



C 89/4

review of

FIELD PROGRAMMES

1988-89



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DIRECTOR-GENERAL'S FOREWORD

Beginning in the mid-1960s, the Review of Field Programmes has examined the shape, content, and trends in the Organization's operational activities, and assessed the efficiency and performance of field projects. Since the activities involved are related to parallel work carried out under the Regular Programme, this document should be read in conjunction with the Review of the Regular Programme, 1988-89. It also bears emphasizing that while the Review presents a global picture of field programmes, detailed reports of technical, sectoral and regional field activities are regularly presented to the various committees, and other inter-governmental bodies, which oversee the work of FAO.

It is a welcome fact that, during this biennium, field programmes have continued their gradual expansion which began four years ago; thus permitting an increased amount of FAO's experience and expertise to be extended, mainly through country-level cooperation, to member developing countries. It is important, however, to view the modest growth which has occurred against the background of the serious problems which developing countries continue to encounter in overcoming hunger, and ensuring food security for rapidly growing populations. In these circumstances, the effects on the Regular Programme of the financial liquidity crisis during the biennium have been particularly unfortunate in straining the Organization's capacities for field programme support.

The prospects for the further expansion of field programmes are fairly encouraging over the next few years, mainly because of the rise in UNDP's resources which has occurred, and the renewed attention which that programme now appears to be giving to the food and agricultural sectors. It is also significant that FAO's Trust Funds have remained strong overall, though there has been a levelling off in the growth of these compared to the earlier part of this decade. TCP-funded activities, on the other hand, were necessarily at a lower level in this biennium compared to 1986-87, since in the latter period these were bolstered by an exceptional Regular Programme transfer of US\$ 15 million in support of the Agricultural Rehabilitation Programme for Africa (ARPA).

The focus of the Organization's field activities has been further sharpened on Africa during 1988-89. While one must not underestimate food and agricultural problems faced by other regions, it is on that continent that the risk of food shortages, and the challenge of achieving food security, is greatest. Within the total field project portfolio, efforts to strengthen and improve basic foodcrop production properly remain a centre of attention, while in the natural resource category, project activities aimed at conserving resources for sustained development are of the utmost importance. At the same time, work in strengthening countries planning and policy analysis capabilities has increased, often in situations where

countries face difficult choices in "adjusting" their economies because of the debt burden. The Organization's independent and objective advice in such situations has proved very valuable.

In undertaking all of these important activities, the contribution of FAO's dedicated team of experienced field experts and consultants remains of paramount importance, a large share of those involved recruited from developing countries, and now assisted more than ever before by a rising number of qualified national staff. It is also notable in this biennium that the training element in field projects has expanded both in terms of activities, and number of people reached.

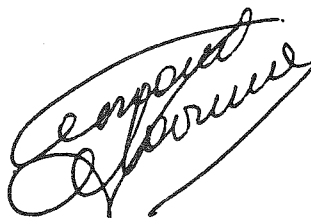
This review has traditionally taken a frank and critical approach in examining the strengths and weaknesses of field projects in terms of their performance. The same approach applies in this biennium, with nearly 800 projects assessed by FAO Representatives, and the results of over 130 project evaluations analyzed objectively to derive lessons for the future. I believe that the Organization's commitment to increased project efficiency and effectiveness is amply illustrated by the concrete measures we have and are taking in this respect, including enhancing an already strong evaluation function, and involving all units concerned in a wide range of measures designed to further streamline and strengthen project planning, programming, implementation and follow-up. This is a process to which I ascribe the highest priority, and which we are carrying out in close cooperation with recipient countries and our funding partners.

I very much welcome the fact that, for this biennium, the Review presents a description and examination of FAO's extensive and impressive support for investment in agriculture, fisheries, and forestry. This is mainly provided through the unique and highly specialized activities of the Investment Centre - which to date have generated a massive US\$ 34 billion in food and agricultural investment schemes in member developing countries. In carrying out its work, the Centre counts on the experience and support of FAO's technical units, and - in some cases - individual technical assistance efforts which have led directly to follow-up investment. However, as the Chapter reveals, the Centre does not ignore nor underestimate the problems it has encountered in its important work.

Some key emerging features of the Organization's operational activities are commented upon in Chapter FOUR, a final part of the Review which is devoted to reflecting on past developments, and attempting to foresee how field programmes may change in future. Over the years, FAO's field activities have responded steadily to shifts in perceived requirements for technical assistance. Though current programmes are thus characterized by a wide variety of project and programme configurations, there has been greatly increased attention towards strengthening the human resource potential of recipient countries to undertake themselves the measures necessary for their food and agricultural development. In current programmes, this goal

is reflected in such areas as expanded training through projects, and the now very wide-spread use of National Project Directors and national professionals for project implementation, leading in appropriate circumstances to full government execution. Catalytic support to TCDC approaches, and the strengthening of collaboration at grass-roots level, often involving local NGOs and the promotion of women's activities, also contribute to building-up self-reliance. Such efforts, to which I assign the highest priority, help ensure the relevance and sustainability of field activities in the years to come.

This important document has traditionally stimulated an active and constructive discussion of FAO's field programmes, and I look forward to its consideration at the 25th FAO Conference.

A handwritten signature in dark ink, appearing to read 'Edouard Saouma', enclosed within a hand-drawn oval border.

Edouard Saouma
Director-General

S U M M A R Y

CURRENT TRENDS AND OUTLOOK

The overall volume of field activities during the biennium reached a record high level in current terms with total expenditures in 1988 of US\$ 342 million, and an estimated US\$ 363 million in 1989. In real terms, however, this was still below the level reached in 1980-81. The main factor underlying the increase of around nine percent in expenditures between 1987 and 1988 was the sharp rise in delivery under UNDP-funded programmes, which accounted for just under half of total field programme expenditures during the biennium. Prospects for the next few years are reasonably encouraging, based on a continuing high level of FAO/UNDP project approvals.

Trust Fund expenditures tended to level off during the biennium, within the range of US\$ 155-160 million annually. While most FAO/Government Trust Fund programmes continue to expand gradually, there has been a decline in Unilateral Trust Fund expenditures. Locust and grasshopper control activities in Africa were a notable subject of Trust Fund support in 1987-88. With the completion of most TCP-funded projects under the ARPA programme in 1986-87, TCP expenditures in 1988-89 fell back to earlier levels.

The total combined budgets of operational field projects was a record US\$ 2.12 billion in 1988, for some 2 500 projects in 140 countries and territories. Delivery in Africa rose further, to 48 percent of all expenditure, whereas other regions received approximately the same proportion of total expenditures as in the last biennium. While the crop production and improvement category of projects still accounted for the largest share of field programme delivery (25 percent), there was a notable rise in expenditures for projects involving planning and policy analysis (up from six to ten percent of total expenditures).

The personnel component of field programmes declined further during the biennium, to just 50 percent (by value) of total project inputs, with a continuing increase in the utilization of short-term experts/consultants vis-à-vis long-term resident field staff. At the same time, the use of national staff in projects increased. There was again a greater proportion of equipment in UNDP-funded field projects (currently 28 percent), and the training element rose to a record high of 13 percent. Developing country staff now comprise close to half of all internationally-recruited FAO field experts, though the developing country share of project equipment remains low. A further rise, to almost 50 percent, was registered in the proportion of field project fellowships placed in host institutions in developing countries.

The Investment Centre once again recorded a strong level of activities, with 196 missions completed and some 44 major investment projects prepared by the Centre approved for funding in 1988. Total investment funds mobilized as a result of assistance since the Centre's establishment (1964) now exceed US\$ 34 billion. As a result of earlier follow-up work in connection with FAO/UNDP projects, six investment projects worth some US\$ 66 million were approved for financing during the biennium. The activities and prospects for the Investment Centre are described in detail in Chapter THREE.

ASSESSMENT OF FIELD PROJECTS

As before, a two-pronged approach comprising an assessment of operational projects by FAORs, and a synthesis of recent evaluation reports by the Evaluation Service, has been used to gauge the recent performance of FAO's field projects. On this occasion, the FAOR survey covered a record 788 projects in 85 countries, the majority of these UNDP-funded. While the setting of project objectives and formulation and design continue to receive relatively high marks from the FAORs, difficulties associated with counterpart inputs and consequent skills transfer were evident (though to a somewhat lesser degree than in 1986-87). Although financial stringencies in many recipient countries, particularly LDCs, continue to negatively affect project performance, the FAORs viewed the follow-up prospects of most projects as positive.

FAO's field project evaluation work has been considerably strengthened in recent years, with the application of systematic guidelines in respect of each of the 65-70 projects now examined annually by independent evaluation missions. The synthesis of the individual project evaluation reports of these missions this time, covering some 133 projects in 1987-88, has been contrasted with the same exercise in 1981-82, and has identified important long-term improvements in the design and implementation of FAO's projects since the beginning of the decade.

The 1987-88 evaluation report synthesis has been used to contrast problems and difficulties, and the elements necessary for project success, in LDC and non-LDC countries - with examples cited to highlight findings. While LDC-based projects face more difficult obstacles in their operations than projects in non-LDCs, many still achieve a wide measure of success with good project management and other favourable internal and external factors. The analysis suggests that FAO's field activities in many LDCs should reflect a comprehensive institution-building strategy with long-term commitments from both donors and recipients.

The chapter also presents a review of projects carried out under the Agricultural Rehabilitation Programme for Africa (ARPA) - mainly implemented between 1985 and 1987. Reports by FAORs indicate that the ARPA country programmes were perceived to be well formulated and relevant, and that ARPA project performance generally paralleled that of the Organization's field projects as a whole. Many ARPA projects generated substantial catalytic effects in mobilizing extra funds, from UNDP, bilateral and other donors. However, the review found that the Programme suffered from the absence of measures to ensure rapid implementation in all cases, and guidelines which would have ensured a more focussed programme approach.

Efforts to improve field project performance continue to receive priority attention within the Organization. Besides the strengthening of the evaluation process, the operating and technical units have been active in increased monitoring, scrutiny of progress reports, backstopping and in Tripartite Reviews of projects. Intensive critical examinations of programmes have been undertaken with UNDP and Trust Fund donors. In this biennium, all main units concerned - operational, technical, administrative and others - have been involved, under the aegis of the Field Programme Committee, in developing a package of measures for improving efficiency at all stages of the project cycle.

PROMOTING AGRICULTURAL INVESTMENT

Investment is an essential component of agricultural development and of major concern for most developing countries. To stimulate and support investment from domestic resources, external assistance is required if the necessary rate of growth in agricultural production is to be maintained. Assistance in investment promotion is, therefore, a priority activity of FAO. The focal point within the Organization for this work is the Investment Centre, which draws upon the rest of FAO for technical support.

Availability of financial resources is not the only factor limiting investment. There is a continuing need for viable and well-prepared projects. Most developing countries, particularly the poorest, are still not in a position to formulate investment projects entirely by themselves. FAO's Investment Centre exists to bridge this gap, its principal function being to help developing countries formulate investment projects which will attract capital resources, mainly from the multilateral financing institutions which lend for agriculture. By assisting in the formulation of some 750 investment projects, the Investment Centre has been instrumental in generating more than US\$ 34 billion of agricultural investment in 108 countries during its 25 years of existence. Of this amount about US\$ 18 billion has been in foreign exchange from multilateral and other financing institutions, much of it on highly concessional terms.

The technical assistance activities of FAO are often closely linked to investment. Much of the technical data and information needed to formulate investment projects and programmes is derived from technical assistance. Many investment projects include technical assistance components to ensure their successful implementation. The results of TA work are not only fundamental to the formulation of investment projects, they can also be the origin of ideas for investment and thus a source of investment projects.

