Alphabétisation
 B.P. 62
Bamako
 République du Mali

Mr. Ashton R. MANYINDO

National Officer
 Young Farmers of Uganda
 Ministry of Agriculture,
 Forestry and Co-operatives
 P.O. Box 102
Entebbe
 Uganda

Mr. E.M. HASALE

Principal Youth Officer
 Ministry of Cooperatives & Social Services
 P.O. Box 30.276
Nairobi
 Kenya

Mr. Gobena MERGA

Director
 Work-Oriented Adult Literacy Project
 Ministry of Education
 P.O. Box 60.006
Addis-Ababa
 Ethiopia

NOMS / NAMESFONCTIONS / FUNCTIONS

Mr. MPOGOLO

Deputy Director
 Work-Oriented Adult Literacy Pilot Project
Mwanza
Tanzania

Mr. Hatib SEMEGA-JANNEH

Permanent Secretary
 Ministry of Education, Health & Social Welfare
Bathurst
The Gambia

M. Boubacar SOCK

Directeur
 Radio Educative Rurale
 Radiodiffusion Nationale
 58, Avenue de la République
Dakar
République du Sénégal

Mme Marie-Anne SOHAI

Adjointe au Directeur
 de la Promotion Humaine
 Secrétariat d'Etat auprès du Premier Ministre
 chargé de la Jeunesse & des Sports
Dakar
République du Sénégal

M. Thomas TCHACU

Chef de la Division de la Jeunesse Rurale
 Direction de l'Agriculture
 Ministère du Développement Rural
 & de la Coopération
Porto-Nevo République du Dahomey

Mr. A. WANDIRA

Director
 Department of Education
 Makerere University
 P.O. Box 7.062
Kampala
Uganda

Mr. A. CALLAWAY

Institute of Commonwealth Studies
Oxford
England

REPRESENTANTS D'ORGANISATIONS /
REPRESENTATIVES OF ORGANIZATIONS

B.I.R.D.

Mrs. Rachel BRANDENBURG
 I.B.R.D.
 1818 H Street, N.W.
 Washington, D.C. 20433
U.S.A.

B.I.T.

Fanci M. Guy MOTEL
 Conseiller Régional
 en Formation Professionnelle
 22, Rue Thiers
Dakar

F.A.O.

Mr. Antonio AIME
 Expert
 Ministère du Développement Rural
 & de la Coopération, Porto-Novo

Mlle M. SCHMELZER
 Assistante du Représentant FAO
 2, Avenue Roume
Dakar

I.D.E.P.

M. Samir AMIN
 Directeur
 B.P. 3.136
Dakar

NATIONS UNIES

M. Jacques LEGER
 Représentant Régional
 2, Avenue Roume
Dakar

M. Sergio APOLLONIO
 Représentant Régional Adjoint
 2, Avenue Roume
Dakar

UNESCO

M. J.J. DENEYIN
 Division de l'Enseignement Agricole, EDA, Paris

M. T. LEMMESQUIER
 Division des Activités de Jeunesse, EDA, Paris

Mme R. TAKVORIAN
 Expert, Projet d'Education Scientifique
 extrascolaire en milieu rural
Bamako

UNICEF

M. P.M. SWAMY
 Administrateur des Programmes
 45, Avenue Albert Sarraut
Dakar

Rural Dev.

Mr. Barend A. de Vries

February 29, 1972

Richard M. Westebbe

Assumptions about the rural population in the "East Africa Rural Development Study", draft Terms of Reference (Feb. 17, 1972)

1. Page 1 of the draft says: "it is assumed that the bulk of the constantly growing population will continue to remain in the countryside and, therefore, that programs designed to assist them will have to be implemented principally in a rural setting." In Africa, the first part of this statement is only true for the area defined as Eastern Africa, which in 1970 has less than 10 percent of its population in urban areas, based on national definitions of urban.
2. In all other regions of Africa, and indeed for the LDC's in the aggregate, for the period 1970 and 2000, rural population is expected to rise less rapidly than the urban population according to UN sources. ^{1/} The attached table shows the changes in urban and rural population for the world, the LDC's and Africa between 1950, 1970 and 2000. The more rapid expected growth in urban population is due to the fact that urban areas have natural rates of increase close to these of rural areas and further are expected to experience continued net immigration.
3. In Africa, the average annual rate of growth in urban population for the last three decades of this century are estimated at some 5 percent, compared with a little over 2.0 percent for rural areas. By 1970, the level of urbanization in the LDC's (25 percent) including Africa (22 percent) were sufficiently high, so that in the future the absolute numbers of people in urban areas may be expected to rise more rapidly than the numbers residing in rural areas. None of this should diminish the justification for rural development studies and programs. However, programs to assist growing populations will also have to be designed for urban areas where the bulk of the people will be, unless, of course, it is expected that rural development programs will be able to markedly reduce rural to urban migration. In designing rural programs, it would be useful to attempt to assess their probable impact on net migration and to devise a methodology for this purpose.

RWestebbe:jod

^{1/} "Urban and Rural Population: Industrial Countries 1950-1985, and Regions and Major areas 1950-2000" Population Division, Department of Economics, Social Affairs, UN Secretariat, September 1970.

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Page 6 of 10

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УВАЖАЮЩЕГО ПРОФЕССОРА ИРИНА БОБЫШЕВУ ИЗ ПРОФ. ВУЛГЕС НАХОДЯЩЕГО

REPLACES 58th J&JS

from the

URBAN - RURAL POPULATION 1950, 1970, 2000

(in millions)

World Population		Urban	Rural
2000	6,515	3,329	3,186
1970	<u>3,635</u>	<u>1,352</u>	<u>2,283</u>
1970-2000	(+2,880)	(+1,977)	(+ 903)
1950	<u>2,486</u>	<u>704</u>	<u>1,782</u>
1950-1970	(+1,149)	(+ 648)	(+ 501)
<u>Less Developed Countries</u>			
2000	5,061	2,155	2,906
1970	<u>2,545</u>	<u>635</u>	<u>1,910</u>
1970-2000	(+2,516)	(+1,520)	(+ 996)
1950-1970	<u>1,628</u>	<u>265</u>	<u>1,363</u>
	(+ 917)	(+ 370)	(+ 547)
<u>Africa</u>			
2000	818	320	498
1970	<u>344</u>	<u>77</u>	<u>268</u>
1970-2000	(+ 474)	(+ 243)	(+ 230)
1950	<u>217</u>	<u>30</u>	<u>187</u>
1950-1970	(+ 127)	(+ 47)	(+ 81)

Source: See footnote.

Rural Dev

Mr. J. Hendry

February 28, 1972

A. R. Whyte

Terms of Reference for East Africa Rural Development Study

You asked for our comments on the above.

II 2(d) Besides any improvement in medical facilities, it would also be useful to examine any changes in health as these would affect the medical facilities required.

III 2(d)(m) Similarly, it would be of little use reviewing the medical facilities available without also examining the health background. This may be a constraint to agricultural development among those listed under 2 (a).

Annex I Suggest substitution of the WADU project for the Humera project in Ethiopia, and the addition of the Karonga project in Malawi.

ARWhyte/sm

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February 28, 1972

Mr. J. Hendry

A. R. Hays

Terms of Reference for East Africa Rural Development Study

You asked for our comments on the above.

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III 2(d)(a) Similarly, it would be of little use reviewing the medical facilities available without also examining the health background. This may be a constraint to agricultural development among those listed under 2 (a).

Annex I suggest substitution of the WAW project for the EAW project in Ethiopia, and the addition of the EAW project in Malawi.

ARH/fo/as

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Feb 29 3 18 PM 1972

Rural Development
February 24, 1972

Professor Walter P. Falcon
Deputy Director
Development Advisory Service
Harvard University
1737 Cambridge Street
Cambridge, Mass. 02138

Dear Wally:

The attached "brief" statement produced by a committee provides the charter for our Africa Study, subject to approval by concerned department directors and the research budget administrators. As you can see from Annex III, page 2, our Division will be responsible for the bulk of the in-house staff work on Phase I. Jim Hendry's Division is responsible for Phase II - the country sector surveys - but we intend to participate to a greater degree than in other sector surveys.

I welcome comments from you on every aspect of the study and particularly welcome suggestions for how you and Carl would wish to participate. Let's perhaps discuss this over the phone as soon as possible.

Best regards,

Sincerely yours,

Shlomo Reutlinger
Chief, Agriculture and Rural Development Division
✓ Economics Department

Attachment (3 copies)
(Feb. 17 draft outline of Africa Study)

SReutlinger:di

Rural Dev

S. Reutlinger

February 24, 1972

A. Egbert

Draft of the East Africa Rural Development Study Outline

1. Study Outline is commendable but likely to be over ambitious.
2. Many of the suggested procedures (not methodologies) listed in Annex II will require major supporting research projects themselves which I am afraid cannot be carried out within the time frame.
3. The assignments and objectives covered in Section III for Sector Survey lack appropriate criteria under the present state of the arts and suggest a 50-man year mission to perform them adequately.
4. I suspect that a more modest step by step plan would be in order but I am the last person who should be talking like this.
5. Finally, some of the wording, specifically in Section II, is a bit awkward.

ACEgbert:hrv

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Rural Develop

Mr. Barend V. de Vries

February 24, 1972

R.L. Storch

Rural Development Study - Cameroon.

1. In response to your memo of February 17, to Mr. Chauffournier, we fully support your suggestion that Cameroon be chosen for an agriculture sector survey within the context of the proposed rural development study during FY-73. In order that there not be a duplication of effort, however, we would like to point out that PMWA is tentatively planning a general agriculture identification mission to Cameroon sometime between July and December of this year.
2. With regard to phase I of the proposed study, Mr. Denning is already aware of the past and existing rural development schemes in Cameroon, namely, Yabassi-Bafang, Guider, Wum and ZAPI. New projects are planned for N.E. Bencoué, Obala-Mbandjock, Lagdo, Moun Valley and cooperative enterprises. Unfortunately, we do not have detailed information on any of these projects. Perhaps, by way of preparation, the up-coming PMWA mission could try to collect data on the above-mentioned projects which will be needed for our comparative studies indicated under Phase I and our in-depth studies under Phase II.
3. With regard to Mr. Jansen's memo of February 18 to you on this same subject, I do not agree with his suggestion on the composition of a team of experts or with his recommendations on terms of reference (the memo's proposals, though helpful, are evidently made without reference to our country strategy). The new Cameroon CPN, dated February 16, 1972 has been approved by Mr. Knapp and sets forth our plans for the agriculture sector in paras. 18, 31, 32, 39, and attachment 5. To follow this approved strategy means we should focus our efforts on agriculture policy and institution building, i.e. formation of a Federal Ministry of Agriculture and of a project preparation unit in the Ministry of Planning, with arrangements made for necessary technical assistance. In addition to the specific projects proposed in the CPN, further project possibilities are mentioned in Mr. de la Renaudière's memo to me of November 24, 1971 (copy attached). A rural development scheme is already in our operations program for FY-74 (IDA \$3.0 million) and should be identified by the up-coming PMWA mission.

ACTION: We would appreciate PMWA's ideas on the rural development study in general, on the appropriate role to be played in this study by the forthcoming PMWA mission to Cameroon, and on the prospects for a rural development project in FY-74.

none attached

Attachments: Memos of November 24, 1971; February 17 and 18, 1972

Cl and cc: Mr. Westebbe
cc: Messrs. Chauffournier

Cheek
Jansen
Gué

Huber
Hendry
Denning
PMWA - Messrs. de la Renaudière and de Troyer

Rural Dev.

Mr. Stephen M. Demming

February 24, 1972

F. Holin

RURAL DEVELOPMENT STUDY

1. As you probably know, there is an agricultural survey going on in Cameroon. The preliminary work has already begun and the survey itself will be in full swing before the end of FY 1972.
2. The man in charge is Mr. Delorme (INSEE), sent by FAO, and his Cameroonesse deputy is Mr. Tchamokwen. They can be reached either through the Statistical Service or the Eastern Cameroon Agriculture Ministry in Yaoundé.
3. The survey will last a year and a half to two years, and will be followed by a permanent information collecting system. FAO and the Cameroon Government are providing the financing.
4. Comparable surveys were supposed to take place in the other countries of UDEAC and Chad. However, apart from Congo B., their prospects, for various reasons, are poor.

FHolin:hlm HF

Ref.: AFRICA - General

Rural Development

Mr. Roger Chaufournier

February 23, 1972

Barend A. de Vries

Rural Development Study

Attached is a copy of the draft Terms of Reference of the Africal Rural Development Study. You will recall that I discussed the departmental implications of this study in my memorandum to you of February 17. You will note that on page 3 of the study (footnote 1) the question of selecting a West African country has been left open. In the meantime, Mr. Jansen is exploring with Mr. Hendry, of the Agriculture Projects Department, whether we can mount a rural development sector study to one or two French African countries in FY73.

Attachment

cc. Mr. Cheek
Mr. de la Renaudiere (PMWA)
Mr. Gue
Mr. Steckhan/ Mr. Denning
Mr. Huber
Mr. Jansen
Mr. Hendry (Agriculture Projects Department)

Mr. Barand A. de Vries

February 18, 1972

Cornelis J. Jansen

Rural development study - your memo of February 17, 1972 to Mr. Chauffournier.

You mentioned Cameroon as a candidate for an agricultural sector survey in FY73. I believe Cameroon would indeed be a good choice because:

1. the lack of agricultural project preparation and weakness of agricultural administration is clearly the main constraint on development in Cameroon;
2. the Government has become more aware of this shortcoming. Since it has become also more receptive to Bank advice, it would probably be willing to implement recommendations of this survey.

I think the survey should concentrate on identification of shortcomings in the institutional set up, rather than on agronomic investigations, and that it should be oriented towards problems of domestic food crops rather than export agriculture. I suggest tentatively that the team should include experts on:

- agricultural administration and planning machinery;
- coordination of agricultural extension services;
- marketing of domestic food crops;
- rural credit;
- industrial processing of domestic food crops;
- storage and transport problems;
- sociologist (s).

Since it will be difficult to establish such a large French-speaking team, I suggest that we bring up this matter up during our visit to PAC and SEDES next month. We also may have to contact ORSTOM for its sociological expertise in the area.

The main result of the survey would be the identification of problems and longer-term technical assistance. Only for few problems, the survey could provide full fledged solutions. The terms of reference should therefore clearly orient the team towards the establishment of a long-term (10 years) program of applied research and technical assistance. It should be clear from the outset that we would support requests for technical assistance with UNDP and FAO and would be willing to be executing agency.

cc: Messrs. Chauffournier, Cheek, Steckhan, Hendry

CJansen:de

Mr. Roger Chaufourmier

February 17, 1972

Barend A. de Vries

Rural Development Study

The Working Party in which Mr. Denning has participated has agreed on terms of reference for the study which will appear in the next day or so. It is in three phases:

- (i) Phase I: A comparative analysis of past rural development projects, both Bank and non-Bank. The list of projects will include several located in West African countries.
- (ii) Phase II: In-depth studies of a few countries applying the results of Phase I. So far, there is agreement on including Kenya and Tanzania. The terms of reference will raise the question whether a West African country should be included.
- (iii) Phase III: Drawing generalizations from Phases I and II with the hope that this will lead to a "core design or designs" for rural development.

The key problem in selecting a West African country for Phase II is that the study would be linked to parallel agriculture surveys which would give special attention to rural development. Such sector surveys are planned for the East African countries but no early surveys are in sight in West Africa. At the moment, there are plans for agricultural sector surveys in Ivory Coast and Congo in FY75.

It seems desirable that Agriculture Projects Department and this Department re-order our priorities and plan for at least one West African agricultural sector survey during FY73 within the context of the rural development study. Our candidates are:

- (a) Cameroon, where we have identified the desirability of stepping up agricultural lending, and/or
- (b) Upper Volta, in which country we should, in any case, have a more comprehensive economic study in the course of FY73.

In considering the staffing requirements for such studies we should, of course, be able to rely on help from PMWA.

Cleared with and cc. Mr. Denning.

Mr. de la Renaudiere (PMWA)

cc. Mr. Cheek

Mr. Gue

Mr. Steckhan

Mr. Huber

Mr. Jansen

Mr. Hendry (Agriculture Projects Department).