To carry out their investment programmes, countries and financing institutions draw upon the wealth of statistical and other information generated by FAO technical divisions in agriculture, forestry and fisheries. A major activity of FAO as a whole consists of advising countries on policy analysis and planning. Of particular relevance to investment are the many sector and sub-sector studies, focusing on specific fields of agricultural and rural development, which provide a basis for policy dialogue between countries and financing institutions.

FAO continues to be alert to changes taking place in approaches to financing agricultural development, and in the needs of developing countries, not only adapting itself as necessary but also contributing to the emergence of new means of providing assistance to harness local and external resources for agricultural development. The Investment Centre has recently undertaken a review of experience in its past project formulation work, highlighting a number of common weaknesses which are now being addressed.

SELECTED FEATURES OF FIELD ACTIVITIES

Over more than 40 years of operations, field programmes have been adapted to meet the changing requirements of a steadily increasing, and diverse, number of recipient developing countries. From high-level advisory services in the 1950s, field programmes took on a marked project approach in the early 1960s, when relatively long-term activities were engaged in institution-building and the survey and planning of resource use. In the 1970s, there was a shift in emphasis towards assistance for the management and development of known resources, and the multidisciplinary character of projects increased. There was also a trend towards short-term interventions, and - with TCP - quick-action assistance to meet urgent requirements. By the early 1980s, the field programme comprised a range of project activities geared to provide flexibility and complementarity in country-level interventions.

The 1970s witnessed trends and initiatives affecting field activities which underscored the move from technical assistance towards technical cooperation - with the ultimate goal of building up the self-reliance of recipient countries in development. A basic element for this has always been training activities. Training is now more prominent and broad-based in field projects than ever before, and - with some 73 000 persons reached in 1987 (plus a record number of study tours and fellowships) is making a substantial contribution towards the self-reliance objective.

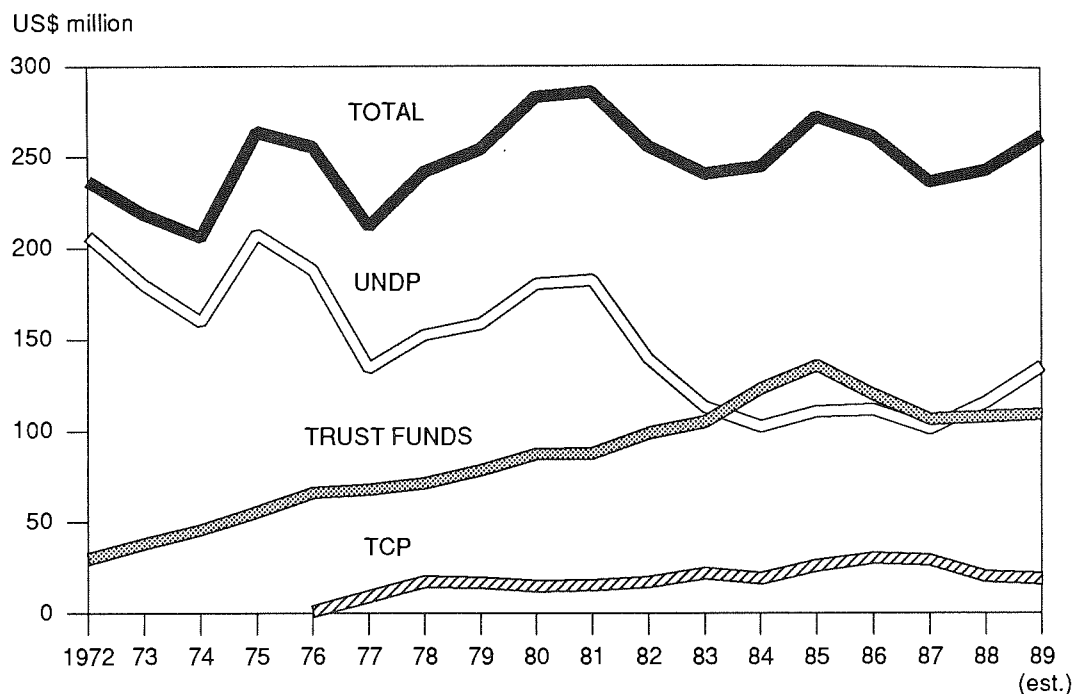
There has been significant progress in field activities in pursuing the goals of the "new dimensions". In the present biennium, the practice of relying on National Project Directors has become virtually a standard feature of field projects (some 300 National Directors in 1988) and there has been greatly stepped-up use of National Professional Personnel (well over 500 at present). FAO has also been active in supporting the government execution of projects, where a number of practical issues require resolution at system-wide level.

An area related to collective self-reliance is technical cooperation among developing countries (TCDC), where FAO continues to be active through field projects in extending support to diverse networks of developing country institutions. Over 60 such networks are now operational, and experience suggests that FAO's field project assistance to these (US\$ 41 million in 1987-88) is achieving a considerable multiplier effect. A survey of these networks, where FAO Regional Offices are closely involved, reveals the need for regular support, concentrated on the most promising networks.

Follow-up to the WCARRD Conference of 1979 has had an important impact of field programmes - which have been reoriented to reflect a small-farmer focus, with emphasis on grass-roots approaches at community and local levels. Two aspects of particular interest involve expanded interaction between projects and local NGOs (and similar rural groups), and increasing attention in project activities to the role of women in agricultural development.

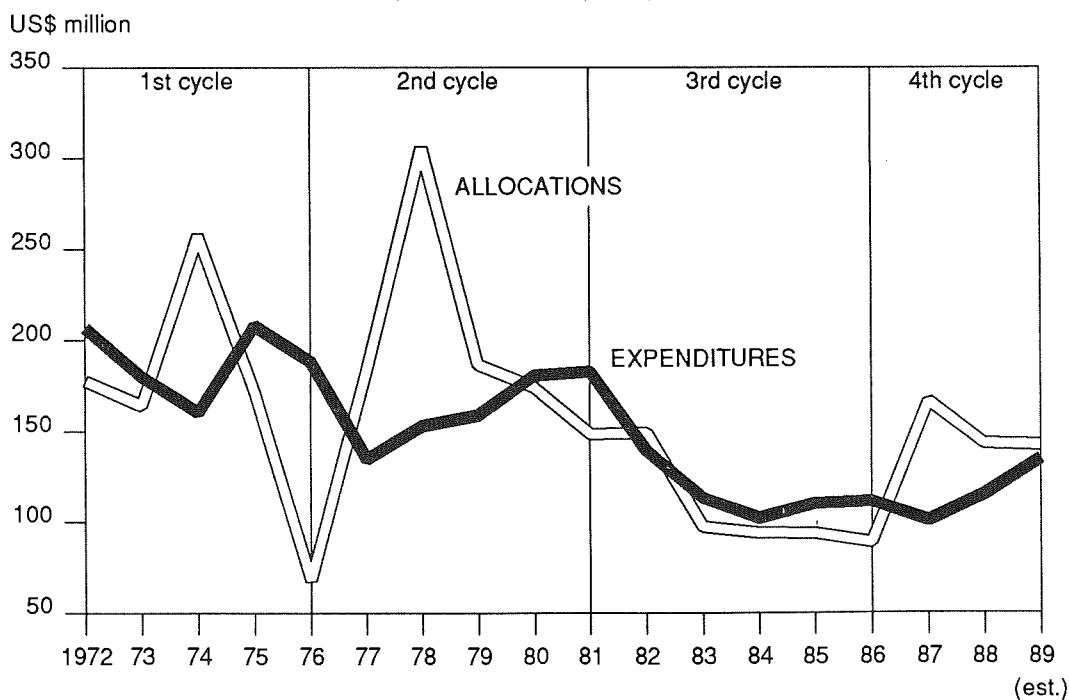
CHAPTER ONE

Chart 1.1 - TRENDS IN THE REAL VOLUME OF FAO'S TECHNICAL COOPERATION *
(annual expenditures at constant 1981 prices)



* Excludes development assistance under Trust Funds for the International Fertilizer Scheme (IFS), the Office of Special Relief Operations (OSRO) and the Emergency Centre for Locust Operations (ECLO)

Chart 1.2 - UNDP ALLOCATIONS TO FAO AND FAO/UNDP EXPENDITURES 1972-89
(at constant 1981 prices)



CURRENT TRENDS AND OUTLOOK

A. OVERVIEW

- 1.1 While economic growth has characterized most industrialized countries during this biennium, many developing countries have continued to experience serious economic, financial and in some cases even social difficulties. These are in significant part the result of severe indebtedness, and the consequent measures taken to tackle this phenomenon. However, there have also been persistent problems with unfavourable terms of trade and - in many countries - sluggish or erratic food production to feed rapidly expanding populations.
- 1.2 FAO's Global Information and Early Warning System has forecast a significant rise in the world cereal crop for 1989. However, this will not be enough to restore world consumption to its previous trend, or to replenish depleted food stocks to what may be regarded as a safe minimum level. Still, as before, production will be concentrated in the richer developed countries - North America and Europe - while serious local shortfalls will occur in the poorest parts of the world. So the cruel irony will continue: abundance and food surpluses in the North, hunger and malnutrition in many parts of the Southern hemisphere. Although 1988 did see welcome surpluses in a number of African and Asian countries, there were still some 44 food-deficit countries in which the per capita consumption of basic foods declined.
- 1.3 In this situation, the grant-funded multilateral technical cooperation of FAO, for the improvement and strengthening of food production and agriculture generally, and for fisheries and forestry development, can be critically important to poor countries struggling with complex problems and constraints within their rural sectors. FAO's field projects are spread across the developing world, but they are concentrated in the areas and countries most in need and, wherever possible, coordinated with other larger national and international programmes for maximum impact and sustainability.
- 1.4 Africa is a case in point. In the present biennium, FAO's country-level cooperation with African countries has been reinforced to the point where close to half of the Organization's total field effort (by value) is directed to helping overcome the extremely serious food and agricultural problems of that region. In this connection, FAO has been a key contributor and firm supporter of the UN Programme of Action for Africa's Economic Recovery and Development 1986-1990 (UNPAAERD), as it had been for the earlier Lagos Plan of Action and various other key regional and sub-regional initiatives. Such exercises, and FAO's own study of "African Agriculture: the next 25 years" (completed in 1986) provide valuable frameworks for country-level activities.

- 1.5 In the face of these important challenges, it is a welcome fact that FAO's field programmes continued the expansion in total activities which effectively began in 1984. There has been a marked recovery in the overall volume of the crucial UNDP-funded programme (though not yet to the real level attained at the beginning of this decade), while Trust Fund activities have remained steady and essential to channelling the Organization's experience and expertise to countries, in particular under FAO's Special Action Programmes.
- 1.6 The near-term prospects for the field programme are reasonably encouraging. Whereas only some 55 percent of UNDP's Indicative Planning Figure (IPF) targets could be delivered to countries in the UNDP Third Programming Cycle (1982-86), there is now every reason to believe that the full UNDP IPF target for the Fourth Cycle (1987-91) will be delivered, and perhaps even more. In the past two years, total donor pledges to UNDP for its core (IPF) resources have topped one billion dollars (compared, for instance, to US\$ 800 million in 1986). In these circumstances, the volume of technical cooperation which FAO can extend to its member developing countries may become more commensurate with the seriousness of the problems confronted.

Trends in Expenditure

- 1.7 Table 1 of the Statistical Appendix provides details of the yearly expenditure on FAO's field programmes under individual categories. In current terms, the previous peak delivery, US\$ 318 million reached in 1981, was for the first time exceeded in 1988 with a total expenditure of US\$ 342 million.
- 1.8 These figures must be seen in perspective. Following a record year in 1981, FAO's field delivery levels began to decline precipitously. The lowest overall level was recorded in 1983, with total delivery of only around US\$ 260 million in current terms. This decline was largely due to a contraction in the UNDP-financed programme, which was so sharp that it could not be compensated for by a continued increase under Trust Fund programmes (as well as a more gradual upward trend in TCP). Following this, the modest recovery of field programme delivery, which occurred between 1984 and 1986, was largely a result of increases under important Trust Fund programmes.
- 1.9 This process has in a sense changed during the current biennium. The UNDP programme, as described below, contributed most to the overall increase in field programme delivery which took place in 1988. While Trust Fund programmes also expanded, this was at a slower pace.
- 1.10 These patterns are illustrated in terms of the real volume of delivery in Chart 1.1 (based on a composite index of UNDP personnel costs and costs of machinery and equipment as reported by UN) 1/. It is of note

1/ Deflators applied are: 1972(41.2), 1973(43.8), 1974(49.0), 1975(57.6), 1976(61.2), 1977(65.6), 1978(72.8), 1979(82.8), 1980(92.6), 1981(100), 1982(101.4), 1983(103.0), 1984(106.8), 1985(105.1), 1986(115.8), 1987(127.5), 1988(134.7), 1989(133.6).

that the real volume of FAO's technical cooperation attained in 1988 exceeded only marginally that reached ten years earlier, in 1978.

- 1.11 Table 1.1 below points to the latest trends in the evolution of FAO's field programmes, both in terms of expenditure and new approvals. As noted, expenditures in current terms reached an absolute record level of US\$ 342 million in 1988, or about 9 percent more than in 1987 (and 31 percent more than in 1983).

Table 1.1

FIELD PROJECT EXPENDITURE AND NEW APPROVALS
(US\$ million rounded in current values)

Funding Source	1988 Expenditure	1988 Approvals	1989 Estimated Expenditure
UNDP	155	193	180
Trust Funds	160	159	155
TCP	27	28	28
TOTAL	342	380	363

- 1.12 The main factor highlighted in the table is the continuing strength in project approvals for UNDP funding. These topped US\$ 193 million in 1988 (and were at a record US\$ 212 million in 1987) compared to only US\$ 112 million in 1986. This suggests a strong FAO/UNDP programme for the next few years. At the same time, Trust Fund project approvals remain high, though it appears that the level of Trust Fund expenditures may tend to level off at around US\$ 150-160 million for the next one or two years. The TCP programme, on the other hand, has returned to its normal level of approvals following the utilization of extra funds exceptionally made available for agriculture emergency and rehabilitation projects under the Agricultural Rehabilitation Programme for Africa (ARPA) - which is described and assessed in Chapter Two (Section D).

UNDP Programmes

- 1.13 As shown in detail in Chart 1.2, allocations in real volume terms for FAO/UNDP projects were subject to significant fluctuations during the first two UNDP Programming Cycles (1972-81). During the Third Cycle (1982-86), as a consequence of the reduction in available resources,

allocations for new FAO/UNDP projects declined continuously while, in the first years of the present (Fourth) Cycle (1987-91), this trend has been reversed. It bears noting that, during 1987 and 1988, over 75 important country programmes were approved by the UNDP Governing Council. As a consequence, project approvals have risen quite markedly, as referred to earlier.

- 1.14 FAO and UNDP remain major partners in the field of UN multilateral technical cooperation and, as described in Chapter TWO (Section A), have cooperated closely in this biennium. FAO has kept its position as the largest executing agency for UNDP projects and, similarly, UNDP has remained by far the largest single source of funding for FAO field activities. This being said, it should be pointed out that FAO's share of total UNDP "core" (IPF) programme expenditure, which was in the 25-30 percent range in the 1970s, has declined during this decade. This negative trend can be attributed in part to the increase in the number of executing agents now considered for UNDP projects.
- 1.15 Another important factor has been UNDP's Office of Project Services (OPS) operations, which have been increasing steadily. While these have now levelled off in terms of their share of UNDP's "core" (IPF) allocations (to just under 10 percent), there has been a rapid expansion of OPS activities recently in support of other UNDP funds (and "government execution") and in the so-called modality of "management services" whereby UNDP undertakes to manage special bilateral or other resources (outside IPFs) on behalf of donors. FAO has repeatedly emphasized that, in these as well as in OPS's IPF operations, it should be fully consulted where its sectoral competences are involved.
- 1.16 Also significant in determining FAO's involvement in the UNDP programme are the decisions taken by governments for the allocation of UNDP IPF resources to the agricultural sectors within their UNDP country programmes. Whereas the proportion of UNDP IPF funding devoted to agriculture, forestry and fisheries was as high as 35 percent in 1970, this had declined to 26 percent in 1980, and was around 22 percent in 1988. However, in the last two years, there are indications that this share has increased and, indeed, during 1988, the percentage of UNDP IPFs delivered by FAO rose slightly. The development of the FAO share in total UNDP IPF project expenditure since the early 1970s is indicated in Table 1.2 below.

Table 1.2

FAO'S SHARE OF TOTAL UNDP FIELD PROJECT EXPENDITURE

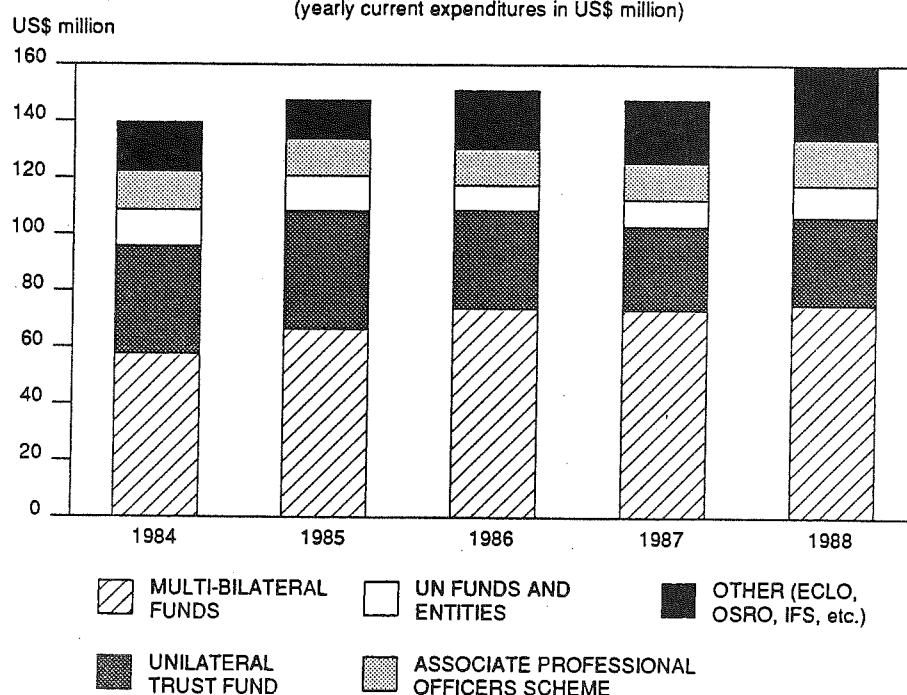
YEAR	1972	1976	1980	1984	1985	1986	1987	1988
FAO Share (%)	31	29	25	21	21	19	18	19

- 1.17 In addition to the considerations described above, it bears note that, in the past several years, the modality of "government execution" has emerged as a significant form of implementing UNDP-funded technical cooperation. Indeed, in 1988, this modality accounted for some 12 percent of all UNDP-funded IPF project expenditure, and - more significantly - over 15 percent of new project approvals.
- 1.18 Government execution is in fact a logical consequence of strengthened government technical and managerial capacities - and in many cases follows earlier more traditional forms of technical cooperation, for instance under full FAO implementation. FAO has supported and contributed through its field projects to the conditions which make "government execution" a feasible and desirable alternative, often in combination with the continued advice and assistance of FAO for project formulation and design, and the execution of individual project components. Indeed, as of mid-1989, FAO was involved in some 45 government-executed projects, and such activity is expected to expand steadily (government execution is further described in Chapter FOUR - Section C).

Trust Fund Programmes

- 1.19 Table 1 of the Statistical Appendix indicates the recent evolution of FAO's important Trust Fund Programmes. These currently account for about 51 percent of total expenditure under projects financed from extra-budgetary resources. Recent project approvals by Trust Fund donors suggest that the present level of annual expenditures will be maintained. Trends under the main Trust Fund Programmes are revealed in Chart 1.3 below.

Chart 1.3 - RECENT EVOLUTION OF TRUST FUND PROGRAMMES
(yearly current expenditures in US\$ million)



- 1.20 The largest Trust Fund component remains the FAO Government Programme, a programme under which multi-bilateral resources have been generously provided for specific assistance by a group of donor governments, in significant part to support the Organization's Special Action Programmes and other priority areas of assistance. This programme is heavily concentrated in Africa. Expenditure under the programme was around US\$ 75 million in 1988. Unilateral Trust Fund projects constitute the second largest category with expenditures of US\$ 31 million in 1988, and are composed of: (i) projects funded by governments out of nationally-available funds (most of these in the Near East region) and, (ii) projects funded by governments out of the proceeds of loan funds made available to them by the World Bank and other development banks (see further below).
- 1.21 The third largest component of the Trust Fund Programme is the Associate Professional Officers (APO) scheme. By the end of 1988, some 380 young professional officers were serving, of which 300 on field projects, the majority of these in Africa. Total expenditure during the year on the APO scheme amounted to US\$ 16.5 million, an increase of 25 percent over 1987.
- 1.22 Other Trust Fund categories displayed an overall increase of more than 14 percent between 1987 and 1988 (to some US\$ 37 million), one quarter of this in the form of desert locust operations as noted below. Included under this category are also emergency or special relief operations under OSRO, as well as projects which are financed from funds within the UN system, in particular those administered by UNDP such as UNCDF, UNIFEM AND UNSO. Under a new Trust Fund for Afghanistan, managed by the Office of the Coordinator for United Nations Humanitarian and Economic Assistance Programmes, a significant number of new projects have been approved recently for FAO execution.
- 1.23 The growth of FAO's Trust Fund Programmes reflects the interest of bilateral donors and other funding sources in the programme priorities and related field activities implemented by the Organization. Italy, the Netherlands, Saudi Arabia, the Nordic countries, Belgium, Japan and Switzerland have remained the largest multi-bilateral donors with FAO. The highest level of expenditures in 1988 was recorded for Italy (US\$ 27 million) followed by the Netherlands (US\$ 23 million). Compared to 1987, total expenditure under the FAO Government Programme increased by about 3 percent in 1988. Whereas the second largest category, Unilateral Trust Funds, increased by around 5 percent in terms of delivery between 1987 and 1988, current levels are well below their 1985 peak (under this category there were exceptionally high allocations of some US\$ 107 million in 1985-86, whereas these same allocations were only some US\$ 34 million in 1987-88).

Special Trust Fund Activities for Locust Control

- 1.24 Large scale outbreaks of locusts in the Sahel zone of Africa in 1986 and again in 1987 called for immediate action for a coordinated campaign against this plague. The FAO Emergency Centre for Locust Operations (ECL0) was set up by the Director-General in 1986 to tackle

the problem in association with the national and sub-regional organizations concerned. The locust control activities initiated by FAO together with international, bilateral and other partners generated total funds exceeding US\$ 200 million by 1988. Trust Fund expenditure under projects operated by ECLO directly increased from US\$ 7.4 million in 1987, to US\$ 9.2 million in 1988.