Messrs. Lyle M. Hansen and Kedlapur Krishna

February 11, 1972

Stephen Denning

Rural Development Study

1. As a possible input for your draft of the terms of reference, I would like to suggest the following examples of West African "rural development projects" for comparative study purposes:

- a. Yabassi-Bafang Project in Cameroon. This resettlement project was begun in 1965 and executed by SCET Coopération. It is based on cocoa and coffee for export and rice and root food crops for domestic consumption. (See report AW-21a, Vol. II, paras. 127-131.)
- b. The ZAPI's in Cameroon. This project involved the setting up of Entreprises de Progrès Locales which were to be run on private enterprise lines selling cocoa and coffee, improving marketing, training farmers and extension workers, together with intensified food crop production and the organization and social integration of the rural community. The project is being executed by CINAM. (See report AW-21a, Vol. II, paras. 132-136.)
- c. CFDT Cotton Program in Mali. I gather that CFDT's operations are pretty much the same in any country. It may be that after talking to CFDT itself or for other reasons, one would prefer taking another country. Otherwise the Mali operation seems reasonable successful and might be taken as typical.
- d. Ségou Rice Project in Mali financed by FED. Although this only began in 1969, it might be taken as a moderately successful effort to mobilize small-holders.
- e. CIDR Program in Upper Volta. This is a small program involving the setting up of farmers' groups for growing groundnuts, cotton, and, to a lesser extent, foodcrops, using a community development approach.

2. I am sure that we can get a larger and more representative collection of projects when we have heard from our Abidjan office, Mr. de Wilde, some members of our department now overseas and, if possible, some of the French firms such as SEDES, BDPA, SCET, Coopération and SATEC.

SDenning:seb

cc: Messrs. De Vries
Hendry
Reutlinger

Mrs. Lele

Rural Dev

February 11, 1972

Dr. Walter P. Falcon
9 White Pine Lane
Lexington, Mass., 02173

} envelope addressed
to Harvard DAS

Dear Wally:

Re: Reutlinger
Sorry for not getting around to commenting personally on your paper. Less interesting, but more pressing, problems, like production of sector program papers and negotiating for a reasonable scope for the East African Study (everybody has similar ideas about the essence of rural development but very dissimilar ideas for how to go about the research) keep constantly interfering.

In the meantime, I am attaching Graham Donaldson's comments, which seem to me quite sensible. Also attached is the latest work program for the Division. Ross Parish is now preparing a new draft of the Agriculture Sector Program Paper. As soon as it comes out, I will send you a copy for comment.

Best regards,

Sincerely yours,

Shlomo Reutlinger
Chief, Agriculture and Rural Development Division
Economics Department

Attachments - 2

Donaldson to Reutlinger memo of Feb. 4

Reutlinger to Henderson/Stevenson memo of Jan. 7

SR:di

(Division File: East Africa Rural Development)

Rural Development

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TO: DE LA RENAUDIERE
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DATE: FEBRUARY 11 10, 1972

COUNTRY: IVORY COAST

CLASS OF
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TEXT:
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RE PROPOSED RURAL DEVELOPMENT STUDY TO BE UNDERTAKEN BY ECONOMICS DEPARTMENT
COOPERATING WITH EAST AFRICA WEST AFRICA AND AGRICULTURE DEPARTMENTS STOP
CURRENTLY PROPOSED THAT STUDY START WITH COMPARATIVE ANALYSIS OF PAST
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PURPOSE RURAL DEVELOPMENT PROJECT MAY BE TAKEN AS RURAL PROJECTS WHICH HAVE
ONE OR MORE OF FOLLOWING CHARACTERISTICS PRIMO COULD BENEFIT LARGE NUMBERS
OF PEOPLE SUCH AS PROGRAM TYPE PROJECTS SECUNDO PROVIDE RELEVANT SOCIAL
SERVICES TERTIO USE LABOR INTENSIVE OR JOB CREATING OR SELF HELP TECHNIQUES
QUARTO HAVE LOW MANAGEMENT CONTENT QUINTO USE COMMUNITY DEVELOPMENT TECHNIQUES
SEXTO PRODUCE FOOD FOR SUBSISTENCE OR EXPLOIT LOCAL MARKETS SEPTIMO USE
INTEGRATED DESIGN STOP PRIMARILY LOOKING FOR SUCCESSFUL PROJECTS THOUGH WE

NOT TO BE TRANSMITTED

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INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: **DE LA RENAUDIÈRE**

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CAN PROBABLY LEARN SOMETHING FROM FAILURES REGARDS
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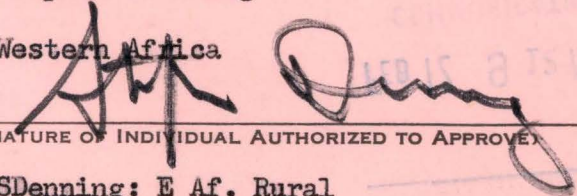
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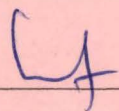
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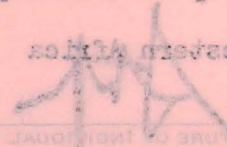
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Mr. Roger Hornstein

February 9, 1972

G. F. Donaldson

East Africa Mission - March

1. Attached is a copy of the terms of reference for my forthcoming Mission to East Africa.
2. As indicated, the main purpose is to set up some research studies in Kenya and Malawi - including a study of credit schemes in Kenya and Uganda.
3. It is also intended that Mr. Reutlinger and myself will visit Tanzania to explore opportunities for research there.

GFDonaldson:mw

Attach.

Mr. Dennis Parsons

February 9, 1972

G. F. Donaldson

East Africa Mission - March

1. Attached is a copy of the terms of reference for my forthcoming Mission to East Africa.
2. As indicated, the main purpose is to set up some research studies in Kenya and Malawi - including a study of various aspects of the Lilongwe Project.
3. If it is convenient, I would like to meet you while you are visiting Malawi in March. At present I expect to be there between March 13 - 18, 1972. I will endeavor to contact you there.

GFDonaldson:nw

Attach.

Mr. John M. Malone

February 9, 1972

G. F. Donaldson

East Africa Mission - March

1. Attached is a copy of the terms of reference for my forthcoming Mission to East Africa.
2. As indicated, the main purpose is to set up some research studies in Kenya and Malawi - including a study of various aspects of the Lilongwe Project.

GFDonaldson:HW

Attach.

Mr. P.D. Henderson

February 7, 1972

Barend A. de Vries

East African Rural Development Study

At the meeting you convened on Friday, February 4, on the East Africa Rural Development Study, it was agreed that a working party would prepare terms of reference and manpower estimates for the study. I confirm that Mr. Stephen Denning will represent the West Africa Department on this working party.

Cleared with and cc. Mr. Cheek

cc. Mr. Chaufournier (o/r)

Mr. Husain

Mr. Reutlinger

Mr. Lyle Hansen

BdeV:mfb

Mr. Bruce M. Cheek

February 7, 1972

Barend A. de Vries

East Africa Rural Development Study

On Friday, February 4, Mr. Henderson convened a meeting with representatives of Agriculture Projects Department, East Africa and West Africa Departments, to discuss how to proceed on the East African Rural Development Study. I attended for the West Africa Department. Memoranda by Messrs. Henderson and Reutlinger formed the basis for the discussion.

Mr. Evans felt that the objectives as formulated by Economics Department were too general and that they gave no operational guidance. He also objected to an implication that operational procedures needed to be revised. He felt strongly that present procedures did not obstruct the preparation of sensible projects. On the positive side, he was in favor of conducting comparative analysis of East African rural experience; this could be done with foreseeable manpower. The research could contribute to a better understanding of the rural scene and of the constraints of rural development. The research effort would go forward parallel with agricultural sector work in Tanzania and Kenya, the countries to be selected.

I pointed out that we had previously commented on Mr. Reutlinger's proposals and that Mr. Chauffournier had indicated to Mr. Lejeune that we were strongly interested in including West African experience in the research project. I agreed that the study should be operationally oriented, that it should not get involved in project identification and that the terms of reference should be made as specific as possible in view of the complex nature of the subject matter.

Mr. Evans considered that, given the staff limitations, it would not be possible to include a West African country. He expected that the in-house research team would be entirely supplied by Economics Department and that no-one from Agriculture Projects Department would be involved on a full-time basis. Mr. Wapenhans suggested that it would be useful for the study to take account of the very substantial French technical assistance effort in this field and to review possible transfer of knowledge from West to East Africa.

It was agreed that a working party would be formed to draw up the terms of reference for the study, including recommendations for manpower required. Mr. Henderson agreed that West Africa would be represented on this working party and I agreed tentatively that Mr. Denning would represent our Department. The working party would complete the terms of reference before mid-February.

cc. Mr. Chauffournier (with incoming memorandum)(o/r)
Mr. Denning
Mr. Maillard

OFFICE MEMORANDUM

TO: Mr. Alexander Stevenson

DATE: February 9, 1972

FROM: Uma Lele *ul*SUBJECT: Back-to-Office Report: Ethiopia - Minimum Package Program,
Pre-appraisal Mission*There all belong
to 0-18*

1. I accompanied three members of the Agricultural Projects Department on a preappraisal mission of the minimum package program in Ethiopia, to review the project as a strategy for rural development and, more specifically, to investigate the problems of price policy and marketing.

2. My investigations related to these issues involved two field trips with the mission members - one to the Swedish-financed Chilalo Agricultural Development Unit (CADU) and another to Baku - an Ethiopian-run minimum package area which has been underway for nearly a year. In Cadu I talked with the heads of the planning and evaluation section, and the marketing division, with an extension agent, and with a model farmer and visited a cooperatively-run trade center. In Baku, discussions were held with an extension supervisor and extension agents, the largest grain trader in the market, a model farmer and several non-model farmers, members of the German mission doing agronomic and economic research, and members of the Swedish mission that run a training school in extension education and home economics. We also visited an extension training school in Ambo, inspected a land settlement scheme, inspected construction of a feeder road under a rural public works scheme. In Addis I held discussions with the members of the Harvard Advisory services and the director of the social services in the Planning Commission, with the chairman of the Grain Corporation, with persons in the Ministry of Agriculture, the US AID and the AID Bank, and with the UNDP's Statistical Advisor to the Government of Ethiopia.

3. On the basis of my discussions and information collected in Ethiopia, I will prepare for the preappraisal mission a report on price policy, marketing and storage under the minimum package scheme. In the present report, I have raised some of the broader questions related to rural development.

The Minimum Package and Rural Development

4. While we grope for rural development strategies that ambitiously aim for minimum financial and administrative costs, an acceptable rate of return on investment, an equitable distribution of benefits, large number of beneficiaries, and short gestation periods, the minimum package program may have provided just such a

magic strategy. The project is, therefore, of considerable interest to us due to its potential for applicability to other African countries, at levels of development similar to Ethiopia, in terms of their manpower resources, physical and institutional infrastructure, and social and political participation. It also raises issues, which may have a broader validity than simply in Ethiopia.

5. The issues relate to the social implications of the land tenure situation, financing of projects with high recurrent costs and problems of institution building, as through credit, price and marketing policies.

6. The Ethiopian minimum package program consists of introduction of a simple technical innovation in producing traditional crops to a large number of small farmers. The innovation is simply an introduction of a limited amount of improved seed along with fertilizer and some simple improved implements. The program aims at improving the incomes of small cultivators who cultivate less than 20-25 hectares of land. Most of these farmers grow poor yields, pay high rents, receive a low share of the consumer's dollar, face frequent evictions and live on pitifully low incomes. The program envisages increasing their incomes with a modest investment of \$70.00 per cultivator (US\$27.7 million project which would reach 400,000 cultivators).

The Minimum Package and Land Tenure

7. The land tenure system poses one of the major problems facing the package program. It provides hardly any protection to the tenant against eviction by a landlord. It also results in rents that usually range from 30 to 50 per cent of the output, with often no sharing of costs. As a consequence, the resources available for expenditure on seed and fertilizer are always small, and often nonexistent. The incentive to invest is low, since the realised marginal return is usually much lower than the actual increase in output. The insecurity of tenure leaves little incentive to invest in permanent improvement of land. This latter is widely evident from absence of land leveling and extensive erosion of land. The evidence from Cadu shows that the recent demonstration of profitability of the farm enterprise, combined with absence of import duties on agricultural machinery and gasoline, and lack of security of tenure have only exacerbated eviction of tenants. Even the regularization of landlord-tenant relationship, as distinct from cadastral surveys and progressive taxation of land, has been resisted by the parliament, that represents powerful landed interests. The crucial question is, in absence of a land tenure legislation, will the net welfare of the small cultivators increase with introduction of a minimum package program? Or will the gain in productivity be more than compensated by increased eviction of tenants?

8. If social and political consequences are considered along with the economic, it seems highly likely that the seeds and fertilizer will be catalytic in bringing dynamism into the feudalistic rural sector of Ethiopia. The evidence in Gada and elsewhere in Ethiopia indicates that the modern inputs have caused, among small cultivators, a curious combination of hopefulness for the present, discontent with the past, and an uncertainty about the future. This is a distinct change from the cultivator's willingness to accept the status quo in the past. It is such a combination of hope, despair and uncertainty that may generate social dissention to bring about a faster evolutionary change in Ethiopia than will occur in absence of a minimum package program.

Financing Recurrent Expenditure

9. The second issue, relating to the package program, is whether to finance projects which have a major component of recurrent budgetary expenditure. The question loomed large in the minds of mission members and raised several interesting issues. (1) Should the Bank finance a project which has a small fixed capital expenditure content, but consists largely of working capital, mainly in the form of import of fertilizers, and of recurrent budgetary expenditure, mainly on staff? (2) Can the Ethiopian Government raise enough additional resources or allocate existing resources to maintain the level of budgetary expenditure at the end of the period of disbursement? (3) If not, is the Bank, de facto, committing itself to financing the program for an additional period? (4) Will the program fold up in absence of the Bank's commitment and the Ethiopians' ability to raise resources?

10. Table 1 shows the composition of the Bank-financed projects in the recent past in Africa. It indicates that the composition of the minimum package project costs is by no means out of line with other projects, which aim at similar goals, although the magnitude of the costs is admittedly much larger. The second question that must be raised is whether one can find alternative projects within the agricultural sector which will meet the various goals stated above in (4). The evidence is very disappointing that this will be possible in the agricultural sector.

Institution Building

11. A third issue relates to the degree of flexibility that may be required in a project, such as the minipackage. Experimentation and innovation in approach may be highly essential for institution building. The two examples discussed below relate to credit and marketing.

12. The present minimum package program requires that the cultivator provide a downpayment of 25 per cent of the value of fertilizer and improved seed at the time of the sowing season when he receives the credit in kind. The downpayment amounts to only Eth.\$ 12.00 per hectre with a significant return on investment. However, most cultivators cannot afford the downpayment, although often they only use the fertilizer on an area much smaller than a hectre. Our field trips indicate that most cultivators live at such object level of poverty that it may be impossible for many to furnish the downpayment. It then may become a vicious circle of those who have, receive, and hence have more. Under these circumstances, it may be highly essential that downpayment arrangements be left sufficiently flexible and innovations in lending introduced according to the size of farm, quality of the extension service, price policies and marketing facilities. Such flexibility will have to be combined with built-in checks in the system to avoid its exploitation for the benefit of the relatively better-off farmers.

13. The second issue relates to marketing. There is a general contention that private trade is highly inefficient and exploitative. Consequently, there is often a rather universal prescription of cooperative marketing or government trade centers as a way of solving the marketing problem. The evidence indicates that in areas where subsistence farming and illiterary prevails, cooperatives require both a long time and close supervision of staff to be successful. Given the very inadequate administrative machinery, the government trade centers simply cannot handle a significant portion of the marketable produce to make an impact on the price received by cultivators. The private sector must, therefore, handle a significant portion of the marketable surplus for a long time to come. It is, therefore, as essential to look into the ways of improving the efficiency and competitiveness of the private sector as it is to introduce alternative channels of marketing, if competition is to be fostered. This is where research on the factors which cause markets to operate inefficiently becomes highly essential in order to devise ways of improving this important sector of the economy.