Technical Assistance in Connection with Bank Loans and Credits

- 1.25 FAO's implementation of the technical assistance components of investment projects financed by the World Bank and regional development banks increased further during the biennium. The technical cooperation extended by the Organization concerns primarily training, institution-building and agricultural development support in fields where FAO's experience and technical expertise put it at a clear comparative advantage vis-à-vis private consulting firms. Such services are covered by Unilateral Trust Fund arrangements between FAO and the recipient country, following consultations with the financing institutions concerned. This kind of assistance enhances the utilization of borrowed resources by countries through the provision of high-level expertise and technical backstopping which is indispensable for the success of the investment project itself. Expenditure in 1988 under bank-funded Unilateral Trust Funds reached US\$ 15.5 million. As of March 1989, FAO was involved in about 80 such projects, with a total value of over US\$ 100 million.
- 1.26 A description of this type of activity, and some of the issues involved, is given in Chapter THREE (Section C) in the context of FAO's investment support activities.

Technical Cooperation Programme (TCP)

- 1.27 Since its initiation in 1976, TCP expenditures grew steadily to reach US\$ 20-30 million annually in the period 1983-85. Due to the additional and exceptional Regular Programme allocation of US\$ 15 million for FAO's Agricultural Rehabilitation Programme for Africa (ARPA), annual expenditure increased in 1986 and 1987 to US\$ 35-37 million. With most ARPA expenditures completed by 1988, TCP expenditure was again back in its earlier range at about US\$ 27 million.
- 1.28 The TCP has continued to provide an important and much appreciated instrument enabling the Organization to respond quickly and efficiently to urgent technical assistance and emergency assistance requests from member governments. TCP project approvals were US\$ 28 million in 1988, for 256 projects. Of these approvals, 42 percent by value were in Africa, 22 percent in Asia and the Pacific, 18 percent in Latin America and the Caribbean, and 16 percent in the Near East Region. Since the inception of the programme, some 4 000 projects have been approved for a total amount of around US\$ 300 million (as of March 1989 - see also Table 6 of the Statistical Appendix).

- 1.29 A full description of the TCP is provided in the Review of the Regular Programme 1988-89 (Chapter FIVE).

Freedom from Hunger Campaign/Action for Development

- 1.30 The "Freedom-from-Hunger Campaign/Action for Development" (FFHC/AD) assists mainly national and local NGOs and "people's organizations" to formulate small-scale development projects geared towards attaining food security and self-sustaining agricultural development at community level. Activities include technical and organizational training for NGO staff and peasant organization leaders; mobilizing resources from NGO donors in developed countries and other funding partners; and promoting the exchange of information and experience among NGOs, and between FAO and NGOs.
- 1.31 Between 1986 and early 1989, 25 new projects were approved under FFHC/AD auspices for a total NGO donor contribution of approximately US\$ 3.6 million. In addition, allocations to FFHC/AD projects for 1989 from the UNDP are expected to be US\$ 1.6 million. The number of project requests for FFHC/AD assistance has increased substantially; the project pipeline as at end-1988 comprised projects worth nearly US\$ 12 million, over three-quarters of this for Africa.

Support to the World Food Programme

- 1.32 FAO provides a variety of professional support services to World Food Programme (WFP) projects in the agriculture, fisheries and forestry sectors. FAO intervenes during the identification, formulation, appraisal, and implementation phases of such projects, as well as for evaluation or technical review. The overall level of technical inputs supplied by FAO has increased significantly during recent years. In 1988, 152 FAO experts participated in 66 WFP field missions.
- 1.33 WFP projects are sometimes linked to parallel FAO technical assistance projects, involving the direct support of FAO project staff in the WFP project implementation. TCP has also, on various occasions, facilitated the preparation of WFP projects or their implementation. Recently discussions between the two organizations have been intensified in order to identify opportunities for this kind of complementary activity at the earliest possible stage.

B. MAIN CATEGORIES OF FIELD PROGRAMMES

- 1.34 As shown in Table 2 of the Statistical Appendix, by the end of 1988 some 2 500 field projects were being implemented by FAO in more than 140 countries and territories. These had total combined project budgets of US\$ 2.1 billion. Although the majority of projects remained under US\$ 500 000 in value, the average size increased from US\$ 790 000

in 1986 to about US\$ 850 000 by the end of 1988. Average size of UNDP projects in the biennium was US\$ 900 000, as compared to about US\$ 1.2 million for Trust Fund projects. TCP average project size continues to be much smaller, and is presently in the range of US\$ 100 000.

Geographical Distribution of Field Projects

- 1.35 The geographical spread of FAO's field projects at the end of 1988 reflects trends noted earlier. Table 1.3 below provides a comparison of the regional distribution of project expenditure in the current biennium with that of previous biennia, while Chart 1.4 shows the current distribution in graphic form. Operational projects in Africa continued to record the highest amount of project expenditure, accounting for about 48 percent of expenditure under all categories of field programmes. In this biennium it bears note that expenditure under the desert locust programme contributed to the greater emphasis on Africa.

Table 1.3

DISTRIBUTION OF EXPENDITURES FOR FAO'S FIELD PROJECTS
(including TCP)

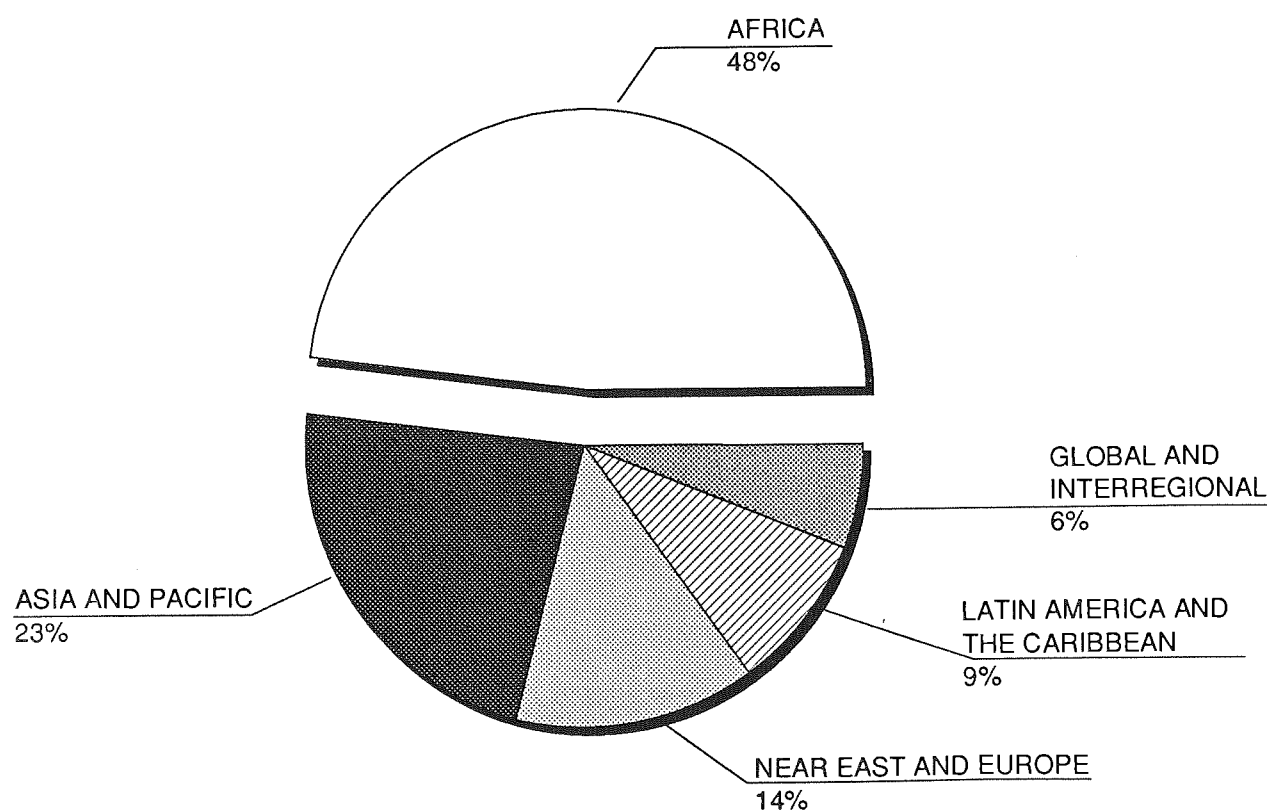
REGION	1978-79	1980-81	1982-83	1984-85	1986-87	1988-89
 percent					
Africa	34	37	39	39	47	48
Asia and the Pacific	23	26	25	22	24	23
Near East and Europe	24	19	22	21	16	14
Latin America and Caribbean	15	11	9	8	8	9
Global and Interregional	4	7	5	10	5	6
	100	100	100	100	100	100

- 1.36 As before, the second most important region in terms of project expenditure was Asia and the Pacific, whose share declined slightly to 23 percent. This is by far the most populous of the regions served by FAO, but many of the countries concerned have already achieved a high

degree of self-sufficiency in their agricultural development. The Near East and Europe remained the third most important region of expenditures, with a share of 14 percent, slightly below the level of the previous biennium. Of this, almost all is expenditure in Near Eastern countries (much in the form of Unilateral Trust Funds) since FAO's cooperation in Europe is mostly for self-financing cooperative networks. The Latin America and Caribbean region, as well as the Global and Interregional category, witnessed a small increase in their shares to 9 and 6 percent respectively. Concerning Latin America and the Caribbean, there is relatively little FAO/UNDP IPF expenditure; however, certain prominent Trust Fund activities and TCP projects help maintain the near 10 percent share.

- 1.37 The Organization's field activities continued to focus on the especially difficult food and agricultural problems of the Least Developed Countries (LDCs). By the end of 1988 over 50 percent of the total allocations for FAO country projects were directed towards LDCs (see Table 3 of the Statistical Appendix). This represents a significant increase from 42 percent at the end of 1986, 41 percent in 1984 and only 36 percent in 1982. Annual project expenditures in LDCs displayed a parallel increase, to just above 50 percent of total field programme delivery in 1988.

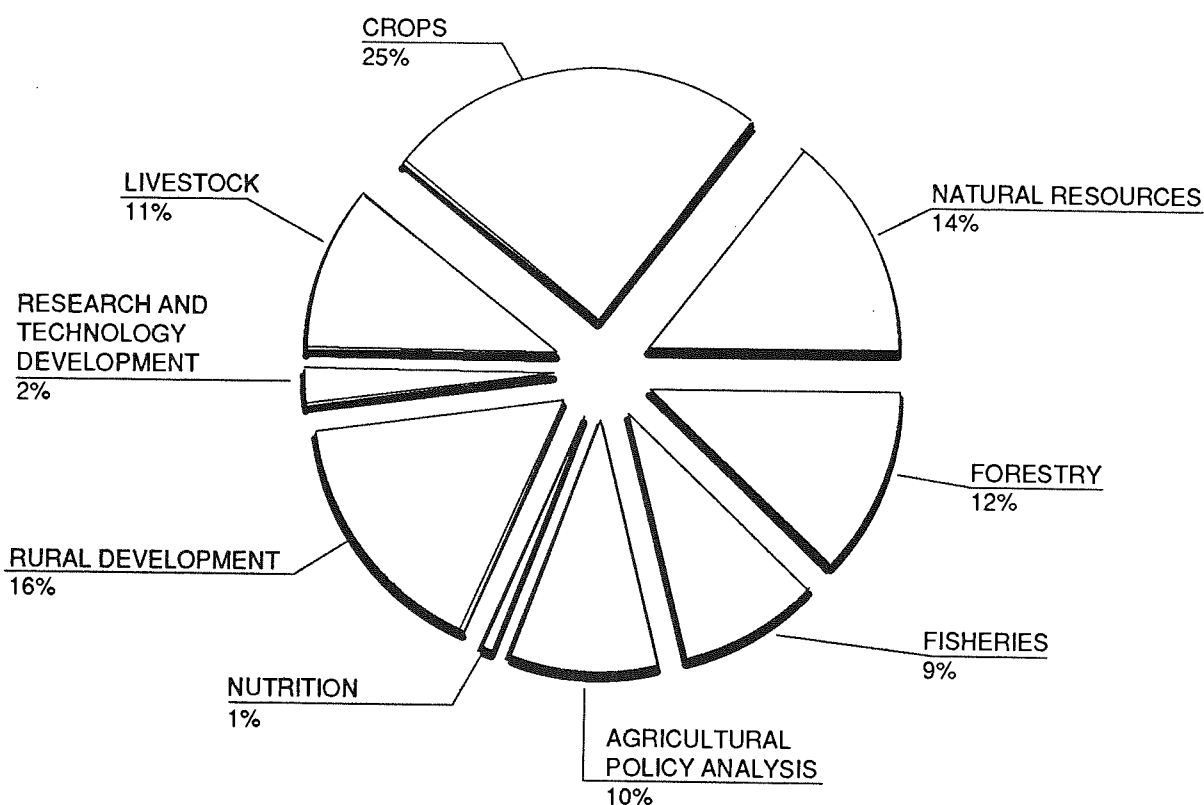
Chart 1.4 - DISTRIBUTION OF EXPENDITURES FOR FAO'S FIELD PROJECTS IN 1988-89
(including TCP)



Main Fields of Assistance

- 1.38 The overall pattern of expenditures under FAO projects financed from extra-budgetary resources has been analyzed in relation to the programme categories identified in the Organization's Programme of Work and Budget. This allows for a classification of field programmes according to major technical areas. Table 1.4 below shows a comparison of such expenditure during 1988-89, with that which obtained in 1986-87. Chart 1.5 portrays the distribution of these major programme categories for the current biennium.

Chart 1.5 - CLASSIFICATION OF EXTRA-BUDGETARY EXPENDITURES FOR FIELD PROJECTS
IN 1988-89 (FAO/UNDP AND TRUST FUND PROJECTS)



- 1.39 The breakdown provided in Table 1.4 should not be considered precise since many of FAO's field projects are now of a marked multidisciplinary nature, containing elements of two or even three or four of the major technical programmes of the Organization. Particular mention in this regard must always be made of activities related to nutrition and research, which are often incorporated as sub-components in projects allocated to other fields. Thus the low share shown for these activities must be considered a significant underestimation.

Table 1.4

**PROGRAMME DISTRIBUTION OF EXTRA-BUDGETARY EXPENDITURES
FOR FIELD PROJECTS
(FAO/UNDP and Trust Fund Projects)**

PROGRAMME	1986-87 (actual)		1988-89 (estimated)	
	US\$ million	percent	US\$ million	percent
Natural Resources	78	14	94	14
Crops	156	28	161	25
Livestock	67	12	69	11
Research Support	11	2	15	2
Rural Development	87	15	106	16
Nutrition	6	1	5	1
Policy Analysis	33	6	63	10
Forestry	67	12	78	12
Fisheries	56	10	59	9
	556	100	650	100

1.40 In recent biennia, the distribution of FAO's field activities by technical area has remained relatively stable. The greatest part of field activities continue to be directed to the increase and improvement of crop production, with emphasis on food crops. This share, however, has declined slightly in the biennium to one-quarter of the total effort (by value). Other important categories, Rural Development (16 percent), Natural Resources (14 percent), Forestry (12 percent), Livestock (11 percent) and Fisheries Development (9 percent) have remained in the same range as in 1986-87. Of significant note, however, is the sharply increased portion of total activities for planning and policy analysis, and related training. The share of this type of project has jumped from only 6 percent in 1986-87, to 10 percent at present. This significant shift mirrors the greater emphasis now given to such work in FAO's Regular Programme, in conjunction with a rising number of requests for planning and policy support from the field. (This subject is examined in detail in Chapter ELEVEN of the Review of the Regular Programme 1988-89).

1.41 In the predominant area of crop development and improvement, FAO field efforts have continued within the biennium to be in large part devoted to strengthening basic field food crop production, which involves advice, training, adaptive and applied research and experimentation covering rice, wheat and coarse grains such as maize, millet and sorghum as well as work on pulses and legumes.

- 1.42 As at end-1988, over 200 experts and consultants were posted in small and large-scale projects around the world working on such matters, in both irrigated and rainfed situations. Trials and on-farm demonstrations of improved varieties and related input use (often combined with extension service studies) constitute a major component of these kinds of projects, where successful results are incorporated into larger investment schemes and national programmes. Network approaches, often in cooperation with Regional Offices, have been promoted in such areas as rice, edible oils and horticulture.
- 1.43 In recent years there has been stepped up interest among recipient countries in horticultural crop production, particularly tropical vegetables and tropical and sub-tropical fruits, including in home gardens to supply urban areas. There has also been a notable increase in interest in such "minority" crops as plantains and root tubers as basic staples to improve food security and reduce reliance on imported cereals. Technical support to countries in the area of industrial/commercial crops - cotton, sugarcane, oil palm, coffee and others has proceeded by providing specialist expertise and consultancies, and often seeds samples under the auspices of regional networks.
- 1.44 FAO has continued to play an active role in several key aspects of crop pest and disease control. Major emphasis is on the development of integrated pest management technologies in food and industrial crops, the implementation of the International Code of Conduct on the Distribution and Use of Pesticides and on the strengthening of national plant protection services in over 40 countries. The special campaigns against locusts and grasshoppers in Africa and South-West Asia have received particular attention both in projects directly executed by FAO, and in numerous other bilateral and national projects with which FAO is associated.
- 1.45 In 1988 some 115 projects were underway for the development of seeds and plant genetic resources, (including 94 under the Seed Improvement and Development Programme) involving around 200 experts and consultants. Intensive training efforts took place in plant genetic resources, conservation and use, and seed multiplication and distribution - covering 640 trainees. Approximately 37 000 seed samples were distributed for experimental and humanitarian purposes to 105 countries, mostly in Africa.
- 1.46 Farming systems analysis activities have expanded with emphasis on improving interaction between research, extension and agricultural support services. In 1988, 39 projects with major farming systems development components were operational. About 65 other projects contained significant farm management and production economics activities. In agricultural engineering, FAO assistance covered both the farm mechanization and farm structures/storage subsectors. Approximately 70 projects in the field of mechanization and 66 projects dealing with structures and storage have been serviced in the biennium, with 52 field experts and 46 consultants active.
- 1.47 During 1988, 29 UNDP and Trust-Fund projects were operational in connection with the programme for Prevention of Food Losses (PFL). Additionally, six TCP projects dealt specifically with the reduction of

post-harvest food losses. Loss reduction was also incorporated, as a component, in numerous crop production and agro-industry projects. Most PFL projects involve durable grain crops, but increasing emphasis is being given to more perishable crops such as roots and tubers.

- 1.48 In agro-industries, FAO's assistance covered both food and non-food sectors. During 1988, some 120 experts and consultants in 30 countries were working on such wide-ranging subjects as apiculture, sericulture, upgrading traditional food technologies, grading and testing of natural fibres, processing of fruits and vegetables, rice and cereals. Activities in marketing in 1988 were being implemented through some 70 projects (many of these multidisciplinary) in 43 countries. Projects advised on improving agricultural marketing and pricing, marketing planning, improved management and operations of marketing agencies, as well as specialized technical areas, such as horticulture marketing, seed marketing, livestock marketing and marketing information services. Activities in the area of rural finance and agricultural credit focused on the viability of national and local financial institutions and systems, and on achieving better coverage in making financial services available in rural areas. In 1988 there were some 25 projects with such credit components.
- 1.49 FAO's assistance for livestock development concentrates on the efficient utilization of animal and feed resources. Activities to improve buffalo husbandry and breeding expanded in Asia. Small animal development in Africa, the Caribbean, Southeast Asia, the Near East and Latin America was supported through the establishment of TCDC networks. Technical assistance in the improved utilization of animal genetic resources mainly covered artificial insemination and embryo transfer. In the grazing resources sub-sector, 70 projects had a grazing or fodder component providing advice and training on fodder production, range management and range surveying. On the African continent in drought-prone countries, emphasis has been on improving animal feed security.
- 1.50 Assistance in support of national and international campaigns against major contagious diseases continued to be the highest priority in the animal health field where the Programme for the control of African animal trypanosomiasis remains a top priority. Special efforts are underway to address the serious risk of the spread of screw-worm in North Africa. Dairy development and training activities are now entirely oriented towards contributing to rural development. Through regional dairy development and training teams, FAO monitors and provides technical backstopping to model dairy projects, including support for strengthening national dairy training institutions. In the area of meat development, small-scale modular slaughterhouses for rural areas have been designed, and are being successfully installed.
- 1.51 In the field of soil resources, FAO has been extending its services through some 40 major projects during the biennium. Growing interest has emerged in land resource assessment and potential, especially in connection with the Amazon Forest in Brazil, in China and in other Asian and African countries. Training in this field has been initiated through an innovative project in Asia and is expected to expand

sharply. Several major regional soil conservation projects have commenced in Asia. Extensive use continued to be made of food resources available under WFP as an input to the soil conservation activities promoted by FAO.

- 1.52 Irrigation projects continued to concentrate on Africa under all types of funding. Some 70 large-scale projects are presently under implementation with major components in irrigation and irrigation development, as well as institution-building and related training. Small-scale irrigation development has also been supported in collaboration with cooperatives/associations, farmers' groups, and other NGOs. Many other FAO projects involve irrigation as one part of a multidisciplinary approach.
- 1.53 FAO's Fertilizer Programme continued its extensive field work, mainly with Trust Fund support. In 1988, 42 projects focusing on small farmers were in operation, of which about half in African countries. Most activities were addressed to increasing food-crop production, and included the simultaneous improvement of other crop production factors to increase fertilizer efficiency. Emphasis has also been on the introduction of biological nitrogen fixation and integrated plant nutrition systems with organic materials. Around 113 000 farmers were trained through 5 500 field days and more than 8 800 demonstrations of improved practices which took place during the biennium. A total of around 60 000 farmers benefitted from fertilizer/inputs distribution schemes, covering some 92 000 ha.
- 1.54 As noted earlier, applied and adaptive research is included as a sub-component in a wide variety of field projects. Attention has also been given in 13 large-scale projects to strengthening the management and organization of national research systems and programmes, and to the development of regional research networks. The joint FAO/IAEA Division (based in Vienna) was responsible for important field activities, including notable work on nitrogen fixation and Trypanosomiasis control, involving nuclear techniques through the International Atomic Energy Agency (IAEA).
- 1.55 Concerning environment, several substantial projects were undertaken in the biennium to develop national conservation strategies. In addition, special procedures for environmental impact assessment have been developed and are being applied and tested in a wide range of field projects as an integral part of their design. Environmental concerns characterize many of FAO's field activities, and in one form or another, are incorporated in their design and implementation. A full account of FAO's support for the conservation and improvement of the natural environment, and the introduction of environmental considerations into its projects and programmes is provided in the Review of the Regular Programme 1988-89, Chapter TWELVE.
- 1.56 In the area of remote sensing, regional infrastructure in Africa was enhanced through two Trust Fund projects; substantial advisory assistance was provided to 12 countries, and more general support extended to projects in over 60 countries. In the area of energy, alternative sources of rural energy such as biogas, solar, geothermal

and wind energies continued to be evaluated in field activities during the biennium. Network approaches are numerous in this area, for instance in Europe where over 20 energy-related networks involve some 400 national institutions.