14. The little evidence available in Ethiopia indicates that exploitation of cultivators by traders is covert and accompanied by an appearance of price premia and better terms of payment. This implies that the markets are potentially competitive. It is also evident that the high profits made by a few grain traders are due to poor market intelligence available to smaller traders and cultivators, extremely poor and undependable transport facilities, virtual absence of banking finance for trade in small markets, and total absence of government regulation of trading activities, e.g. in use of standard weights and measures. This would suggest that

a great deal of scope exists for improving the traditional trade channels with careful marketing policies. Such an approach would be of variance with that which either ignores the private sector or seeks to replace it completely.

15. Thus, although clear solutions are still not in sight, the Ethiopian experience has provided a number of problems on which to focus research.

UIele/sks

cc: Messrs. Henderson
Reutlinger
Whyte
Tolley
Cacho

COMPARATIVE COSTS OF RECENT BANK-FINANCED AGRICULTURAL DEVELOPMENT PROJECTS IN AFRICA

<u>EXPENDITURES</u>	<u>LILONGWE</u>		<u>SHIRE</u>		<u>KARONGA</u>		<u>WOLAMO</u>		<u>HUMERA</u>		<u>MINIMUM</u>
	<u>\$1000 US</u>	<u>%</u>	<u>\$1000 US</u>	<u>%</u>	<u>\$1000 US</u>	<u>%</u>	<u>\$1000 US</u>	<u>%</u>	<u>\$1000 US</u>	<u>%</u>	<u>PAGE</u>
Capital <u>1/</u>	4397	20.7	1882	40.7	3781	39.3	1336	26.4	2388	54.8	10635 38.4
Recurrent <u>2/</u>	9847	46.4	998	21.6	2831	45.9	3036	60.0	1100	25.2	11008 42.5
Farm Inputs <u>3/</u>	6967	32.9	1095	23.7	330	4.2	262	5.2	32	0.7	5267 19.1
Contingency	-	-	650	14.0	819	10.6	422	8.4	838	19.3	- -
TOTAL	21211	100.0	4625	100.0	7761	100.0	5056	100.0	4358	100.0	27730 100.0

1/ Capital expenditures include buildings, vehicles, plant and machinery, roads, bridges, water system, survey equipment, and land settlement.

2/ Recurrent costs are mostly salaries of the staff and include the cost of operating and maintaining equipment, vehicles, tractors, buildings, roads, soil conservation works, and water supplies.

3/ Farm inputs refer to fertilizer, insecticides, and farm implements.

Mr. P. D. Henderson

February 1, 1972

Shlomo Reutlinger

East Africa Rural Development Study

1. What follows is a brief summary of where I think we stand now with regards to the East Africa Rural Development Study and how we might proceed.

2. The basic operational objectives stated by Messrs. Hansen and Krishna in paragraph 4 of their memorandum of January 20, seem to me a good basis from which to proceed to a discussion of the structure and staffing for the study. For reference, these objectives are restated here:

- "(a) to examine ongoing projects and programs in the rural development field primarily in African countries but including non-African experience where there is reason to believe the activities could be transferable to Africa. To the extent possible, the factors which have either contributed significantly to the success or inhibited progress in these programs will be identified and their transferability evaluated. The principal function of this investigation will be to identify the essential activities that constitute a successful rural development program that is transferable between countries as well as expandable within a country.
- "(b) with regard to Bank Group operations, an attempt should be made to determine to what extent they fulfill or fail to achieve the objectives and criteria of rural development. The extent to which Bank procedures and policies have either resulted in ruling out potential projects or prevented their expansion after they got off the ground should also be examined.
- "(c) in selected African countries, to take stock of national objectives, potentials and limitations in the rural development field through field visits and discussions with the countries at all levels. The principal function of these investigations would be to get a measure of what the countries themselves would like to do if limitations of a technical, economic, financial or institutional nature could somehow be overcome; to formulate recommendations as to how these limitations can be eased; and to evaluate what the shape of a rural development program would be in the light of these remedies."

3.- I propose we adopt these organizational objectives, provided adequate provision for staffing can be made. A minor comment is that it may not be possible to identify one set of "essential activities that constitute a successful rural development program" which is operationally meaningful. Perhaps we might identify generalizations for different sets of circumstances - a kind of typology Falcon and Gotsch have outlined for us.

4. The objectives as stated by Messrs. Hansen and Krishna clearly imply that the study should involve (a) looking back on relevant experiences; and (b) looking forward to what is on the drawing board, etc. in Kenya and Tanzania. I quite agree, and have said so many times, that these should not be separate tasks. All I have suggested is that we recognize the desirability of calling on two sets of people to work together on the study - people who are primarily involved in planning ahead and others who are primarily responsible for analyzing historical experiences. This would have involved people from other parts in the Bank and our Division to work together more or less full-time.

5. It is now my impression that Area and Projects are not likely to detach their staff for an extended period. In this case, we could still undertake the study largely by our Division's staff and consultants. However, it must be understood that the study's relevance for and convergence with related rural planning activity of the Bank in Africa can be only assured, if Area and Projects staff will be available to work with the study team as needed. I would think that at the very minimum, a review mission requiring this kind of participation is needed sometime this summer. It should be also appreciated, that with less staff input from other departments, the study will take longer to finish. Assuming that we can make available about 35 manmonths from now through FY 1973 and counting on finding suitable consultants and possibly a man from FAO/IBRD, we should aim for a report by June 1973.

6. In case the minimal support from outside the Division as outlined above cannot be assured, or other demands, such as the proposed India and Iran tasks, will take on higher priority in the Division's work program, I propose a scaled-down effort on Africa. We are at the moment initiating several studies in Africa in the following areas:

- (a) Ethiopia Minimum Packages
- (b) Lelongwe
- (c) Kenya Livestock
- (d) Kenya Agricultural Credit

These studies will involve largely supervision of contracts with outside researchers. Simultaneously we intend to participate in some operational

missions to African countries and to visit research institutes in Africa to build up knowledge in the Division and to initiate several other studies. A minimal effort to properly supervise these studies, to integrate their findings and to extrapolate some generalizations could require about 20-25 manmonths from now through FY 1973. If we have to go this route, it should be clearly understood that the operational objectives must be scaled down.

7. Beyond studies specifically in the Africa context, we should in any case define some general policy issues related to the Bank's financing of rural development projects on which we might prepare special policy studies and papers.

SReutlinger:hbb

January 20, 1972

Mr. J. D. M. Hardie
Ministry of Agriculture and
Natural Resources
P. O. Box 303
Zomba, Malawi

Dear Mr. Hardie:

I acknowledge and thank you for your letter of December 16, 1971, addressed to my colleague Uma Lele, in which you inquire about the program of our East Africa rural development study. My apology for the delay in replying, made necessary for the infinality of our plans.

Some general proposals for the development study have now been prepared and a copy of these is attached for your information. The research team concerned with that part of the program outlined in 4 (a) includes the following tentative assignments:

- Graham Donaldson - general farming projects
(review of Bank and non-Bank experiences)
- Uma Lele - Commercialization aspects
(marketing channels, agro-industries,
feeder roads)
- Tariq Husain - Livestock projects
- Stahis Panagides - Policy instruments
(pricing, taxes, land tenure)
- Robert Shaw - Project and program administration,
management and education.

As part of reappraisal element of the program we would like to study the Lilongwe land development project in Malawi, since it is felt that the Bank has something positive to learn from your successes there. This study will be primarily my responsibility.

At this stage I do not have a research project outlined, nor any definite operational plans. However, it is clearly essential that I make a preliminary survey of the project and the available data before proceeding with detailed research project specification. Accordingly, I hope to visit Malawi in the near future.

Mr. J. D. M. Hardie

- 2 -

January 20, 1972

Although my plans are tentative, at present I plan to be in East Africa on a number of matters during the second half of February and early March. If this eventuates, I would like to visit Lilongwe sometime during the week beginning 21st of February, if that is possible. I will, of course, advise you of my specific plans once they become definite, so that I may seek your agreement before proceeding.

Yours sincerely,

G. F. Donaldson
Agriculture & Rural Development Division
Economics Department

GFDonaldson:nw

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January 20, 1972

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Mr. J. D. M. Hardie

Although my plans are tentative, at present I plan to be in East Africa on a number of matters during the second half of February and early March. If this eventuates, I would like to visit Addis Ababa sometime during the week beginning 21st of February, if that is possible. I will, of course, advise you of my specific plans once they become definite, so that I may seek your agreement before proceeding.

Yours sincerely,

G. F. Donaldson
Agriculture & Rural Development Division
Economics Department

GDonaldson:rw

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Rural Development

January 18, 1972

Dr. R. Guesten
IFO - Institut
8 München 27
Poschingerstrasse
Germany

Dear Dr. Guesten:

I am in the Agriculture and Rural Development Division of the World Bank. Our Division is planning to initiate a number of Studies in East Africa and the focus will be on the rural sector. Within the rural sector it will be on the small farmer, the landless laborer, the nomad and others in this broad spectrum. Our intention is to involve local researchers and research institutes as much as possible.

Dr. H. Thias (a colleague who recently visited you) suggested that I write to you to find out about your Institute's experience in Africa. Could you suggest individual researchers interested in working on rural problems in East Africa? Any facts or suggestions you might have will be appreciated.

I am going to Tanzania next month and would like to stop by for an informal chat. I could do so on my way in (tentatively February 12 or so) or on my way out (March 20). I would look forward to hearing from you. Could you please send us a list of your publications that relate to Africa.

Thank you.

Sincerely yours,

Tariq Husain
Agriculture & Rural Development Division
Economics Department

THusain:mnw

cc: Mr. S. Reutlinger
Mr. H. Thias

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Dr. K. Gieseler

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Rural Development

Mr. Roger Chauffournier

January 18, 1972

Barend A. de Vries

East Africa Rural Development Study

The attached memorandum by Mr. Denning comments on a research proposal by Mr. Reutlinger, of the Economics Department. We suggested some recasting of the proposal and recommend that one or two West African countries be included as part of the study. The East Africa Department also has made a number of recommendations for revision of the research proposal. Next, we should agree with interested parties on more definitive terms of reference for this study.

Attachment

cc. Messrs. Henderson/Reutlinger
Husein/Hansen/K. Krishna

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January 18, 1972

Mr. Roger Chantonnier

Baron A. de Vries

East Africa Rural Development Study

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cc. Messrs. Henderson/Reutlinger
Hansen/K. Krishna

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Mr. Roger Chaufournier

January 17, 1972

Stephen Denning (through Mr. de Vries)

East Africa Rural Development Study

1. I attach a copy of Mr. Reutlinger's memorandum to Mr. Henderson dated January 3 setting out his proposals for the study. This memorandum makes some recommendations based on discussions which Messrs. de Vries, Maillard and I had amongst ourselves and with Mr. Reutlinger. We are also maintaining contact with Messrs. Husain, Hansen and Krishna of East Africa Department. It was understood from the start that we were interested in including West Africa in the study.

The proposal

2. The study is to be in two parts proceeding concurrently:

(i) research into rural development throughout the African continent. This would be carried out initially by a team of five people from the Economics Department. The team would work on the matter more or less full time for a year.

(ii) sector review of issues and problems in identifying rural development projects or programs in selected countries, i.e., Kenya, Tanzania, and a West African country. This work would be carried out by a team of five people, i.e., one person from each of West Africa, Eastern Africa, Agriculture Projects, Special Projects and Economics Departments. The team would work on the subject more or less full time for a year.

3. The study seems to be independent of Mr. Demuth's committee which is looking into rural development. The study moreover seems to have arisen through Eastern Africa Department's interest in working out more suitable institutional arrangements, both in the country and in the Bank, for rural development.

Recommendations

4. The study is concerned with rural development projects and programs. No definition of these projects and programs is attempted, and indeed, such a definition would be one of the objects of the study. Nevertheless, it might be useful if we could agree at the outset what the broad objects of the study are. Some of the main themes running through the various memoranda are:

- a. to design projects which will reach large numbers of people within a reasonable period of time (with the implication that the Bank's agriculture projects have not been doing so);

- b. to include in agriculture projects investments which go beyond agricultural production narrowly defined, e.g., by investing in health, nutrition, schools, water supply and electrification;
- c. to develop projects which include more labor-intensive or job-creating or self-help techniques;
- d. to devise ways to overcome the lack of top-class management for rural projects, e.g., by designing projects with a lower management content;
- e. to consider ways to slow down the flow of urban migration.

5. As well as considering how to design rural development projects, the study would look into the rationale for investment. This would include a reconsideration of project evaluation techniques, e.g., by examining the interaction effects of complementary investments, by quantifying benefits not previously quantified. If the study is to be as truly comprehensive as we think it should, it will have to go further and consider the interrelation between national and regional plans, and the implications of alternative investments (i.e., different types of rural investment as well as urban investment) for employment (both urban and regional), financial resources, population distribution, income distribution, social equity and returns to the economy.

6. In view of the complexity of the problems to be studied, it would seem best to concentrate on a few countries, to prevent the study getting lost in a morass of data. Thus the proposal for the sector review study, i.e., that the team concentrate on Kenya, Tanzania, and a West African country, might well be adapted to the research proposal. As to which West African country, we suggest one or two countries where rural development projects are getting under way, i.e., Upper Volta, Senegal and Liberia (in that order of preference).

7. We doubt whether project identification, as customarily understood, should be part of this study. While Mr. Reutlinger's paper proposes that the sector review team would aim at identifying rural development projects in several specified countries, subsequent discussion with him revealed that he envisaged the team to be engaged in sector review work, considering some of the questions of rationale mentioned in paragraph 5 above, rather than project identification and preparation in the narrow sense. In other words, Mr. Reutlinger agreed with us that the study should not be seen as a replacement or substitute for the existing Bank machinery for project identification and preparation (i.e., in West Africa, RWA).

8. It is not easy to distinguish between the functions of the sector review and research teams in Mr. Reutlinger's proposal. If, as we suggest, both teams are to concentrate on the same few countries, it may be more practical and economical to combine both aspects in one comprehensive study.

9. The nature of the research suggests that we should proceed in steps, taking stock from time to time of the usefulness and implications of the studies. In broad terms, we suggest a phased approach:

Phase I: Identify in selected countries major problems and issues arising in the study of integrated rural development. Review related work under way in these countries, and review studies available elsewhere. Identify subjects for further research.

Phase II: Carry out research identified in Phase I.

10. While the research would be focused on a few individual situations, it is hoped that the findings will have broader applicability. In turn, the research topics will need to be defined so as to have operational interest. For this reason, we think there should be close interaction between the research team and an interdepartmental steering group.

11. We feel it is premature to discuss the staffing of the study until its nature and scope has been agreed. Otherwise there is a risk that the availability of staff will determine the nature of the study, rather than the purpose of the study determining what sort of people are needed. Thus both the research and sector review teams proposed by Mr. Reutlinger seem to be lacking in expertise in relevant disciplines such as health, nutrition, education, water supply, electrification, population and urbanization. Of course, it may be that the eventual limitation on staff and funds will necessitate making the study less ambitious. But this can only be determined when we have agreed on the optimum terms of reference.

Conclusions

12. Accordingly our conclusions are:

- a. that Western Africa Department should support the proposed study;
- b. that the objects of the study should be defined more precisely at this stage;
- c. that the research and sector review aspects should be combined into one comprehensive study, concentrating on several specified countries;
- d. that in West Africa, the countries most suitable for study are Upper Volta, Senegal and Liberia (in that order of preference);
- e. that project identification and preparation as customarily understood, should not be part of the study;
- f. that the study should be carried out in phases, in close interaction between the research team and an interdepartmental steering group;
- g. that the proposed staffing for the study needs to be reviewed to ensure an adequately comprehensive approach.

SDenning/BdeVries:seb

cc: Messrs. Cheek, Eccles, Hansen, Haq, Henderson, Husain, Krishna, Maillard, Picciotto, Reutlinger, Mrs. Lele

11-31-AM 1972

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Figure II: Same as last figure translated to Figure I.

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находились документы, относящиеся к истории и культуре.

Figure 1: Identifying the selected companies for the duration and quality

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Mr. Shahid Husain

January 13, 1972

L.M. Hansen and K.G.V. Krishna

East Africa Rural Development Study -
Memorandum by Mr. Reutlinger

We have read the paper entitled "East Africa Rural Development Study", prepared by the Agriculture and Rural Development Division, and a memorandum under the same title from Mr. Reutlinger to Mr. Henderson. We wish to comment as follows.

It is suggested in the paper and the memorandum that future work in the field of rural development be viewed in the context of two tasks - research and sector reviews. We believe that the distinction implied in this classification is an artificial one, and could set in motion two parallel activities which may fail to converge. We are of the view that the task of identifying specific projects should be deleted from the scope of the proposed exercise - this task can proceed separately where circumstances warrant - and consequently that there should be a single group which will be responsible for the entire study. Although research is an important part of the exercise, we would hope that the intention to throw light on operational possibilities in the long-run would remain paramount. Indeed, we would go so far as to say that the course of research should be set clearly in this direction, so as to benefit policy-making both within governments and donor agencies. The important point to bear in mind is that project formulation would not take place within the framework of the proposed study, but would rather be a logical sequel to it.

Mr. Reutlinger's proposals for staffing the study team require, on the sector review side, "three people devoting full time to this task", supplemented by others from within the Bank and outside. We would hope that some of the area department staff will be actively engaged in this task, although in view of foreseeable commitments - at least of the staff of the Eastern Africa Department - participation on a full-time basis may prove impossible. We suggest that the question of staffing be taken up after a determination has been made of the precise nature of the study and the time required to complete it.

We attach a memorandum which sets out our thinking on the kind of study that is required. It retains many of the ideas which have cropped up during recent discussions within the Bank and which have been touched upon in Mr. Reutlinger's memorandum. Some of the tasks involved have been elaborated so as to serve more firmly as a basis for further action with regard to the study.

LMH *K/K*
LMHansen/KGVKrishna:ws

Attachment

cc: Messrs. M.L. Lejeune

B. deVries

J.H. Collier

R.A. Hornstein

EAST AFRICA RURAL DEVELOPMENT STUDY

1. The overall objectives of the study are:
 - (a) to identify, evaluate and describe the essential components and characteristics (and their phasing) of rural development projects and programs designed to affect large numbers of people within a reasonable time;
 - (b) to identify where existing country and Bank procedures and policies would inhibit implementing such a program or project and to suggest remedies.
2. Rural development for purposes of this study embraces activities that promote increases in per capita income (both monetary and non-monetary), expansion of employment on the broadest possible scale (including activities in the field of subsistence production) and increases in the level of economic and social services provided to the inhabitants of rural areas.
3. The approach to the study should be guided by the following criteria:
 - (a) benefit large numbers of people in a reasonable time period;
 - (b) minimize financial cost per farm family and thereby overall financial costs;
 - (c) minimize the need for expatriate staff;
 - (d) involve the least change in the country governmental organization.
4. The operational objectives of the study are:
 - (a) to examine ongoing projects and programs in the rural development field primarily in African countries but including non-African experience where there is reason to believe the activities could be transferable to Africa. To the extent possible, the factors which have either contributed significantly to the success or inhibited progress in these programs will be identified and their transferability evaluated. The principal function of this investigation will be to identify the essential activities that constitute a successful rural development program that is transferable between countries as well as expandable within a country.

- (b) with regard to Bank Group operations, an attempt should be made to determine to what extent they fulfill or fail to achieve the objectives and criteria of rural development. The extent to which Bank procedures and policies have either resulted in ruling out potential projects or prevented their expansion after they got off the ground should also be examined.
- (c) in selected African countries, to take stock of national objectives, potentials and limitations in the rural development field through field visits and discussions with the countries at all levels. The principal function of these investigations would be to get a measure of what the countries themselves would like to do if limitations of a technical, economic, financial, or institutional nature could somehow be overcome; to formulate recommendations as to how these limitations can be eased; and to evaluate what the shape of a rural development program would be in the light of these remedies.

5. In relation to 4(a), i.e., activities which have already been initiated, information should be gathered on (i) their sponsorship and general motivation, (ii) socio-economic objectives (iii) institutions responsible for project implementation (iv) range of activities covered (v) number of people and geographical scope (vi) project management personnel (vii) inter-ministerial coordination (viii) the role of self-help, and (ix) overall financing. This part of the inquiry should cover projects sponsored and financed by either external donors or the countries themselves. With regard to 4(b), i.e., the role of the Bank Group in this field, a critical assessment should be made of any bias in favor of compact, manageable projects whose viability was almost beyond question, reluctance to move into unfamiliar ground, limitations stemming from appraisal techniques, particularly in the quantification of benefits, insistence on the creation of elaborate institutions or unduly high management standards, both requiring inputs of expatriate skills, and preoccupation with projects oriented to the external market. With regard to item 4(c), i.e., national policies, the items which require critical assessment are the degree of commitment that exists, political organization, particularly at the grass-roots level, the pattern of resource allocation, particularly the breakdown as between urban and rural activities, and excessive dependence on - or total reluctance to retain - expatriate expertise. During the discussions with the governments, it should be ascertained whether, in formulating projects in the rural areas, they have in any way been inhibited by donor preferences, concerning either the range of activities or for method of formulating and implementing projects. Where any particular program or project is considered "successful", a judgment should be reached as to its replicability in the light of all possible limitations.

6. The end result of this phase of activity would be to help identify a broad spectrum of activities which could be pursued as part of a rural development program. It would also help us to get a measure of the national commitment that exists in the field, both among governments and potential beneficiaries of the program. Assuming that a national commitment exists, the study will analyze factors which are currently inhibiting progress such as technological innovations, market size and prices, finance and planning

and implementation capacity. The Bank would benefit from a stocktaking of its own experiences, both favorable and negative, and thereby get a better feel for what the countries want and the extent to which there is a need to attain greater flexibility in Bank procedures and policies.

7. After this phase of the study has been completed, it should be possible to proceed to the development of a basic design of rural development. There will not be a single model for all situations, but rather a core design around which variations could be built. The design will include possible economic activities (agriculture, industry and crafts, commerce, roads, electrification) and social/cultural activities (schools, health facilities, community development). It will highlight the interrelation among the economic activities themselves on the one hand, and between them and the social/cultural activities on the other. It will provide an indication of the financial and other resources required, and of the methods of raising these resources, either through self-help or through transfers within the economy which could be effected through fiscal devices. It will suggest organizational, staffing and training patterns.

8. Throughout the second phase of the study, attention will be focussed on the need to benefit vast numbers of population at the lowest possible per capita cost. While the eventual objective would be to provide opportunities for income-generating activities for all, financial constraints and market limitations for the goods and services that could be produced (both in the agricultural and non-agricultural fields) may necessitate a careful phasing of projects. This would imply that where problems of landlessness and severely limited employment opportunities occur, some rural development programs may have to be initiated with very modest objectives at the outset, such as food production for subsistence. The study should identify methods by which the process of specialization and exchange which now exists principally between the rural and urban areas can be developed also on an intra-rural basis.

9. Once the objectives of the study are agreed, a research director will be designated. In consultation with interested departments, the research director will translate the study objectives into a program of work. Staffing needs including contracting outside assistance, will be based on the program of work. In contracting work outside of the Bank, some priority is attached to using the staff and institutions within the African countries.

KVK
KGVKrishna/LMHansen:ws

January 13, 1972

Mr. L.M. Hansen

January 6, 1972

K.G.V. Krishna

East Africa Rural Development Study -
Memorandum by Mr. Reutlinger

1. Mr. Reutlinger suggests that future work in the field of rural development should be viewed in the context of two kinds of tasks - research and sector reviews. I have the impression that the division of responsibility implied in these tasks simply reflects the Bank's present organizational structure (such as the existence of an Agriculture and Rural Development Division whose work is largely research-oriented and other departments which are operationally oriented), and not so much the requirements of an articulated program of rural development. The line of demarcation between the two functions is far from clear. For example, is it intended that one should attempt "to identify and plan the broad outline of a rural development project", even while others are studying the "interaction effects of complementary investments, institutional capabilities and constraints"? The manner in which the outcome of the work of the research group would influence those who are concerned with the sector review is not explained, although the need for "considerable amount of coordination" has been stressed. There is no mention of the types of research which can only be pursued within the framework of specific activities themselves.

2. I have no disagreement with the objectives of the study as outlined in para. 1 of Mr. Reutlinger's paper, although I am not clear as to the timing of item (c). If item (c) implies the identification of projects intended for Bank Group financing, I would hope that this would sequentially come last, since it could benefit immensely from (a) and (b).

3. If two groups are called upon to undertake the kinds of tasks outlined in Mr. Reutlinger's paper, there is a clear danger that, within a short space of time, each would become impatient with the other. An operationally-oriented group which has the task of identifying projects would naturally wish to work towards definite target dates. The very nature of the group's responsibility would dictate that it identify project components and the institutional framework that is appropriate for project implementation. These tasks would be undertaken while the research group will be actively concerned with an evaluation of past experience, design of future projects, etc. Thus, one might end up with precisely the kind of situation which now exists, both functionally and organizationally. The groups entrusted with the two tasks would inevitably move apart and coordination would be nearly impossible to achieve.

4. I suggest that the idea of the two groups be abandoned forthwith and that it be replaced by one group, which would draw representatives

January 6, 1972

from the departments concerned. A high-level meeting at the Director/Deputy Director level should be convened for the purpose of working out precise guidelines for the group, both with regard to the scope of its work and the time-table it should follow.

5. Mr. Reutlinger suggests that the sector review team should consist of "three people.....devoting full time to this task". If the proposal is that these people should be from the Area or Projects Departments, then it is probably highly impractical, since staff in these departments can only afford some of their time for this study. I hope this will be recognized in any final arrangement in staff allocation. From a personal point of view, while I would like to maintain a close interest in the subject of rural development, other responsibilities preclude my participation on a full-time basis. I am sure this would apply to many others who are interested.


KGVKrishna Rao

cc: Mr. S. Husain
Mr. Collier

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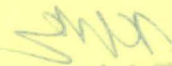
January 6, 1972

-2-

Memo to Mr. Hansen

from the department concerned. A high-level meeting at the Director's level should be convened for the purpose of working out precise guidelines for the group, both with regard to the scope of its work and the time-table it should follow.

5. Mr. Bostlinger suggests that the sector review team should consist of "three people.....devoting full time to this task". If the proposal is that these people should be from the area or projects departments, then it is probably highly impractical, since staff in these departments can only afford some of their time for this study. I hope this will be recognized in any final arrangement in staff allocation. From a personal point of view, while I would like to maintain a close interest in the subject of rural development, other responsibilities preclude my participation on a full-time basis. I am sure this would apply to many others who are interested.


Hansen

cc: Mr. S. Hansen
Mr. Collier

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OFFICE MEMORANDUM

TO: Mr. P. D. Henderson

DATE: January 3, 1972

FROM: Shlomo Reutlinger *SR*SUBJECT: East Africa Rural Development Study

1. Attached is a brief outline of the kind of study implied, in my view, by the objectives and problems discussed over the last two months. I feel it is appropriate now for the directors of the concerned departments to agree on the broad objectives, the kind of study and the level of resources to be committed. The portion of the study designated as "research" should be subsequently submitted to the Research Committee. The specific subtopics and cases to be studied stated below are primarily illustrative and need to be further discussed and developed.

2. To summarize it briefly here, I am suggesting that two teams be designated more or less full time for one year to the study, the sector review team to identify programs and projects and constraints in three designated countries (Kenya, Tanzania and a West African country), and the research team to study relevant topics and experiences in the African continent.

3. The core sector review team might consist of one person designated from each department, East Africa, West Africa, Agriculture Projects, Special Projects and Economics. From Economics, my nomination is Al Egbert. For limited periods, others in my division could and should participate.

4. For the research team, I have in mind the following tentative assignments.

| | |
|------------------|---|
| Graham Donaldson | - General farming projects
(review of Bank and non-Bank experiences) |
| Uma Lele | - Commercialization aspects
(marketing channels, agro-industries,
feeder roads) |
| Tariq Husain | - Livestock projects |
| Stahis Panagides | - Policy instruments
(pricing, taxes, land tenure) |
| Robert Shaw | - Project and program administration,
management and education |

5. For the time being, I will coordinate the research task. We intend to take advantage of every opportunity to contract out specific studies and papers to research workers outside the Bank (particularly in Africa). Hence a good deal of our staff's time will be devoted to synthesizing and working up of policy implications and recommendations

January 3, 1972

Wherever and whenever possible we would like to combine the research task with relevant operational missions in Africa.

6. Budgetary requirements are difficult to predict at this stage. However, I do think that an allocation of about \$30,000 would provide for disbursements needed in FY72 to get started on studies and for consultants needed in the research program development. Subsequently, we should be able to count on \$100,000 for FY73. However, since the studies I have in mind are essentially divisible, we could consider each proposal upon submission.

7. If the outlines of the present proposal are accepted, we should like to aim for a report to be ready by December 31, 1972. Of course, many studies initiated during this period will need to be pursued for several years.

Attachment

SReutlinger:zmc

cc: Mr. de Vries
Mr. Eccles
Mr. Hansen
Mr. Haq
Mr. S. Husain
Mrs. Lele
Mr. Picciotto

East Africa Rural Development Study

1. The operational objectives of the East Africa Rural Development Study are:

- (a) to describe and analyze the essential features and characteristics (and their phasing) of rural development projects and programs designed to affect large numbers of people within a reasonable time;
- (b) to identify where country and Bank procedures and policies inhibit such a program and projects and suggest remedies;
- (c) to identify such projects and programs.

These objectives clearly provide a distinct focus to the proposed research and reflect the intention to produce operationally significant results.

2. To achieve the stated objectives, clearly two kinds of tasks need to be undertaken. Objectives (a) and (b) involve primarily research and analysis of historical experience and of conceptual issues. Objective (c) - the identification of projects and policies - involves country specific sector reviews. While these two tasks are of a different kind, it is important for the attainment of the overall objectives that they be pursued at the same time with considerable amount of coordination.

3. In order to keep the study to manageable proportions, the sector review task - i.e., the identification of projects and programs - ought to concentrate initially on three countries (Kenya, Tanzania and a West African country). The research task should draw on any studies of related issues and particularly on analysis of experience in many African countries.

Conclusions derived from the research should bear on the broad issues and implications within the limited confines of particular experiences, but a very essential focus for this review must be extraction of findings relevant to the project and program identification exercise in the countries selected for this purpose.

4. It would be self-delusion to think that a one-year study of the proportions contemplated can supply conclusive evidence and identify many projects and programs. We should regard the study as a continuous process over several years. However, a report providing sufficient background to advise the selected review countries and the Bank on the direction of planning the design of rural development progress should be prepared within one year.

The Rural Sector Review Task

5. The country rural sector review will identify suitable projects and supporting as well as inhibiting policies and procedures for the chosen target countries (Kenya, Tanzania and a West African country). The review should be of a different form and context than the usual sector review and project identification.

6. The review should pay particular attention to describing and analyzing the objectives of development at various levels of society in the country, highlight contradictions and how they may be bridged. Secondly, a careful analysis needs to be made of possible systems of plan implementation. Thirdly, the review should identify policies and projects and project components which serve the identified objectives in the context of specified systems for implementation and the technological, market and sociological constraints.

7. The team would consist of three people knowledgeable in economics, public administration, sociology and agriculture, devoting full time to this

task. They would be assisted by experts in governments, research institutes of the countries, Projects Departments in the Bank, the IBRD/FAO Cooperative Programme, the PMEA and consultants and short-term assignments.

8. The country rural sector review team would be asked to pursue the proposals put forth by Cleave, to identify and plan the broad outline of a rural development project in the Kigoma Region in Tanzania; by Clements, to consider an open line of credit program for Tanzania; and by Burrows, to make a program-type loan in support of the decentralized planning scheme in Kenya. The team should, of course, have broad terms of reference to review all existing and potential projects and broad governmental policy options with the governments.

The Research Task

9. The research task will consist basically of an analysis of historical experience based on a comprehensive review of reported studies in the literature and new studies of relevant current and past projects and policies. Particular, but not exclusive, attention will be given to programs having a potential of large-scale replication in view of market, resources and institutional constraints. Experiences highly dependent on a particularly lucrative but very limited market prospect, or resource availability or institutional constellation will be studied only as far as some relevant lessons may be extracted on issues germane to the study objectives.

10. The research will address itself to the study of interaction effects of complementary investments, institutional capabilities and constraints. Particular attention will be given to the role of infrastructure to service the rural population. Very special attention should be given

to socio-political constellations - the allocation and interaction of decision making processes between central and local agencies, the role of expatriates - and their impact in the short and long-run on development.