- 1.57 Member country requests for planning assistance and related training have continued their upward trend in this biennium, which accounts for the significantly increased share of this kind of activity in overall field programmes (as shown in Table 1.4). By end-1988, there were 220 on-going and pipeline projects, up from 183 and 114 two and four years earlier. There was also a marked increase in countries covered by such operational projects, some 103 in 1988 compared to 80 in 1986 and only 47 in 1984. Many of these projects are under the management of government-appointed National Directors, assisted - in 1988 - by over 120 internationally-recruited professional staff.
- 1.58 The increase in planning assistance requests during the biennium has been associated with stepped-up support for policy analysis, often linked to stabilization or structural adjustment programmes. Assistance has also been extended in this context for the formulation of national commodity policies and programmes. With respect to training in this area, for which 28 projects contain large components, priority has been given to training in policy analysis. Training in agricultural sector analysis, project planning, decentralized planning and policy analysis is expected to remain at the high level achieved in 1988-89, with further increases foreseen in both sector and policy analysis training.
- 1.59 As of December 1988, 57 food security projects were operational in 30 countries. There were also eight important regional projects underway. Particular emphasis is on assistance in managing national and sub-regional food information and early warning systems; 20 projects were active in this field, nearly all in Africa including two large projects for remote sensing for Eastern African countries as part of the sub-regional early warning system which FAO has promoted there.
- 1.60 The dynamic expansion of the Food Control and Standards Programme has been one of the main developments in the field of food and nutrition in this biennium. Twelve projects wholly in this area are now in operation, extending FAO's assistance to 16 countries under various forms of extra-budgetary funding. In addition, eight TCP projects on this subject have been completed. An important component of these projects is training in food control activities; the related strengthening of institutions and TCDC networking also feature prominently. Other areas of concentration include nutrition surveillance activities and the strengthening of country capacities in the management and use of data for food and nutrition policy planning and programming.
- 1.61 The volume of assistance in the field of agricultural statistics increased in the biennium. In 1988, around 120 experts and consultants assisted 50 countries in the preparation of agricultural censuses, the strengthening of overall systems of agricultural statistics, and the organization of annual crop surveys, as integral parts of approximately

100 projects. About half of these projects had broader objectives of food security, crop forecasting, agricultural development planning, etc., and included statistics as an important sub-component. Main emphasis is on strengthening national statistical capacities.

- 1.62 Rural development continues to be a major area of FAO field activities with significant components on-going in an estimated 600 projects funded by UNDP, Trust Funds and TCP. Main subject-matter areas dealt with include education, training and extension related to small farmers, and rural youth, as well as agrarian reform and land settlement, people's participation and cooperative development, and improving the role of rural women and women farmers. These extensive activities have involved the technical support of more than 300 field experts and consultants during the biennium, plus numerous qualified national personnel working directly within FAO's projects.
- 1.63 Forestry's share of field project expenditure, including forestry sub-components in other project categories, was well above the 12 percent identified for forestry projects as such (Chart 1.5). The number of operational projects fluctuated at around 250, and the total number of field staff and consultants deployed reached 558 in 1988 as compared with 503 in 1987. The share of consultants in FAO's forestry activities has grown from 17 percent in 1975, to 52 percent in 1988. During the biennium around 380 fellowships were awarded, and study-tour participants exceeded 500.
- 1.64 There has been further focus on the role of forestry in rural development and on integrated forestry development with significant increases in projects dealing with community forestry, wood energy development, agro-forestry and watershed management. This has not only brought about increased recognition of the contribution of forestry to food security and income generation, but has also highlighted the importance of environmental conservation and protection, including desertification control.
- 1.65 By 1989 over 60 tropical and sub-tropical countries were in the process of implementing the Tropical Forestry Action Plan with the funding support and assistance of some 20 donor countries, four major development banks, and 15 other international organizations. This important new programme reflects strong world-wide interest in global action for tropical forestry development and conservation, and related environmental protection.
- 1.66 As in the past two biennia, Fisheries field activities were oriented to implementation of the programmes of action approved by the 1984 FAO World Conference on Fisheries Management and Development. As of end 1988, there were some 350 experts and consultants engaged in 145 FAO fisheries field projects, plus some 100 national experts and consultants. Since fisheries resources are widely distributed and often migrate across national boundaries, there is a need for carefully-planned international cooperation for their management and development. Because of this, the Fisheries Department operates the largest share of inter-country projects in the FAO field programme.

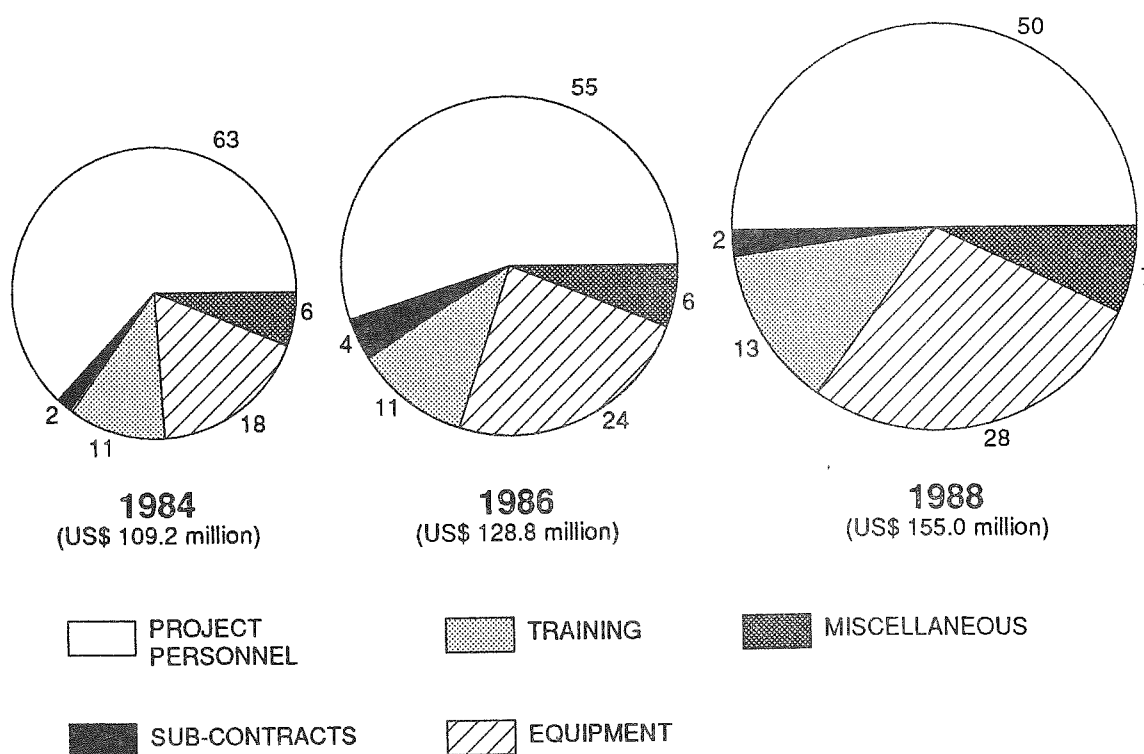
- 1.67 Among such inter-country projects, regional projects for aquaculture development in Asia, in Latin America, and in the South Pacific, and an inter-regional programme in aquaculture for local community development are prominent. The Norwegian research vessel, which operates under an FAO/UNDP global project, surveyed fish stocks along the Northern coast of South America in 1988 and, in 1989, the waters of the Eastern and Central Atlantic. A major new regional project is assisting the countries of Central America in the planning, management and development of fisheries. Several important projects continued to provide fish marketing and trade information services on a regional basis, while the integrated development of small-scale fisheries was promoted in the Bay of Bengal, West Africa, and the Red Sea.

C. MAIN PROJECT COMPONENTS

Main Components of Extra-Budgetary Expenditure on Field Projects in 1988

- 1.68 Trends in the "input-mix" of field projects are indicative of changing needs for technical cooperation. Gradual but persistent shifts in this regard are evident in Table 4 of the Statistical Appendix which lists yearly UNDP field project expenditure by major component 1980-88. The situation is further illustrated in Chart 1.6 below which highlights graphically the main components of FAO/UNDP field projects in 1984, 1986 and 1988.

Chart 1.6 - FAO/UNDP PROJECT EXPENDITURES 1984, 1986, 1988
(percentages)



- 1.69 Taking the most recent five-year period (1984-88), a number of significant changes bear mention. First and foremost is the decline in the predominant "personnel" component from as much as 63 percent (by value) in 1984, to exactly 50 percent in 1988. At the same time, the second most important component, equipment, rose sharply from just 18 percent of project inputs in 1984, to 28 percent in 1988.
- 1.70 In the case of personnel, the trend observed results in part from the increasing tendency to use short-term experts and consultants in place of long-term resident personnel, and to rely on national professionals and staff for more and more project activities, including management (i.e. National Project Directors).
- 1.71 The trend in equipment is closely related to that in personnel. As the technical and managerial capacities of countries are strengthened and more qualified national staff become available, the specialized equipment element in some instances becomes the scarce factor in efforts to promote development; in fact a few large recipient countries with qualified national staff prefer to allocate an increasing share of their UNDP IPFs to equipment.
- 1.72 Of other major inputs, the upward movement in the share of training (fellowships and formal training activities in projects) bears note. At 13 percent in 1988, this is the highest level of training achieved in the decade for FAO/UNDP projects. The sub-contracting component, on the other hand, has traditionally been a rather minor element in field activities, and - as shown - has fluctuated between 2 and 4 percent of the total value of FAO/UNDP projects. Miscellaneous expenditures include reporting, telexes and other communications, etc.

Table 1.5

MAIN COMPONENTS OF EXTRA-BUDGETARY EXPENDITURE
ON FIELD PROJECTS IN 1988

	FAO/UNDP	TRUST FUNDS percent	TOTAL
Experts/Consultants	50	51	51
Equipment	28	27	27
Training (formal)	13	8	10
Sub-contracting	2	7	5
Miscellaneous	7	7	7

- 1.73 In general, the distribution of expenditure among major components under Trust Fund projects does not differ significantly from that of FAO/UNDP projects. Indeed, in 1988 the share of personnel (51 percent) and equipment (27 percent) in Trust Fund projects was almost identical

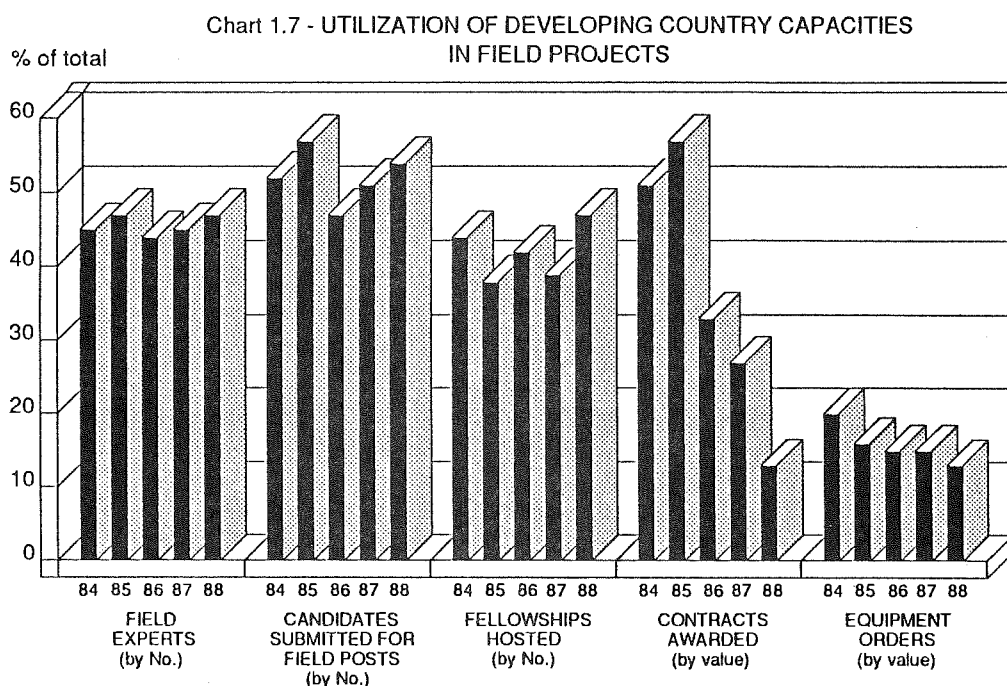
to that for FAO/UNDP. However, there were some differences. Expenditure related to the formal training component, for example, for fellowships and study tours was, at 8 percent; below the share reached under the FAO/UNDP programme. At the same time, the share of sub-contracting in Trust Fund projects, at 7 percent in 1988, has always been higher than in the case of UNDP-funded activities. Details of the situation in 1988 are indicated in Table 1.5 above.

Use of Experts and Consultants

- 1.74 As noted earlier, a major trend in the personnel component of FAO's field projects has been the steady shift away from the deployment of long-term resident experts towards the use of short-term expertise (i.e. contracts of less than one year) and specialized consultancies.
- 1.75 Thus, whereas in the mid-1970's an average of around 1 800 resident professional experts were working on FAO's field projects at any one time, this same figure was only about 1 230 at the end of 1988. But there were some 350 short-term experts and consultants under contract for field work at end-December 1988, approximately double the number under this same category in 1975. In addition, it should be added that, over the current biennium, the number of Associate Professional Officers (APOs) employed in field projects rose to nearly 300 (as compared to around 200 five years ago).
- 1.76 While the above trend in staff use is probably likely to continue, it bears mention that the recent rise in FAO/UNDP delivery appears now to be leading to a small absolute increase in the numbers of FAO resident experts. In part this may be due to the predominance in recent approvals of many institution-building/training and similar longer-term activities in Africa.
- 1.77 While the above analysis refers to internationally-recruited staff, there has - as already mentioned - been an increased tendency in field activities to utilize local technical expertise and management capabilities available in recipient countries. This important aspect is examined in detail in Chapter FOUR (Section C).

Inputs from Developing Countries

- 1.78 Trends in the use of internationally-recruited or contracted developing country capacities in FAO's field projects are shown over the past ten years in Table 7 of the Statistical Appendix, and - for the most recent five-year period - in Chart 1.7 below.
- 1.79 In line with long-standing resolutions and decisions in various UN fora, FAO considers it an important point to ensure that developing country capacities are tapped as fully as possible in the carrying out of field activities. Yet, in this context, progress has been mixed, as indicated in the diagram.
- 1.80 Most advances have been achieved in the area of internationally-recruited field experts, where close to half are now recruited from



developing countries (and where over half of all FAO's submissions to recipient countries involve field expert candidacies of developing country nationals). There is now a considerable pool of developing country experts, with highly relevant experience and expertise, for use in FAO's field projects world-wide. Besides being utilized for field staff positions (as noted in the Chart) this resource now also figures more prominently in the field consultancy services provided by the Organization, where consultants from developing countries now comprise close to 40 percent of consultant use, compared to well under 30 percent just six years ago. Parallel with the above trends, there has, as noted, been an increase in the use, as project staff, of nationals of the recipient country itself (these totalled over 500 in 1988 - mainly short-term, as described in Chapter FOUR).

- 1.81 The fellowships activity has also seen progress in increasing recourse to developing country facilities. In 1988 a record high of 47 percent of all fellowships awarded were placed in host institutions in developing countries. As such practice becomes more and more established, there is little doubt that this trend will accelerate in future years.
- 1.82 Where progress has been less notable has been in the area of equipment and material purchases, and sub-contracting. The developing country share of equipment provision to FAO's field projects has hovered within the 15 to 20 percent range in recent years, being only some 13 percent in 1988 (the latter figure may, however, be a considerable underestimate, since direct purchase orders from the field have risen considerably in 1988 and are not included in the calculation). This is an area of much attention within the UN system as a whole, and joint

efforts are being made - to which FAO fully subscribes - to step-up this share. However, rapid progress has proved elusive. For instance, the price preferential to be given to procurement from developing countries needs to be viewed in the context of rules and procedures calling for international cooperative bidding, as well as the stated preferences of recipient countries themselves.

- 1.83 Finally, while the sub-contracting share of developing countries was similarly low in 1988, this element is such a small portion of the value of field projects (3 percent), that variations may depend on just two to three large contracts.

D. INVESTMENT SUPPORT ACTIVITIES

- 1.84 Direct investment support, mainly in the form of assistance in the preparation of investment projects for funding by the World Bank and other development financing institutions, is carried out by FAO's Investment Centre. A description and analysis of FAO's investment promotion activities is given in Chapter THREE; below are highlights of the Investment Centre's work during the biennium.
- 1.85 Some 44 projects identified or prepared with Investment Centre assistance were approved for financing in 1988 (41 in 1987). Total investments in these projects amounted to US\$ 1 669 million, compared with US\$ 1 335 million in 1987. Of this amount, US\$ 1 025 million was in external loans and credits from financing institutions, the balance being committed by the 35 recipient countries.
- 1.86 This brings the total of Investment Centre-assisted projects approved for financing (1964-1988) to 752 in 108 countries, for total investments of US\$ 34.4 billion including supporting loans from financing institutions of US\$ 17.5 billion. A large proportion of the external resources committed to support Investment Centre-assisted projects has been on concessional terms: 59 percent in 1987, 64 percent in 1988.
- 1.87 In view of the greater emphasis placed by financing institutions on policy-based lending, the Centre's work during the biennium has included a number of sub-sector studies, which could provide a better framework for future investments. During 1988, the Investment Centre was involved in identifying or preparing 108 projects and 15 sector/sub-sector studies in 61 countries (in 1987: 103 projects and 12 sector/sub-sector studies). A total of 196 missions were mounted under the direct responsibility of the Centre during the year (197 in 1987). In addition, the Centre participated in 76 missions under the responsibility of financing institutions. In 1988 professional staff of the Division spent an average of 88 days in the field. During the biennium, over half the Investment Centre's work was directed to Africa.

FAO/World Bank Cooperative Programme

- 1.88 The FAO/World Bank Cooperative Programme (CP), with 60 professional staff posts, is the older and larger part of the Investment Centre. Nineteen projects prepared earlier with the assistance of the CP were approved for financing in 1988 for total investments of US\$ 1 222 million, including US\$ 519 million in World Bank loans and concessional credits from the IDA.
- 1.89 During 1988, the CP worked on a total of 48 projects for subsequent appraisal and approval (47 in 1987). These covered a wide range of activities including agricultural and rural development, irrigation and drainage, forestry, fisheries, livestock, research and extension, agricultural credit, and seeds improvement. In addition it carried out sector/sub-sector work in Benin, Chad, Ghana, Guinea, Uganda, Sri Lanka, Brazil, Costa Rica and Mexico. The Cooperative Programme also assisted in the preparation of 19 project completion reports (to evaluate the experience of projects after completion of loan disbursements) and was responsible for supervision of four on-going investment projects.

Investment Support Programme

- 1.90 In 1970 the Investment Support Programme (ISP) was formed to cooperate with institutions other than the World Bank. It has 42 professional staff posts. Twenty-five projects prepared with ISP assistance were approved for financing during 1988. Total investments in these projects are estimated at US\$ 447 million, including supporting loans of US\$ 343 million. During the year, the ISP worked on 60 projects (55 in 1987), of which 72 percent were in sub-Saharan Africa. It also carried out sector/sub-sector studies in Seychelles, Sri Lanka, Tunisia and Dominican Republic.
- 1.91 During the biennium, most of ISP work was carried out in cooperation with three financing institutions: IFAD, the African Development Bank and the UN Capital Development Fund.

Links between Technical Assistance and Investment

- 1.92 The Investment Centre continued its efforts to link more closely the pre-investment, technical cooperation activities of the Organization with investment. Particular attention was given to the follow-up of FAO/UNDP projects with investment potential. During 1988, the Centre visited and assisted 27 such projects judged on preliminary review to have investment possibilities. As a result four investment proposals were identified, with total investment requirements estimated at US\$ 41.4 million. Six of the investment projects approved in 1988, involving total investments of US\$ 66 million, were based on the work of FAO/UNDP projects.

Using TCP to Promote Investment

- 1.93 The Investment Centre is the operating division for two main types of TCP projects. The first carries out studies necessary to speed-up investment project preparation or appraisal: nine such studies were undertaken using TCP funds in 1988. The second type of project carries out more general studies from which a pipeline of investment opportunities may result: in 1988 TCP funded three such studies. Four of the investment projects approved in 1988 had benefitted from earlier TCP input.

CHAPTER TWO

ASSESSMENT OF FIELD PROJECTS

A. INTRODUCTION

- 2.1 For each biennium the Review of Field Programmes presents a comprehensive assessment of the performance of the Organization's field operations. The purpose is to provide a frank and objective picture of the effectiveness and efficiency of those operations, and to attempt to identify common difficulties and pitfalls, strengths and weaknesses, so that lessons can be derived for improving future performance. In line with a two-pronged approach to this subject, established at the beginning of the decade, the present exercise relies principally on: (i) a summary of country-by-country surveys of projects by FAO Representatives (undertaken in early 1989), and (ii) a synthesis of individual project evaluation findings (covering the years 1987 and 1988) compiled by FAO's Evaluation Service.
- 2.2 The FAOR survey includes the entire range of FAO's projects in each of the countries concerned, and inevitably involves subjective judgement, since most of the persons consulted, and the FAORs themselves in many instances, have a role in the planning and operations of the projects in question (although they are not directly responsible for their formulation and management). This being said, a very considerable degree of critical frankness was evident in the FAOR responses. On the other hand, the evaluation synthesis has tended to concentrate on a much more limited sample of relatively large-scale projects (a number of which were known to have run into difficulties), for which independent and in-depth evaluation studies have been carried out in accord with detailed common criteria. It also bears note that the time frames of these assessments differ significantly. While in the FAOR survey results are examined over the last three biennia, in the evaluation synthesis the outcome of evaluations in 1987-88 is contrasted with that of evaluations conducted in 1981-82 (when the number of 'problem projects' in the sample was high). Thus the two exercises, while intended to be complementary, do not lend themselves to strict comparison.
- 2.3 In recent years, the quality of FAO's project evaluation work has been strengthened (in particular since the introduction of revised and improved procedures by both FAO and UNDP) and the Evaluation Service is now closely involved in guiding and scrutinizing the work of individual project evaluation missions - resulting in more systematic and complete reports. On this occasion, the evaluation synthesis includes an assessment of the difficulties facing projects in LDCs, and ways and means of overcoming these, as revealed in a detailed comparative analysis of evaluation results with reference to specific project examples. The chapter also contains a special review of projects, mainly implemented between 1985 and 1987, under the Agricultural Rehabilitation Programme for Africa (ARPA).