11. The research functions will consist of:

- (a) extensive review of literature;
- (b) collecting the implications from ongoing studies
(through personal liaison and organization of workshop seminars);
- (c) conducting of and contracting for studies of current projects (not all Bank projects);
- (d) participation in the above-mentioned sector review missions;
- (e) participation in relevant Bank operational missions;
- (f) review of relevant procedures, policies and methodology used or potentially useful in the Bank.

12. While a clear division of labor in the research task is not possible since projects and policies should not, and in fact do not, overlap in implementation, assignments of major responsibility among researchers will be along the following lines:

Projects:

General Farming

(Lilongwe, minimum package - Ethiopia, Kenya, Tanzania, West Africa (?))

Livestock Development

Education

Commercialization

(Marketing services, roads, trade aspects)

Credit

Non-Project:

Price Policy

Land Tenure

Reorganization of Governmental Agencies, Cooperatives
and Credit Institutions

14. It is not possible at this stage to be explicit about specific costs. Much more needs to be known about ongoing studies elsewhere, ongoing projects not presently studied, their relevance to the objectives of the study and the exact nature of the data collection and analysis required for each case. A number of studies will need to go on for several years. The suggested budget requirements for one year are roughly as follows:

| | |
|------------------------------|--------------|
| Bank staff professionals | : 3 manyears |
| Bank staff special services | : 2 manyears |
| Professionals under contract | : \$50,000 |
| Data collection | : \$40,000 |
| Travel and subsistence | : #30,000 |

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Mr. Alexander Stevenson

December 27, 1971

Uma Lele and Stahis S. Panagides

Back-to-Office Report - Conference on Strategies for Agricultural Development
in the 1970's at Stanford University

1. The first two days of the week-long conference on Strategies for Agricultural Development in the 1970's was packed with papers on various aspects of agricultural development. The last three days were devoted to seminars on a variety of topics. No papers were presented at these last sessions. The program of the conference containing the list of the papers and the seminar topics is attached. For those interested, the papers are available with us (D 542, D 537). Following are highlights of the issues discussed. The first two days are covered by Lele and the last three by Panagides.
2. One was impressed that, it has suddenly become fashionable to recognize, how unfashionable it is to think in terms of a conflict between income growth and distribution. And so there seemed to be a consensus that the two goals are not only not mutually exclusive, but may even be highly complementary.
3. There also seemed to be a consensus that:
 - (a) Factor and product price distortions in LDC's are rampant and are reflected in low interest rates, overvalued exchange rates, high wages, etc. (Ian Little, Stephan Lewis).
 - (b) That they result in malallocation of resources, capital intensive technologies, under-utilization of capital, too little growth in employment, and unequal distribution of income (Little, Lewis).
 - (c) That price distortions should be corrected to whatever extent possible, protection of industry at the cost of agriculture reduced, progressive direct taxation of agriculture through land or income tax introduced, indirect taxes on agriculture through inputs and/or overvalued exchange rates reduced, etc. (Lewis, Little, Krishna).
4. There was considerable difference of opinion as to the elasticity of factor substitution with respect to relative price changes and hence the magnitude of the favorable impact of the corrected prices on income growth and distribution. Evidence related to the unfavorable impact of distorted prices on the twin goals of growth and distribution is, of course, rampant and was widely cited in the conference. The extent of the favorable impact of price corrections was questioned by some (Timmer, Fishlow in their comments). The likelihood of close interrelationships of the structure of industry, the distribution of income and the choice of technology were pointed out by using

the devices of conceptual framework (also known as academic speculation) and occasional empiricism, based on fragmentary data (Kellor-Lele, Kilby-Johnston, Little).

5. While the case for land redistribution was made on the basis of a combination of economic theory and empirical analysis (Peter Cline), there were also warnings that the effects of land reforms may be highly variable depending on its nature (Warriner).

6. The "new realism" on the part of the development economists (or a sense of impotency) was highly visible in the repeated emphasis on the overwhelming influence of socio-cultural, political and technological factors on agricultural development (or nondevelopment?). There was, therefore, growing wariness to accept simple economic explanations of agricultural development as offered by the theory of induced innovations (Hayami, Ruttan). They, at least, wanted it known that innovations, even if really induced by price signals, may not always be socially desirable because the price signals themselves are often rigged by non-economic forces. The technologists seemed worried by the burden placed on them by economists in solving the problems of the LDC's, and pointed out the difficulties of technological research (Levine). While the political scientists pointed out the importance of political factors, they argued that political development as a field was only in its infancy (Young and Burki) and had neither theory nor strategies to offer.

7. The problems of growing food surpluses in the international markets and the shifting of many LDC's from net importers to net exporters of food, were discussed (Ojala). Once again the role of the political factors in allocation of resources, now at an international level, was brought forth. The more fascinating question of possible food trade between developing countries so as to match their natural resources and economic ambitions, therefore, remained unexplored.

8. All in all it provided a good forum for voicing one's (old?) biases without many 'strategies for seventies' emerging at least in the first two days.

9. The sessions in the last three days brought out sharply the gap between existing theory of agricultural development on the one hand and the needs of operational work on the other. The focus of the discussions was a repeated plea for more operational relevance in economic research. This was translated to mean explicit inclusion of social and political variables in the analysis. In particular, the need to deal explicitly with the "organizational" aspect of agricultural development was stressed.

10. A private banker, for instance, with extensive experience in Africa emphasized the difficulties in dealing with large numbers of small farmers as opposed to few larger ones when offering agricultural credit. He pointed out that the production prospect could be as good, but unless new rural institutions were formed, private banking will find it very costly to offer credit to small farmers.

11. The gap between "practitioners" and "thinkers" was highlighted in the discussions on agricultural sector planning models. Their usefulness was questioned by those who feel that their aggregate nature and oversimplification

of the underlined and often unknown relationships render their usefulness doubtful at this time. Others pointed out that though such models are far from adequate at present, they are necessary steps in the systemization of agricultural policy while the "empty boxes" are gradually filled by further work.

12. The focus on relevance and especially on the study of policy making and implementing institutions emphasized the need for more research in and by the less-developed countries. The view that research should be independent of governments was also expressed recalling that the green revolution demonstrated how certain types of research transcend national boundaries.

13. Professor Paul Streeten adequately summarized the conference by highlighting the following points:

- (1) There is need for more "intermediate" work, that is, work between the extremes of particularization and generalization.
- (2) Interdisciplinary study is called for where existing theories and concepts should be complemented and revalued so that the agricultural production function can incorporate non-economic variables.
- (3) The planning of agricultural policy is a highly political process.
- (4) Income distribution and employment are now legitimate concerns of agricultural policy. Research effort should sharpen the relation between income distribution and growth. "We are in need of hard evidence."
- (5) In relation to the green revolution, the question is how to "direct it without containing it."

14. In conclusion it can be said that in response to the Division Chief's request before departing for the conference to "bring back the answers," the Stanford conference on Strategies for Agricultural Development in the 1970's did not offer any! It did, however, focus its attention on income, employment and rural development in a way consistent with the concerns of this Division and of the Bank.

15. There was a clear consensus on the need for

- (a) more effort on how available knowledge will be applied, and
- (b) the explicit consideration of agricultural policy making and implementing institutions.

16. The conference brought to my mind (Panagides) a lecture by Prof. Gunnar Myrdal in Brazil a few years ago. After a most attentive session prompted by my duties as a researcher at the Planning Ministry, I asked:

Q.: "If present theory is not adequate, what should we do in the meantime?"

A.: "Young man, I have two suggestions to make

a. use plenty of common sense, and

b. work hard for a better theory."

17. The Stanford conference offered enough of both of these elements to have made it worthwhile.

Attachments

cc: Messrs. S. Reutlinger
John Cleeve
S. Takahashi
B. de Vries
J. P. Gittinger
P. D. Henderson
Dennis Parsons

Papers and Seminar Topics:
Conference on Strategies for Agricultural Development
in the 1970s

Stanford University, December 13-16, 1971

Papers

- | | |
|---|---|
| I. M. D. Little | The Influence of Economic Policy in Less Developed Countries on the Capital Intensity of Investment, and Growth of Employment |
| Vernon W. Ruttan
and
Yujiro Hayama | Strategies for Agricultural Development: The Evolution of Thought |
| George L. Beckford | Strategies for Agricultural Development: Summary and Comment |
| Peter Kilby and
Bruce F. Johnston | The Choice of Agricultural Strategy and the Development of Manufacturing |
| William R. Cline | Interrelationships between Agricultural Strategy and Rural Income Distribution |
| John W. Mellor
and
Uma J. Lele | Domestic Markets and the Growth of Farm Cash Income |
| C. Peter Timmer | Some Comments on the Mellor-Lele Labor Supply Theory of Economic Development and its Application |
| Eric M. Ojala | Impact of the New Production Possibilities on the Structure of International Trade in Agricultural Products |
| Gilbert Levine | Matching Agricultural Research Priorities with Development Needs |
| Randolph Barker,
Mahar Mangahas,
and
William H. Meyers | The Probable Impact of the Seed-Fertilizer Revolution on Grain Production and on Farm Labor Requirements |
| Leobardo Jiménez
Sánchez | Strategies for Increasing Agricultural Production on Small Holdings: The Puebla Project |
| Doreen Warriner | Results of Land Reform in Asian and Latin American Countries |
| Stephen R. Lewis, Jr. | Agricultural Taxation and Intersectoral Resource Transfers |
| Guy Hunter | Agricultural Administration and Institutions |

- Erick Thorbecke Preparing Sector Programs for Agriculture: Sector
Analysis, Models, and Practice
- Shigeharu Takahashi Some Lessons from World Bank Experiences
- Vernon W. Ruttan Rice Policies in the 1970s: A Perspective on the IRRI
Conference
- Shahid Javed Burki Political Economy of Agricultural Development from
an Asian Perspective
- Dale Adams, T. H. Research Notes on Agricultural Capital Formation and
Lee and Marcia Ong Technological Change
- M. Crawford Young Reflections on the Politics of Agricultural Development
- Raj Krishma Intersectoral Equity and Agricultural Taxation in India

Seminar Topics

1. The necessary and inevitable influence of politics
2. The scope for accelerating the expansion of employment in the nonfarm sectors and in rural public works programs
3. Domestic and foreign market outlets; advantages and disadvantages of international commodity assignments
4. Land tenure policies
5. Agricultural taxation and intersectoral capital flows
6. Policies relating to agricultural prices, marketing, and the commercialization of agriculture
7. Policies related to farm mechanization
8. Agricultural research and integrated crop improvement programs
9. Alternative modes of organizing supporting services with respect to technical education, inputs, credit, and processing/marketing
10. Criteria for determining the timing and sequencing of technical and institutional innovations
11. The planning, organization, and financing of agricultural infrastructure projects
12. Implications relevant to developed countries and bilateral and multilateral aid programs
13. Major unresolved problems and research needs

OFFICE MEMORANDUM

TO: Mrs. Uma J. Lele and Mr. S. Reutlinger

DATE: December 16, 1971

FROM: J.H. Cleave

SUBJECT: Summary of IIRD Seminar on Rural Development in East Africa

1. Your memo to files of 6 December 1971 raises some interesting points on which the following are my personal views.
2. There is some danger of creating a false dichotomy between rural and urban development. Successful rural development is likely to involve considerable investment in urban centers within rural areas. Surely the distinction we wish to make is between investments in the major city or conurbation of a country and investments outside that center. Our projects may want to encourage development of the smaller regional urban centers which provide services for the surrounding area.
3. My views on other issues raised under your heading: "Goals and Concerns of Rural Development" are (a) Concern with a political goal of increasing local participation should not be part of our objectives, particularly because there are as many definitions of democracy as there are people talking about it; (b) Rural development may have to disturb existing social patterns but the likelihood of such change should not be a prime criterion for judging a project; (c) Certainly, however, development proposals should be structured to agree with the aspirations of the government of the country concerned; (d) Any rural development program must include provision for investments in non-agricultural activities and public services: to confine the program to agricultural investment is to initiate no change from our present policies.
4. The distinction between the integrated approach as seen in the Lilongwe Project and the so-called "minimum package" project in Ethiopia seems to be incorrect. Both are essentially of the same type, i.e., involve a number of related and interdependent activities, and investments in these, applied to a defined area. The distinction which seems more significant is between this type of project, which would be considered an integrated, zonal project, and the type of investment being undertaken in the Upper Volta. In this, investment funds are made available for a wide range of activities in rural areas administered on a rather ad hoc basis on local initiatives, and in large part support and encourage on-going local programs. It is essentially a program-type approach but with the purposes to which loan funds may be applied defined in rather more detail than in the usual program loan.
5. The zonal approach is not necessarily a reaction to past failures. It is also a means of applying development funds to new needs which by themselves have been difficult to justify, not because a reasonable rate of return cannot be derived from them, but because such a rate has proved difficult to evaluate. There is no particular evidence, either, that the integrated zonal approach must involve a high cost per farm in absolute terms, although by its nature there is likely to be a higher cost per farm family in any way involved than in the program type development. Clearly, however, a cost/effectiveness type criterion is more important than a minimum-cost criterion. While it is true

...

that the zonal type project is likely to touch fewer people (but probably much more effectively) it should be pointed out that the Lilongwe Project in Malawi directly affects 6% of that country's population. This is hardly a small segment.

6. Efficient project management should be a requirement for any type of rural development program and in neither approach does it necessarily have to be brought in from outside, although in both cases in East Africa some bolstering of local administration is almost certain to be needed. An aim in either a program or zonal approach should be to use local administrations as far as possible right from the beginning and in this way the hand-over problem suggested in your paragraph 6 should be reduced.

7. The use of the expression "minimum package" as applied to a project involving a number of different activities is somewhat confusing, because the expression "package" has in the past been used for projects involving a number of agricultural inputs - for example, improved seed, fertilizer, insecticidal spray, and credit - which are to be applied as a group or package. This sort of package is likely to be a component of any of the agriculture development programs.^{1/}

8. I am in full agreement with the points made in your paragraph 8, except that I do not understand the last sentence.

9. The section on research does not seem to raise the correct questions. Is it really considered a vital criterion that the minimum noticeable impact should be made? Surely a more relevant research objective would be to find what levels of investment achieve a maximum cost-benefit ratio, or similar measure of success (allowing for an evaluation, as far as possible, of what are too frequently considered "intangible" costs and benefits). Many of your questions will depend for the answers on the country and area concerned, and there will be no one simple answer. An important question is (k): it is doubtful whether the Bank's appraisal techniques, as actually applied, are broad enough to cover a wide variety of components in projects and therefore techniques would need a major alteration. This seems to be the area of research which most needs immediate action. Given tools in the form

^{1/} The "minimum package" in Ethiopia is a coordinated input of demonstration and supply of fertilizer and improved seed, with supplies on credit. The project may become more comprehensive with the addition in due course of new implements and insecticidal spray. The approach was being tried and debated in East Africa in the 1950's and 1960's. The debate mainly centered on the advantages of training staff and farmers in only one innovation at a time - it being assumed that it would be easier to grasp and accept a single modification to the farming system than a large number of changes - against the advantages of reaping the benefits of interactions between several innovations introduced as a package which would, however, be more difficult for farmers to comprehend. A failure to appreciate the capacity of African farmers to respond to economic incentives meant that too often the proponents of the one-step-at-a-time approach held sway.

of evaluation techniques and the technical coefficients which can be plugged in to a variety of integrated schemes, one of the major constraints in the development of rural development projects will be removed. The other major constraint is probably the existing organization of the Bank, which is not geared to the ready evaluation of the type project under discussion. Consideration therefore needs to be given to developing a structure within the Bank which lends itself to the identification, preparation and appraisal of multi-discipline projects within a country. Given these, there is a wealth of experience within the Projects Department which can be applied rapidly to integrated rural development projects.

10. These two issues are of more immediate importance than the items suggested as factors on which research should focus in your paragraph 9.

11. I will shortly be forwarding to you a draft memo on a possible rural development project in Tanzania in which some of these points are elaborated.

JHCleave:ja

| | |
|----------------------|------------------------|
| cc. Messrs. H. Adler | B.B. King ✓ |
| D. Ballantine | K.G.V. Krishna |
| M. Ballesteros | M. Lejeune |
| J. Burrows | F. Lowenstein |
| C. Cacho | N. McIvor |
| B. Chadenet | B. Nekby |
| B. Cheek | O. Okurume |
| J.H. Collier | D. Parsons |
| G. Darnell | R. Picciotto |
| R. Demuth | Roger Rowe |
| S. Eccles | R. Sadove |
| P. Goffin | L. Sonley |
| M. Ul Haq | G. Stern |
| L. Hansen | D. Sutherland |
| D. Haynes | S. Takahashi |
| P. Henderson | L. Thornton |
| J. Hendry | H. van der Tak |
| S. Husain | Mrs. Irma Adelman |
| T. Husain | Mrs. Brigitta Mitchell |

OFFICE MEMORANDUM

TO: FILES

DATE: December 15, 1971

FROM: L. M. Hansen

SUBJECT: Minutes of Working Party Meeting on Rural Development
in East Africa

1. The meeting on December 7 of the Working Group on Rural Development in East Africa ranged broadly over many things. Some of the major points were:

- (a) Mr. Hansen emphasized that the Eastern Africa department was concerned with an improved project or program designed for rural development to be applied in specific East African countries.
- (b) Mr. Picciotto felt that research should not be limited to just Kenya and Tanzania, but should be extended to four or five countries to have a more representative sample from which to draw conclusions. He also stressed the need to pay some attention to investments in rural social infrastructure (water supply, etc.) as part of the study.
- (c) Mr. Reutlinger suggested that the research, while drawing on experience and studies in many countries, should be linked to the planning of policies and projects in a few particular countries.

2. There was agreement that we need a working paper defining what work is to be done and which can serve as a basis for defining future procedures. There was a general consensus, with Mr. Hansen reserving his position, that the research might take the following form:

- (i) A comparative analysis of Bank and non-Bank project experiences in rural and agricultural development, primarily focussed on Africa, to identify what components were in the projects, the approach selected for implementing each component; the role of institutional arrangements and management; the role of local self-help (resource mobilization) and its organization, and the importance of physical resources (e.g. soils, rainfall, etc.) and of technological factors in project success. This comparative study would also seek to evaluate intended and unanticipated experiences of the project.

December 15, 1971

- (ii) Subsequent to (or parallel with) the study of comparative experience of projects, to organize rural development sector analyses in the countries in which rural development programs might be mounted. The sector studies would be analogous to the agriculture sector studies but be very carefully designed to broaden its scope and focus on matters germane to rural development.

3. Mr. Hansen reserved his position inasmuch as the Eastern Africa Department desires to see the work produce a rural development project within twelve months. On the other hand, both Mr. Picciotto and Mr. Eccles thought that to produce a project within the next eighteen months would require a parallel project preparation effort.

4. Messrs. Reutlinger and Hansen agreed to attempt to prepare a draft working paper.

LMHansen:ck

Cleared with and cc: Messrs. Reutlinger ✓
Picciotto
Eccles

cc: Interested parties

OFFICE MEMORANDUM

TO: Files

DATE: December 6, 1971

FROM: U. Lele and S. Reutlinger

SUBJECT: Summary of IBRD Seminar on Rural Development in East Africa,
November 17 and 18, 1971

1. This is a summary statement of the issues discussed at the two-day meeting on East Africa held in the Bank on November 17 and 18, 1971. It lists the issues and indicates the large number of empirical questions for further research.

Goals and Concerns of Rural Development

2. There seemed to be general agreement that rural development consists of raising the standard of living of large numbers of people, and of creating more productive employment for the present and growing rural population outside the urban centers. Although this proposition was not questioned by anyone present, different points of view about the goals exist. They must be deduced from the discussion of the programs and policies to be pursued. It is not easy to make such deductions. For advocacy of particular policies reflect differences in judgment about the severity and reality of constraints as well as in points of view of development goals. Nevertheless, for the sake of stimulating further discussion, we shall risk such deductions.

3. Some feel that the goal of raising the standard of living of the masses must be matched by a political goal of giving them more control over their own destiny. Some feel that rural development should do as little as possible to disturb existing social patterns. Others feel that development plans should be structured in accordance with the aspirations of the

leading element in the countries, for transforming traditional social patterns into modern and new ones. Some feel that a rural development program should include provisions for increasing the supply of non-agricultural consumer goods (small-scale industry and trade). This must also include public services (health, education). Others feel that the goals of rural development ought to be limited to agriculture. It is therefore essential to obtain greater clarification on differences in goals as against differences simply in means, to achieve identical goals.

Means of Implementation

4. Most of the discussion was over the kind of projects needed. This centered particularly on contrasting the recent "maximum" and integrated approach of the Bank in projects such as Lilongwe, Shire and Wollamo with the minimum package type project in Ethiopia. Both types of projects are intended to raise the incomes of farm families. Prior to the projects, the livelihood of these people has derived largely from low-subsistence agriculture.
5. The integrated approach is clearly a reaction to the failures experienced in earlier projects. These concentrated on one or two inputs such as farm credit, extension services, feeder roads, etc. The integrated approach is also a reaction to the community development type projects which failed because they emphasized social services without providing substantial means for increasing production.
6. The obvious disadvantage of the integrated approach is the high cost per farm, limiting its replicability and preempting capital, land and markets by a small segment of the total rural population. The other disadvantage cited was the need to provide for particularly efficient project management which by necessity has to be brought in from the outside.

Local government and institutions cannot be expected to have the experience required for introducing a large number of modern innovations simultaneously. It was pointed out that it is difficult to see how projects of this type can be eventually handed over to local administration. Nevertheless, some think that successful development requires perhaps even a larger number of complementary activities than we have included so far. Thus in their view integrated projects must also include non-agricultural components alongside the many agricultural components of a project.

7. The minimum package proponents cite the low cost per farmer as the major advantage. They contend that some agricultural innovations, when combined with fertilizer and seeds, can produce large increases in output, without requiring many other complementary inputs. Minimum package programs clearly are more amenable to administration by local institutions.

8. There was considerable agreement that projects should (a) reach a large number of people; (b) result in a substantial increase in income; (c) rely mainly on local institutional and manpower resources; (d) be attuned to existing socio-political and administrative frameworks in particular nations; and (e) take account of available technologies and market constraints. This will call for considerable variation in devising projects in different countries. As a corollary, what may succeed in one country, may not necessarily succeed in another. Further, the institutions that may have to be evolved to sustain the rate of growth of a region may be quite different.

Research

9. The major difficulties arose in providing specific answers to the following questions: (a) How many people can a rural development program reach and still make a noticeable impact on the mass of population?

(b) How minimal can the benefits be and still be noticeable? (c) Should a project necessarily be an integrated project which includes all aspects of rural development or should it be a minimum package project? (d) What should it include? (e) Is a package of extension, inputs, credit and marketing facilities adequate? (f) Will it have to be broader than the more recent projects undertaken by the Bank? (g) Is a shift from export and cash crops to subsistence crops enough of a shift or should projects include rural industry? If the latter, what kind of rural industry should it include? (i) What does it imply in terms of specific components of a project? (j) Could inclusion of new components still provide easily definable projects, in terms of costs and benefits? (k) Are the Bank's appraisal techniques broad enough to cover wide variety of components in projects or would these techniques need a major alteration?

9. To answer these specific questions, it was agreed that there is a need for further research that is operationally significant, i.e., research which will lead to concrete proposals in the form of projects. This research must be expedient. It was suggested that the research should have the following components:

1. Review of existing conceptual and empirical literature.
2. Analysis of existing and ongoing Bank and non-Bank projects on integrated rural development.
3. Analysis of issues and problems not covered in 1 and 2, but which may be relevant to rural development.

The research should focus on the following factors:

1. Whether relevant agricultural technologies are available.
2. How effective is the allocation of resources through existing institutions?

3. What are the implications of the existing institutions for the second and third round effects of agricultural technologies?
4. What are the relevant intermediate technologies?
5. What are the linkages between the urban and the rural sector?
6. What implications does this have for defining projects?

The purpose of this research would be to identify and define new projects which would meet the goal of rural development more effectively.

Distribution: Messrs. H. Adler
D. Ballantine
M. Ballesteros
J. Burrows
C. Cacho
B. Chadenet
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H. van der Tak
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Mrs. Uma Lele
Mrs. Brigitta Mitchell

East African Issues

- Does the research base exist for really profitable and feasible innovations (biological and mechanical technology)? What more should be done?
- Can we show that measures usually associated with attaining of social welfare goals do not detract from but perhaps even enhance growth of output? (Health, nutrition, a more equal income distribution, etc.).
- Should rural development plans provide explicitly for the growth of industry and trade or a regionally decentralized basis? (Industrial research and extension service, credit to small enterprises, etc.).
- What are the appropriate institutional frameworks for achieving rural development in the context of diverse political systems and technological constraints?
- What is a minimum package to ignite a process of sustained development.

East African Case StudiesDesk StudiesCommunity Development Schemes in Early '50s

Suggested by C. Eicher, also mentioned in Congo Agricultural
Survey Report

Rural Development Scheme of Eastern Nigeria

Suggested by C. Eicher, described in forthcoming book by
David Smock.

East Africa - Related Ongoing Research and Project Evaluations

Eicher and Hanson
Michigan State

"Community and Rural Development in Africa:
Dreams, Achievements and Prognosis"

under preparation for July 1, 1972

Rupert Seals
Florida A & M

Contract to analyze AID's Vighia District,
Kenya project

Ed Fei
AID

Vighia Project, Kenya

Eicher and Sy
Michigan State

Conference on Rural Development in Africa,
June 1972.

Rolling, Ascroft, Chambers
IDS

Evaluation of Kenya's SRDP

Persons who may contribute to East African Study

| <u>Person</u> | <u>Experience</u> | <u>Referred By</u> |
|-------------------------------------|---|--------------------|
| Dr. Davind Smock
Ford Foundation | Sociologist | C. Eicher |
| Robert W. Reider
Reading | Agricultural economist,
Evaluation of Malawi
Lilongwe project | K. Lowenstein |
| A. Mercer | Project Manager
Lilongwe project | K. Lowenstein |

Mr. R. Demuth

November 24, 1971

L.J.C. Evans

Rural Development

1. Amongst the many papers circulating currently about rural development you may have time to read one more which is attached. Mr. Nekby joined AGP this year after having been for some years project manager in Ethiopia on the important SIDA financed project called CADU.

2. The memorandum relates to the important question as to how comprehensive or on the other hand how limited projects designed to promote rural development should be. Designs for "comprehensive" and "integrated" projects are fraught with pitfalls. Over-designing may be even more likely to lead to lack of success than under-designing. Paragraph 2 of Mr. Nekby's attached memorandum refers to this.

Encs:

cc: Messrs. Ballantine, Chaufournier/Cheek, Gordon, Waq, Reutlinger, Sadove, Malinsky, Fenderson, King, B.D., van der Tak, Wapenhans, Mrs. Boskey

LJCEvans:lkt

OFFICE MEMORANDUM

TO: Mr. Lyle M. Hansen

DATE: November 23, 1971

FROM: Shlomo Reutlinger SUBJECT: Rural Development Research for East Africa

1. Thanks very much for your memorandum of November 19. I agree with everything you say in the first four paragraphs where you give an excellent statement of minimally acceptable objectives and criteria for rural development. Some would add perhaps an additional objective, namely, the opportunity for rural people to participate in decisions regarding their own destiny. Certainly, one needs to spell out more explicitly what is meant by "gainful employment with related economic and social services." In any case, it should not cause us any great difficulty and it should not take very long to spell out a "model" of rural development, including the constraint variables, such as capital, organizational capacity, farmers' attitudes, political will, etc. etc.
2. The real difficult question is how to move from this very crude model to a plan and how to do effective research to facilitate this transition. Here I do not quite see how your suggested work program would be the most efficient means toward our objective.
3. You suggest that our objective is "to look for an improved project or program for rural development appropriate to two or three East African countries." Accepting that this is a reasonable objective of itself, as well as a best way of evolving a policy-oriented research program, I would suggest that we proceed as follows.
4. First, having spelled out our "model" in some detail, proceed with a small mission to the selected countries to identify rural development possibilities which roughly fit into our model and evaluate the nature and severity of possible constraints. Then, follow up the "working hypotheses" plan with research on what related experience suggests about the conditions for and chances of success of implementing such a plan. In such a context it would be also more meaningful to review Bank procedures. I share Mr. van der Tak's view that Bank procedures are rather flexible, once a workable proposal is presented. Excessive discussion in the abstract of past or current procedures may not only not serve a useful purpose but perhaps even solidify these procedures unnecessarily. (By the way, I suspect that the greatest deterrent in the Bank to new departures is a lack of manpower commitment to their preparation. If we can really put together a team for the East African effort we may have already won at least half the "Bank procedures" battle).
5. I certainly agree that there is a lot of knowledge and research around which bears on the design of a rural development plan. But I do think that, unless one evaluates this experience in terms of a well-specified decision problem and environment, it will not amount to anything new and different from what already exists. In any case, the specific problems,

opportunities and constraints for Kenya must be identified in Kenya. Should we wait for twelve months before doing this?

6. In summary, I would suggest we consider to proceed as follows:

- (a) Let a team of 5 to 10 people identify for Kenya and Tanzania the nature of the model, opportunities and constraints for rural development to meet the broad objectives outlined in your memorandum, with reference to knowledge and impressions from relevant experience (2 months).
- (b) Let the same team, complemented with people in the countries, identify the outlines of (an) action program(s) in the concerned countries. During this phase we would determine what further experiences in similar rural development programs need further review and research (3-4 months).
- (c) Subsequently, let us proceed with the review and research of related experience and explore the feasibility of the tentative action program in terms of Bank and Governments' procedures. (In several stages over a substantial period of time).

7. Let us discuss soon how to proceed. In the meantime, we should be getting in more notes stimulated by the seminar, such as Mr. Nekby's.

SReutlinger:zmc

cc: Messrs. H. Adler
D. Ballantine
M. Ballesteros
J. Burrows
C. Cacho
B. Chadenet
B. Cheek
J. Cleave
J. H. Collier
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S. Takahashi
H. van der Tak
Mrs. I. Adelman
Mrs. Uma Lele
Mrs. B. Mitchell

Brown Book

Mr. S. Reutlinger

November 19, 1971

Bengt A. Nekby

OUTLINE OF A RESEARCH PLAN ON RURAL DEVELOPMENT IN EAST AFRICA

Since you wanted to limit the final session to a discussion with the visitors I list briefly below some ideas which I hope are relevant to the planning of your research effort.

1. I think rural development must be defined in terms of what you want to achieve. The CADU - Min. projects objectives are:

(a) Economic development subject to:

- (i) major emphasis on low income groups;
- (ii) at least not worsening and if possible improving employment situation;
- (iii) making the farmers increasingly participate in the development effort.

(b) Derive methods of development (CADU)

(c) Train staff for an expanded effort (CADU)

The emphasis should at an early stage of development in my opinion be laid on income generating objectives such as the above. When income is being realized the possibilities and need for more social oriented objectives (better housing, nutrition, water supply, health etc.) come more in the foreground. This social development may be realized partly on a spontaneous basis but it is probably necessary to point out the possibilities for improvement (how nutrition and housing etc. can be improved) and when the new facilities shall serve a larger group (water supply, health, education) help to organize the creation of or provide the services.

2. Once one has defined the objectives one can also attempt to list the major possibilities (innovations) and constraints to achieving these objectives (institutional and technical) and thus define the minimum package of activities (including policies) and administrative forms that have to be included in the effort.

One can often attach more activities (exploiting low yielding innovations, removing minor constraints) and it is tempting to do so but this would imply that less resources are available to attain a wider geographical coverage and that the management or coordination of the effort will become increasingly difficult. Benefits are likely to be smaller than by using the resources for expanding the geographical coverage. The

innovations and constraints and thus the minimum package will obviously vary with the stage of development and the tenure situation, existing marketing structure etc. I would like to submit that the absolute minimum package will consist of extension, supply of inputs and credit. To this may be added marketing, roads, family planning, nutrition, etc. depending on the objectives, stage of development and existing situation.

3. The operational research effort should in my view be undertaken in three main stages.

Stage I. Assemble and analyze international experience on:

- a) composition of package
- b) approach for each ingredient in the package
- c) organization of effort

With due regard to the objectives, stage of development innovations and the existing situation (the constraints).

This inventory should not be limited to East Africa but also embrace interesting undertakings in other parts of the world.

Stage II. Definition of feasible alternatives:

On the basis of the above analysis sit down with staff in charge of rural development projects and specialists in different fields (extension, credit, marketing etc.) and define the options one has and what composition of packages, approaches, organizational structures that should be studied further.

Stage III. Test the hypotheses developed at Stage II by following ongoing projects which illustrate important points and to include experimental aspects wherever possible.

4. May I suggest that Ethiopia is included in this research effort (Stage III) with the following arguments:

- (a) An agricultural sector survey is now being completed;
- (b) CADEU has a built in evaluation and thus some systematic attempts to analyze the experience gained; CADEU is also one of the areas selected for the rural education experiments; CADEU is coming into a stage when it will be interesting to analyze the experience; A study of the role of comprehensive projects in the launching and support of a more minimal national effort deserves attention.

- (c) The minimum projects cover different institutional and ecological conditions. The geographic dispersion allows some limited experiments (such were planned e.g. in the field of marketing).
- (d) Due to the lack of well established procedures the Ethiopian Government has proved more willing to experiment than other countries I know of.

cc: Messers. J. Hendry
L. Hansen

BANekby:ct

OFFICE MEMORANDUM

TO: Mr. M.S. Reutlinger

FROM: L.M. Hansen

SUBJECT: Proposed Research in Rural Development

DATE: November 19, 1971

Following the discussions in the two-day seminar on this subject, I thought it might be useful to place my views on record. It is apparent that with different departments of the Bank interested in rural development, there will be different perceptions of research priorities and therefore ultimately research may have to have different objectives. We suggest that the research may have different components and time phasing. The purpose of this note is to indicate the two or three components of research especially of interest to the Eastern Africa Department.

It is noteworthy that there is no apparent agreement on a definition of rural development that could guide the research effort. While we are not completely clear as to what this includes or excludes, we have a rough working definition of the objectives of rural development. It can be stated simply as an increase in the income and gainful employment of rural people, with related economic and social services which together represent an increase in their standard of living.

Our first interest is whether we can find projects or programs designed to affect large numbers of people within a reasonable time period that will also affect employment generation in the rural area and thereby slow down the rural/urban migration. We want to know what would be the essential components and characteristics of such a program. There are obviously many relevant activities in improving the rural environment, but not all are necessarily essential at one time. Thus, we are also interested in what would be the sequence and the timing of these essential components.

In recognition of some obvious constraints in the East African countries, we hope that the program designed can be achieved at reduced cost per farm family; involve a minimum essential institutional change; and require a minimum expatriate input. We are not at all certain that any of these criteria are achievable as it may well prove that there is a minimum investment level required to make an impact, or existing institutions are really a major obstacle or that indigenous staff supply just is inadequate without a significant expatriate input. The research program could investigate the feasibility of these criteria as well as be guided by them.

In order to achieve such a program design, we suggest that the first stage in the research project is to review rural development experience of the Bank and others primarily in Africa but not restricted to Africa, both past and ongoing, as well as related research to:

November 19, 1971

- (a) perfect the program design; (b) identify where country or Bank constraints in policies or procedures inhibit achieving such a program;
- (c) where constraints are identified, suggest remedies.

In the second stage of the research, we are willing to attempt to persuade selected countries in East Africa to design rural development programs that would include built-in research and evaluation components, and possibly selected experiments or alternative variations in the program design.

We suggest that the first phase of the research take no more than twelve months to complete and we envisage that the major burden of the work will be to review documentation readily available: in the Bank; universities, and documents that can be sent from university research institutions from abroad. If significant gaps in knowledge result from this review, we can then contemplate selected field work.

We recognize that ultimately a rural development program will have to be tailor-made for each selected country given the variation in resources, institutions, etc. We thus have in mind coming up with alternative types of rural development programs appropriate for specific circumstances.

In summary, we are looking for an improved project or program for rural development appropriate to two or three Eastern Africa countries. We recognize that there might well be many questions that justify further research, e.g. appropriate packages of technology or policies or institutional arrangements. If this proves true, we see no reason why these questions cannot be incorporated in the phase II pilot project program, or studied in subsequent phases of the research. However, our conviction and working hypotheses is that enough is now known to design a meaningful rural development program now without waiting for completion of additional basic research. Our hope and conviction is based on experience with ongoing agriculture projects such as the minimum package agriculture program now getting underway in Ethiopia. Here the demonstrated results achieved in the comprehensive integrated CADU project dealing with 60,000 farm families at high money and staff costs are being translated into a program to benefit 100,000 farm families per year by concentrating on an essential package of inputs, services and policies at sharply lower money and staff costs. We think this model can be adapted to other countries, and improved into a full-blown rural development program.

LMHansen:ws

cc: Messrs. H. Adler

D. Ballantine
M. Ballesteros
J. Burrows
C. Cacho
B. Chadenet
B. Cheek
J. Cleave
J.H. Collier
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S. Takahashi

H. van der Tak

Mrs. I. Adelman

Mrs. Uma Lele

Mrs. B. Mitchell

S. Reutlinger
November 15, 1971

A POSSIBLE EAST AFRICA PILOT ACTION CUM RESEARCH PROGRAM

General Terms of Reference

Basic Postulates

(a) Past developmental programs in many African countries have not had a significant impact on the majority of the rural population.

(b) The Bank ought to attempt to find better answers to the question, frequently asked, whether and what public intervention projects and policies could have a significant impact on the majority of the rural population.

(c) In spite of a continuous concern and interest in the question inside and outside the Bank, many related existing projects and programs and research studies under way, not enough is known to launch immediately projects large enough to meet the full size of the problem.

(d) There do not exist sufficient relevant experiences for research aimed at supplying adequate answers for the design of large, comprehensive projects.

(e) The Bank and the concerned countries are prepared to support a pilot action cum research program on terms differing from the usual Bank lending procedures.

Program Objectives

It is suggested that the overall objectives of such a program would be:

(a) to study all relevant experience for the design of projects and policies aimed at improving the material well-being of the majority

of the rural population in one or several African countries;

(b) to set up and monitor a pilot action program* which would provide the basis for subsequent broad-ranging implementation, if successful, and at the same time provide a new relevant data base for the research described under (a).

Phase I Objectives

Phase I would be concerned with:

(a) the initial identification, if practicable, of the kind of projects and policies which would meet the overall rural development objectives of the selected country(ies);

(b) the initial identification of existing relevant research and experiences and data for future relevant research;

(c) the identification of a pilot action program.

Phase II Objectives

Phase II would consist of research on relevant historical experience and monitoring of the pilot action program with the objective of submitting recommendations for planning subsequent rural development in the African context.

Possible Organization of Program

Overall coordination of the EAPACR Program in the Bank would be handled by a steering group composed of representatives of concerned departments.

* The pilot action program is further described in Annex 1.

Responsibility for carrying out the program will be divided as follows:

Research: The Economics Department's Agriculture and Rural Development Division in collaboration with researchers from universities and research institutes in Africa.

Pilot Action Program: Jointly, the East-Africa Department and concerned Projects Departments in collaboration with Governments of selected countries.

Geographical Focus

Identification of the action program should be made for two, possibly three, countries (Tanzania and Kenya to capture basically different socio-political and natural resource conditions).

Pilot action programs should be concentrated in the same two or three countries.

Research studies of existing relevant historical experience could be made on policies and projects in any other African country (for instance, the Bank's Lilongwe Project in Malawi or the Upper Volta Project).

Budget

| | <u>Bank Staff</u>
(man-months) | <u>Funds</u> | <u>Travel</u> |
|---|-----------------------------------|--------------|---------------|
| Phase I (4-5 months) | 30 | 30,000 | 15,000 |
| Phase II (2 years)
Research (only) | 60 | 300,000 | 50,000 |
| Plus IDA loans for 3 to 5 million dollars | | | |

Pilot Action Program

It is anticipated that a preliminary review would come with possible project proposals which have no sufficient counterpart in ongoing projects. For such cases, it is suggested to initiate projects on an experimental scale, provided they met a list of criteria such as:

- (1) they would be grafted on to the organizational capacity of existing institutions serving the rural populations without requiring major organizational developments;
- (2) were of a nature permitting widespread replication, if successful, i.e., programs which do not unduly tax capital and other resource availabilities and do not quickly run up against market constraints.

It should be assured that projects selected for the action program do not conflict with ongoing projects. Unusually rapid and simple disbursement procedures would have to be devised for projects under the pilot action program. But it should be made clear that the projects and disbursement procedures were designed at this stage on an experimental basis.

Projects which come to mind are injection of simple inputs, beefing up of local institutions, investment in agro-industries and rural infrastructure, in the context of a country-wide rural development program, but possibly decentralized administration.

D526

OFFICE MEMORANDUM

TO: See distribution

DATE: November 15, 1971

FROM: Shlomo Reutlinger

SUBJECT: Meeting on IBRD Pilot Action cum Research Program on Rural
Development in East Africa, November 17 and 18, D-556

new file

Attached are the agenda and supporting documents for the meeting to be held for the purpose of evolving a policy oriented research program on rural development in East Africa.

You are invited to participate in the three open sessions designated in the program as I, II and III.

The invited participants from outside the Bank are:
Professors Carl Eicher, Walter Falcon, Carl Gotsch, Bruce Johnston, William Jones, Ann Seidman and Victor Uchendu.

Attachments

Distribution: Messrs. H. Adler
D. Ballantine
M. Ballesteros
J. Burrows
C. Cacho
B. Chadenet
B. Cheek
J. Cleeye
J. H. Collier
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S. Takahashi
H. van der Tak
Mrs. Irma Adelman
Mrs. Uma Lele
Mrs. Brigitta Mitchell

AGENDA

Meeting on IBRD Pilot Action cum Research Program on Rural Development in East Africa

November 17, 1971, D 556

9.30 to
10.15

Orientation

10.30 to
12.00

I. Identification of Policies and Projects which would Substantially Affect Broad Segments of Rural Population in Tanzania and Kenya

Chairman: Shahid Husain,
East Africa Department

1. Introduction: S. Reutlinger, Economics Department
 2. Rural Development, Plans and Prospects
Tanzania: Lyle Hansen, East Africa Department
Kenya: John Burrows, East Africa Department
 3. Relevant Project Experiences in East Africa
Dennis Parsons, Agricultural Projects Department
 4. Relevant Project Experiences in West Africa:
Staff, Agricultural Projects Department
 5. Discussion
-

12.15 to
1.00

Meeting with Directors of Concerned Departments

Chairman: P.D. Henderson,
Economics Department

1.15 to
2.30
Lunch

November 17, 1971

3.00 to
5.30

II. Identification of Relevant Research Policies and Projects Amenable to Research and Pilot Action Programs in East Africa

Chairman: James Hendry,
Agricultural Projects
Department

1. Some Existing and Ongoing Research on East Africa

a. Outside the Bank:

Carl Eicher, Bruce Johnston, William Jones,
Ann Seidman, Victor Uchendu

b. Within the Bank:

Transportation: Mrs. B. Mitchell, Economics
Department
Education: Staff, Education Projects
Department

2. Research Suggestions Growing out of the Bank's Experience:

Steve Eccles and others
Agriculture Projects Department

3. Discussion

November 18, 1971, D-556

9.15 to
10.15

Recapitulation

10.30 to
12.30

III. The Bank's Role, Opportunities and Constraints in Rural Development with Particular Reference to Africa

Chairman: Mahbub ul Haq, Economics Dept.

Lunch

2.00 to
5.30

Outlining Next Phase of Pilot Action cum Research Plan

Chairman: S. Reutlinger, Economics Dept.

DRAFT

S. Reutlinger
November 15, 1971

BACKGROUND NOTE FOR MEETING ON
EAST-AFRICA PILOT ACTION CUM RESEARCH PROGRAM

Introduction

1. There is, as of several months ago, a conscious effort under way to substantially expand research in the Bank on issues related to rural development, as evidenced by the establishment of the Agriculture and Rural Development Division in the Economics Department and the availability of a sizable budget to fund collaborative research undertakings with researchers outside the Bank.
2. The meeting is convened to outline a plan for a specific kind of research project - as envisioned, a broad ranging study in one specific geographical region. We also want to get a judgment on whether, in principle, a policy-oriented research program should contain a heavy concentration of studies in one geographical region, or alternatively, of a series of studies on many different subjects and different projects each in a different country setting and each conceived on the initiative of different individuals and organizations inside and outside the Bank.

Nature and Objective of Proposed Research Plan

3. The research plan would proceed from identification of a set of rural development policies and direct public interventions which is considered to hold promise for leading to rural development through expanded production and with the aim of achieving improved levels of living for the majority of people living in rural areas in a few countries in one geographical region.
4. Having reached a reasonably satisfactory agreement on the outlines of a promising set of policies and projects, the study would proceed with in-depth research of hastily concluded assumptions and hypotheses initially

formulated along two avenues: (a) analysis and synthesis of existing and ongoing studies and studies initiated to learn from relevant ongoing projects and policies and (b) monitoring and analysis of a pilot action program which will consist of implementation on a small scale, of projects and policies which either involve departures from anything ongoing or when it is felt that knowledge gained from ongoing experiences do not lend themselves to extrapolation.

Reasons for the Selection of East Africa

5. The East Africa Department has approached the Division to undertake a study on the premise that the Bank does not know enough about rural development in Africa, that a broader concept of rural development than can be encompassed in Bank project formulation is possibly emerging in some African countries and that the Bank may be ready in the future to participate in more decentralized, low-capital and supervision intensive development programs, if we know more about these.
6. The Agriculture Projects Department has asked the Division to take responsibility for two research projects in the region: (a) an evaluation of the Bank's Lelongwe Project in Malawi, and (b) a study of traditional farmers' response to incentives in Tanzania.
7. At the Annual Meeting of the Board of Governors in September, representatives of African governments made assistance to their rural development efforts their top priority request of the Bank.
8. Therefore, a major requirement for effective policy oriented research, namely, that people prescribing and implementing policy are willing to collaborate with researchers, in defining promising areas of intervention on a broad range of issues and taking account of many dimensions, does seem to exist in Africa.

S. Reutlinger
November 15, 1971

A POSSIBLE EAST AFRICA PILOT ACTION CUM RESEARCH PROGRAM

General Terms of Reference

Basic Postulates

(a) Past developmental programs in many African countries have not had a significant impact on the majority of the rural population.

(b) The Bank ought to attempt to find better answers to the question, frequently asked, whether and what public intervention projects and policies could have a significant impact on the majority of the rural population.

(c) In spite of a continuous concern and interest in the question inside and outside the Bank, many related existing projects and programs and research studies under way, not enough is known to launch immediately projects large enough to meet the full size of the problem.

(d) There do not exist sufficient relevant experiences for research aimed at supplying adequate answers for the design of large, comprehensive projects.

(e) The Bank and the concerned countries are prepared to support a pilot action cum research program on terms differing from the usual Bank lending procedures.

Program Objectives

It is suggested that the overall objectives of such a program would be:

(a) to study all relevant experience for the design of projects and policies aimed at improving the material well-being of the majority

of the rural population in one or several African countries;

(b) to set up and monitor a pilot action program* which would provide the basis for subsequent broad-ranging implementation, if successful, and at the same time provide a new relevant data base for the research described under (a).

Phase I Objectives

Phase I would be concerned with:

(a) the initial identification, if practicable, of the kind of projects and policies which would meet the overall rural development objectives of the selected country(ies);

(b) the initial identification of existing relevant research and experiences and data for future relevant research;

(c) the identification of a pilot action program.

Phase II Objectives

Phase II would consist of research on relevant historical experience and monitoring of the pilot action program with the objective of submitting recommendations for planning subsequent rural development in the African context.

Possible Organization of Program

Overall coordination of the EAPACR Program in the Bank would be handled by a steering group composed of representatives of concerned departments.

* The pilot action program is further described in Annex 1.

Responsibility for carrying out the program will be divided as follows:

Research: The Economics Department's Agriculture and Rural Development Division in collaboration with researchers from universities and research institutes in Africa.

Pilot Action Program: Jointly, the East-Africa Department and concerned Projects Departments in collaboration with Governments of selected countries.

Geographical Focus

Identification of the action program should be made for two, possibly three, countries (Tanzania and Kenya to capture basically different socio-political and natural resource conditions).

Pilot action programs should be concentrated in the same two or three countries.

Research studies of existing relevant historical experience could be made on policies and projects in any other African country (for instance, the Bank's Lilongwe Project in Malawi or the Upper Volta Project).

Budget

| | <u>Bank Staff</u>
(man-months) | <u>Funds</u> | <u>Travel</u> |
|---|-----------------------------------|--------------|---------------|
| Phase I (4-5 months) | 30 | 30,000 | 15,000 |
| Phase II (2 years)
Research (only) | 60 | 300,000 | 50,000 |
| Plus IDA loans for 3 to 5 million dollars | | | |

Pilot Action Program

It is anticipated that a preliminary review would come with possible project proposals which have no sufficient counterpart in ongoing projects. For such cases, it is suggested to initiate projects on an experimental scale, provided they met a list of criteria such as:

- (1) they would be grafted on to the organizational capacity of existing institutions serving the rural populations without requiring major organizational developments;
- (2) were of a nature permitting widespread replication, if successful, i.e., programs which do not unduly tax capital and other resource availabilities and do not quickly run up against market constraints.

It should be assured that projects selected for the action program do not conflict with ongoing projects. Unusually rapid and simple disbursement procedures would have to be devised for projects under the pilot action program. But it should be made clear that the projects and disbursement procedures were designed at this stage on an experimental basis.

Projects which come to mind are injection of simple inputs, beefing up of local institutions, investment in agro-industries and rural infrastructure, in the context of a country-wide rural development program, but possibly decentralized administration.

DRAFT
KGVKrishna:ws
October 15, 1971

INTEGRATED RURAL DEVELOPMENT

Some Possible Implications for World Bank Programs

1. In recent years, there has been a growing awareness in many LDC's that the benefits of economic development have accrued to a disproportionately small number of people. This has resulted in part from the fact that urban-oriented projects have tended to command a large share of investible sources. However, even within the rural sector, there is evidence that even the relatively successful projects have benefitted only small segments of the rural population, leaving vast masses of people untouched. Inevitably, there have also been disparities in the development of different regions within countries.
2. With a rapidly growing population in many countries, the capacity of the rural areas to support a steadily rising labor force is becoming severely strained. Rural unemployment and underemployment are resulting in a migration to the urban areas which have neither the capacity to absorb vast numbers in productive activities nor even the resources to provide the basic services to a rapidly swelling population.
3. The failure of many countries to deal with this problem effectively is leading to serious social discontent and political instability. Many divisive forces - regional, tribal and ethnic - are coming to the fore and are, in some cases, undermining national solidarity.
4. Many governments realize that the problem of providing gainful employment to a rapidly-growing labor force is not only the biggest

challenge that they face, but that its resolution requires actions and programs which in many ways differ both in scale and substance from past measures in this field. Their development plans show increasing recognition of the need to do more for the rural areas. Specific actions range, for example, from pilot rural development projects in Kenya, to a somewhat more articulated program in Upper Volta. The problem has probably received more serious consideration in Tanzania than anywhere else. A political/intellectual basis already exists to revitalize the rural economy and bring wider-ranging benefits to the rural population, but specific programs are only now getting under way. The Tanzanian program also has the unique feature that, as a prerequisite to rural programs, it wants to regroup the population into "Ujamaa" villages.

5. The objectives to be accomplished in the rural areas are summed up in a catch-all phrase - "integrated rural development" - which is increasingly being accepted. There is no precise definition yet, but all concerned agree that the rural areas must be provided both with economic activities which will sustain the population, and basic social services, e.g., education and health facilities which will increase the attraction of rural life and thereby make the rural people a less unequal partner vis-a-vis their urban counterparts with regard to the basic amenities of life.

6. The achievements of the objectives of integrated rural development requires not only some imaginative thinking, but an investment in men and resources which most poor countries can ill-afford at this time. There are no obvious answers since there is not much experience to go by. The subject is receiving attention within governments, academic circles and research institutions. Inevitably, some governments have also been looking to the World Bank for possible guidance in the field.

7. The issues are not entirely new to the World Bank. We have increasingly been financing integrated or package projects which include a wide range of items such as roads, water, storage, settlement, project administration and extension services, processing, training and technical assistance.

8. Despite their wide ranging nature, our projects are still largely focussed on cash crops which are market-oriented. The projects are required to meet stringent tests of commercial viability as measured with reference to a narrow range of benefits. They affect small numbers of people relative to the rural population base of these countries. They create institutions and provide other services which cannot be duplicated in large numbers. The successful management of these projects throws up manpower requirements which cannot be met in the foreseeable future.

9. In the past, projects/^{which}are based on market-oriented production - particularly those which cater for export markets - have provided the main basis of rural development. However, most commodities which enter the export market are now facing market limitations, and are increasingly being subject to agreements which seek to limit output with a view to ensuring price stability. Countries which are net importers of agricultural products could pursue programs aimed at replacing imports, but import replacement cannot for long be depended upon as the main stimulant.

10. It is important, at the outset, to pose the question whether there is any significant difference between programs of agricultural developments which many countries have pursued in the past and which, in some case, have been supported by us / ^{and programs of rural development.} If account is taken of our financing of integrated or package projects, the difference would appear to be one of degree and

not of kind. If a new approach to rural development is required at all, its rationale would be that the type of agricultural projects which we and other donors have financed would prove increasingly inadequate to meet the needs of millions of people who simply cannot eke out a living in the rural areas and who, therefore, are compelled to move to the urban areas in search of work.

11. Today, many African countries recognize that it would be a hopeless task to bring millions of rural people within the purview of well-planned agricultural projects which have benefit-cost ratios which are sufficiently attractive to external aid agencies. They cannot afford - either from an economic or a socio-political point of view - to devote the bulk of their resources to a small 'modern' sector which is geared principally to export market. They are anxious to restructure their economies by means of a strategy which benefits "all parts of the country and all strata of society in order to expand the internal market as rapidly as possible". In other words, the strategy calls for the development of rural areas as a whole, however modest the targets may be.

12. A new approach to integrated rural development must be based on four principal criteria. The first is that any programs in this field must serve vast numbers of people at the same time (millions rather than a few hundred or even a few thousand as in some of our particularly successful projects), and hence must be specifically designed so as to require the the absolute minimum of resources in men and money. Quite obviously there will be a very large element of self-help. Secondly, programs should, as far as possible, have modest objectives. For example, in the vast majority of projects, the principal objective would be food production for subsistence,

hopefully with a small element of income-generating activity. Thirdly, programs should not require the creation of wholly new institutions or channels of authority, but should ideally be within the administrative capacities of existing agencies subject, of course, to any improvements that may be required. Finally, there should be a very definite attempt to develop related activities as fast as resources permit, e.g., a package of agricultural services, roads, schools, hospitals, community services, marketing channels, training facilities.

13. For any integrated rural development program to succeed, the basic minimum is a productive activity which will sustain the population. Hence, food production should form the core of the program, and other activities should follow as resources permit. In most cases the participants in the program will be landless people, and hence the basic task would be to identify and allocate land suitable for settling people and starting them off on a basic productive activity.

14. Past discussions on rural development have tended to focus mostly on agricultural activities. Other activities such as crafts, rural industries and service trades should be fully investigated with a view to laying the basis for maximising employment.

15. The question remains as to whether the Bank should actively participate in the financing of rural development programs (as is outlined in this paper) and whether we can find an acceptable basis for justifying our entry into this field. In broad terms, the justification for a vastly expanded program is that this is the only way in which political and social stability can be maintained and the gains from our past, limited involvement preserved and consolidated. More specifically, the objective would be to diffuse

development and make it meaningful to as many people as possible.

16. As conceived in a very broad form, most rural development projects will be unable to withstand the conventional type of project appraisal. The measurement of the gains from rural development will have to proceed on a different basis. For example, one would have to impute values to such benefits as the prevention of population concentrations in urban areas, the expansion of employment opportunities and the elimination of regional disparities in development and even considerations of social and political stability. Clearly, this would require a new approach and the matter would have to be discussed in great detail and at various levels within the Bank before the Bank is able to embark on any specific programs in this field.

AFRICA RURAL DEVELOPMENT STUDY

Economics Department

The study reviews a number of Bank and non-Bank projects in sub-Saharan Africa. These have been selected in order to reflect a variety of experiences, and to explore the major elements believed to be significant in promoting the goals of rural development. The results of these reviews will be useful for designing better rural development projects in different circumstances.

The project reviews have been divided into two categories reflecting differences in the study approach. Seven substantive reviews examine projects selected because of their particular approach to rural development. These will assess the size and distribution of the economic benefits from the projects; the breadth of participation of different socio-economic classes; and the role of institutions in the project's performance. The projects vary in their emphasis on degree of self-help and on development of local institutions. Six partial reviews concentrate on projects which have already been evaluated extensively or are too new for a comprehensive evaluation: Most of these projects are in agricultural production but some have a significant non-agricultural focus, e.g. non-formal education and rural industrialization programs.

Some of the projects selected for extensive review are the Lilongwe Land Settlement Project in Malawi, the Sukumaland Cotton-Credit Program in Tanzania, the Livestock Ranging Project in Kenya, and the Minimum Package Program in Ethiopia. Projects being partially reviewed include the French Technical Assistance Projects in West Africa, the Smallholder Tea Project in Kenya and the Small Industry Development Program in Nigeria.

The literature review has been completed and the final report will be completed in Fall 1973. The results of this study will be available in the form of (1) an African Rural Development report, drawing generalizations from individual project reviews, and (2) the individual project reports. The study is being executed by the Bank staff in collaboration with universities, and governmental agencies in the U.S., U.K., France and Africa.

PART I IDENTIFICATION

1. Title: East Africa Rural Development Study
2. Department initiating Proposal: Economics (see attachment)
3. Department Responsible for the Project: Economics (see attachment)
4. Responsible Staff Member: Uma Lele
5. Research to be done:
 - a. by Bank Staff only ☐
 - b. by collaboration with a research institute ☐
 - c. by consultants ☐
 - d. by a combination of Bank Staff & consultants ☒

PART II PROJECT SUMMARY (attach full details as indicated in Instructions)

1. Problem to be analyzed:

Identification, evaluation and description of the essential components and characteristics, as well as the phasing, of projects and programs designed to affect the quality of life of large numbers of people within a reasonable time.

2. Proposed research method:

An analysis of relevant experience of rural development projects and programs with particular emphasis on transferability of the lessons. The study consists of Phase I of the attached detailed outline of an overall East Africa Rural Development Study. A steering committee has approved the general terms of reference and will continue to perform general supervision (see Attachment A.)

3. Objective:
 - a) Establish factual or conceptual basis for Bank policy ☐
 - b) Support Bank operations in particular sectors ☐
 - c) Increase knowledge of the basic development process ☐
 - d) Develop institutional capacity for research in LDC's ☐

PART III COORDINATION AND APPROVAL

1. Interdepartmental Coordination:

a. Department: Eastern Africa , Coordinator: S. Husain
Comments:

b. Department: Agricultural Projects , Coordinator: H. A. Adler
Comments:

c. Department: Western Africa , Coordinator: B. A. de Vries
Comments:

2. Initiating Department Signature:..... Date:

3. Responsible Department Evaluation:

a. Comments:

b. Priority: Very High ☒ High ☐ Medium ☐ Low ☐

Signature:

Date:

PART IV

BUDGET

1. Budget Unit to be charged: Department # 610 Division # 60

| Item | FY72 | | FY 73 | | FY 74 | | T O T A L | |
|-------------------------------------|------|--------|-------|---------|-------|----|-----------|---------|
| | Amt | \$ | Amt | \$ | Amt | \$ | Amt | \$ |
| 2. Staff (manmonths) | | | | | | | | |
| a. Professional | 10 | | 40 | | | | | |
| b. Special Services | 10 | | 25 | | | | | |
| Total | 20 | | 65 | | | | | |
| ** 3. Consultants (manmonths & \$) | | | | | | | | |
| a. Senior Researcher @\$2500/mo* | | | 24 | 60,000 | | | | |
| b. Researcher @ \$1400/mo* | | | 48 | 70,000 | | | | |
| c. Res. & Cleric. Asst. | | 10,000 | | 20,000 | | | | |
| Total | | | 72 | 150,000 | | | | |
| 4. Travel (mantrips & \$) <u>1/</u> | 6 | 15,000 | 15 | 45,000 | | | | |
| 5. Data Processing <u>2/</u> | | | | | | | | |
| a. Inhouse | | | | | | | | |
| b. External | | | | | | | | |
| Total | | 25,000 | | 195,000 | | | | 220,000 |

*Use this cost estimate when actual costs are not known.

1/ Use Annex I to develop travel cost estimates. Figure staff and consultants together. All travel is charged to Department's Travel Budget.

2/ Use Annex II to develop data processing cost estimates in collaboration with the Computing Activities Department.

** For itemization see page .

PHASING OF STUDY, STAFFING AND BUDGET

1. Phasing of Study

March-June ('72) Selection of Projects and Programs and Outlining of the Methodology

- Reviewing of literature and reports
- Canvassing suggestions for projects and programs to be included from outside the Bank
- Recruitment of collaborators from outside the Bank

May-Dec. ('72) Field Survey to Establish Common Threads and Project Studies

- Field visits and collection of data
- Evaluation of projects by consultants, particularly in Africa
- Evaluation of projects by staff in Africa and Washington

Jan.-March ('73) Synthesis of Preliminary Project Studies and Preparation of Report on Phase I

- Review of field studies and consultants reports
- Report drafting and review
- Completion of Phase 1 Report

Apr.('73)-
June ('74) Participation in Phase II Missions and Phase II Activities

- Sector Mission visits and report preparation
- In-depth studies initiated
- Integration of all reports and findings
- Preparation of final reports

2. DEPLOYMENT OF PROFESSIONAL STAFF AND CONSULTANTS (through March 1973)

(a) Man Months by Activity

| Activity | 1972 | | | | | | | | | | | | 1973 | | |
|---|-------|------|------|-----|------|------|------|-------|------|------|------|------|------|------|--|
| | Total | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | |
| I. Review of reports and literature and outlining of methodology | 11 | 2 | 3 | 3 | 3 | | | | | | | | | | |
| II. Field surveys to establish common threads and seeking suitable projects and collaborators | 6 | | 1 | | | 4 | | | | | 1 | | | | |
| III. Project studies | 59 | | | 1 | 3 | 6 | 11 | 13 | 8 | 7 | 4 | 3 | 3 | | |
| IV. Synthesis and report | 22 | | | | | | | | 1 | 1 | 2 | 6 | 6 | 6 | |
| Total | 98 | 2 | 4 | 4 | 6 | 10 | 11 | 13 | 9 | 8 | 7 | 9 | 9 | 6 | |

(b) Man Months by Sources

| 1972 | | | | | | | | | | | | | | | 1973 | | |
|------------------|------|---------------|---------------|---------------|---------------|------|-------|------|------|------|------|------|------|--|------|--|--|
| Total | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | | | | |
| <u>Bank</u> | | | | | | | | | | | | | | | | | |
| Economics-ARD | 31 | 1 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | | | | |
| Economics-Other* | 6 | | | | | 1 | 1 | 1 | 1 | 1 | | | 1 | | | | |
| W. Africa | 5 | $\frac{1}{2}$ | $\frac{1}{2}$ | $\frac{1}{2}$ | $\frac{1}{2}$ | | | | | | 1 | 1 | 1 | | | | |
| E. Africa | 5 | $\frac{1}{2}$ | $\frac{1}{2}$ | $\frac{1}{2}$ | $\frac{1}{2}$ | | | | | | 1 | 1 | 1 | | | | |
| Res.Missions/FAO | 5 | | | | | | 1 | 1 | 1 | 1 | | | | | | | |
| <u>Outside</u> | | | | | | | | | | | | | | | | | |
| US/UK/France | 26 | | | | 1 | 5 | 4 | 5 | 3 | 2 | 2 | 2 | | | | | |
| Africa | 20 | | | | 1 | 2 | 3 | 4 | 2 | 2 | 2 | 2 | | | | | |
| Total | 98 | 2 | 4 | 4 | 6 | 10 | 11 | 13 | 9 | 8 | 7 | 9 | 6 | | | | |

* Education, Feeder Roads