- 2.4 While the biennial assessment reported here is clearly a major exercise, with important implications for feedback into the design and execution of new and even on-going activities, it bears emphasizing that FAO's field projects are subject to continuous examination and review from a wide variety of viewpoints, at both headquarters and field levels. Besides the hundreds of Tripartite Reviews of projects carried out at country level each year (involving FAO, governments, UNDP or other donors), and detailed evaluations undertaken by independent missions (as synthesized in this chapter), FAORs report twice a year on the overall development and implementation of the field programme. Project managers and Chief Technical Advisers (CTAs) report every six months on progress achieved by their individual projects - for guidance from headquarters operational, technical and administrative units. Moreover, the normal supervisory and backstopping visits of FAO's operational and technical staff provide a further check on project progress, and often lead to recommendations for change.
- 2.5 During this biennium, the Field Programme Committee - under the chairmanship of the Assistant Director-General, Development Department and comprising the Directors of the divisions involved in field programme development and operations - has been particularly active in reviewing current procedures and methodology which apply to the entire field project cycle (from project conception through planning, formulation/design, implementation, termination and follow-up). This intensive work by senior operations, technical, and administrative staff has resulted in a series of inter-related modifications and changes being introduced in procedures, including some increased devolution to the field, designed to facilitate and reinforce the management of FAO's project operations at all stages. The package of such measures agreed by the Committee, some 33 elements in its first stage, is now being closely monitored. The improvement of project operations is a permanent item on the Committee's agenda.
- 2.6 The biennium has also witnessed productive liaison between FAO and UNDP in reviewing problems and difficulties encountered in the planning and implementation of that major field programme. While much of this activity takes place on a day-to-day basis between the officers concerned in both organizations, in 1988 and 1989 intensive high-level reviews of the entire FAO/UNDP programme were undertaken in Rome, on a global and regional basis, involving the senior management staff of both institutions. FAO has also been closely involved with UNDP, including in joint field trials, in the introduction of more systematic project monitoring systems. The biennium also saw cooperation between FAO and UNDP in initiating the preparation of new UNDP support cost reimbursement arrangements (which will apply from 1992 onwards), as reported to the 58th Programme Committee and 66th Finance Committee.
- 2.7 Regular consultations and project and programme reviews with major Trust Fund donors have been intensified during the biennium. This has in several important cases led to improved approaches in the carrying out of these kinds of activities, including the establishment of special programming and formulation facilities, and new financial management procedures permitting greater operational flexibility. In order to further harmonize procedures, key elements of the new revised UNDP project document format have also been applied to Trust Fund projects.

- 2.8 Finally, it should be mentioned that - in part resulting from the lessons learned from project assessment and evaluation as reported in this document - FAO has, since 1985, been providing staff training courses in improved design and formulation of its technical cooperation projects. These have been expanded during the biennium. To date some 300 headquarters and field staff have participated in 35 specially designed courses in this connection, which are also open to interested staff from sister agencies. It also bears note that special intensive briefing courses at headquarters are now being offered for National Project Directors (as described in Chapter FOUR, Section C).

B. PROJECT ASSESSMENTS BY FAO REPRESENTATIVES

- 2.9 In early 1989 FAO Representatives conducted a survey of the performance of operational and recently completed projects in their countries of assignment, according to guidelines and a simplified assessment methodology which has proved useful in similar earlier exercises. In carrying out this survey, the Representatives consulted with CTAs and project personnel in the field, concerned national government and local officials, with UNDP field staff, and - where appropriate - with the field representatives of multi-bilateral donors.
- 2.10 Seventy-three FAO Representatives provided their in-country assessment on this occasion (as reported here in summarized form). While the quality and completeness of this work obviously varied depending on the FAOR and the circumstances of the country concerned (e.g. in a number of countries, because of natural or man-made disasters, the survey proved problematic), the exercise for the present two-year period includes greater project and country coverage than ever before.
- 2.11 The survey reported here comprises two basic elements, viz.: (i) a ranking of projects on a scale from 1 (very poor) to 5 (very good) according to six basic performance features (**objectives, design, government involvement, output, transfer of skills, follow-up prospects**), and (ii) qualitative comments on project performance where the FAORs have been encouraged to discuss objectively the real obstacles that impede project effectiveness, as well as the ingredients, as seen from their perspective, for success.
- 2.12 As in 1986-87, the FAO Representatives were asked to apply the ranking exercise only to operational or recently completed UNDP and Trust-Fund projects, and to omit projects which were at an early stage of implementation. As regards TCP projects, the FAORs were requested to provide an overall assessment of their effectiveness during the period, and of the main uses to which these very small-scale quick disbursing projects have been applied.
- 2.13 As shown in table 2.1 below, the survey for this biennium contains a coverage of 598 UNDP and 190 Trust Fund projects, some 788 projects in all, in 85 countries. Compared to previous biennia, this represents a

significant further increase in the total number of projects assessed by the FAORs. In particular, the number of UNDP projects included has risen by about 30 percent from 1986-87, reflecting the stepped-up delivery under that programme. On the other hand, the number of Trust Fund projects assessed has again declined (by 27 percent), but this may be in part because the assessment excludes such Trust-funded activities as UNSO, OSRO, locust control, and others which are essentially different in nature and content - and therefore not strictly comparable with FAO's more usual technical cooperation activities (some of these types of projects had been included in previous surveys).

Table 2.1

PROJECT COVERAGE OF FAOR ASSESSMENT SURVEY

Funding source	1980-81 (49 countries)	1982-83 (71 countries)	1984-85 (77 countries)	1986-87 (81 countries)	1988-89 (85 countries)
UNDP	366	384	429	456	598
TFs	81	254	298	259	190
TOTAL	447	638	727	715	788

- 2.14 The tabulated results of the present survey, in contrast to the findings of the previous biennia, are shown in Table 2.2 below. The clarity of project objectives (78 percent of ratings "good" and only 5

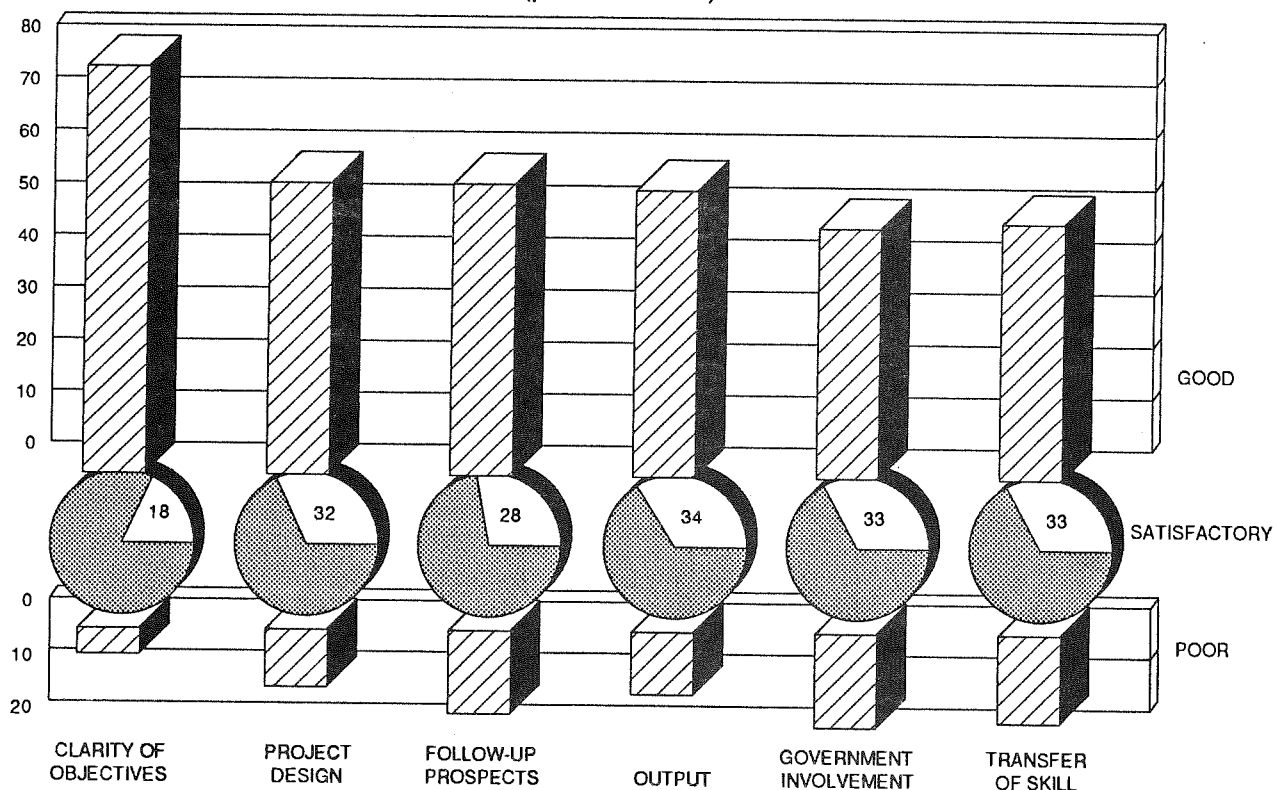
Table 2.2

ASSESSMENT OF FAO TRUST FUND AND UNDP-SUPPORTED FIELD PROJECTS
(percentage of those projects where factor was ranked)

Factors Biennium	Good			Satisfactory			Poor		
	84-85	86-87	88-89	84-85	86-87	88-89	84-85	86-87	88-89
Clarity of Objectives	81	79	78	15	16	18	4	5	5
Project Design	65	63	58	26	27	32	9	10	9
Government Involvement	54	49	48	31	30	33	15	21	18
Output	58	56	55	30	28	34	12	16	12
Transfer of Skills	50	47	49	31	30	33	19	23	17
Follow-up Prospects	59	53	56	28	27	28	13	20	16

percent "poor") continued to receive the highest marks assigned by the FAORs, while **project design** (58 percent "good", 9 percent "poor") and **project output** (55 percent "good" and 12 percent "poor") appear to have been at about the same standard of performance as before (though, as concerns **design**, there was a somewhat lower share of projects ranked in the "good" category). This pattern is shown graphically in Chart 2.1.

Chart 2.1 - ASSESSMENT OF FIELD PROJECTS 1988-89
(UNDP AND TRUST FUND PROJECTS)
(percent of total)



- 2.15 These results present a roughly similar pattern of perceived performance to that which was evident in 1986-87. However some differences bear note. In particular, it may be recalled that, in 1986-87, there was a drop (in contrast to 1984-85) in the FAOR ratings of performance factors of **government involvement**, **transfer of skills**, and **follow-up prospects**. This decline was especially notable, since these were areas in which progress appeared to have been achieved over the past 8-10 years. Although these factors remained relatively weak in 1988-89, there seems to have been a partial recovery (indeed, with the ranking of transfer of skills even slightly better than in 1984-85). Yet with 18, 17 and 16 percent of total projects in the "poor" category respectively, performance under these three factors must still give cause for concern.

- 2.16 From a reading of FAO Representatives' general and specific comments on project operations, it is clear that the continuing difficult economic and national budget situations of recipient countries is having its inevitable effect on a tripartite project system which assumes the availability of counterpart personnel, facilities and equipment and, where justified, the availability of staff and financial resources which can be earmarked for follow-up. But with the recurrent government financial stringencies, and the need for adjustment due to external indebtedness, such a situation has become the exception rather than the norm, particularly in LDCs. Yet, as a number of FAORs based in LDCs reported further below, there were notable cases where governments undertook extraordinary measures to ensure their role in project support.
- 2.17 There were considerable differences in the FAORs' ranking of projects in LDCs and non-LDCs, as indicated in Table 2.3 below. Some 366, or 46 percent of the 788 projects surveyed were operating in LDCs, whereas 422 (54 percent) were in non-LDCs.

Table 2.3

COMPARISON OF FAOR RANKING IN LDC AND NON-LDC COUNTRIES
(percentage of those projects where factor was ranked)

Factors Biennium	Good		Satisfactory		Poor	
	Non-LDCs	LDCs	Non-LDCs	LDCs	Non-LDCs	LDCs
Clarity of Objectives	85	70	13	23	2	7
Project Design	64	53	31	34	5	13
Government Involvement	56	39	29	38	14	23
Output	61	48	31	36	8	16
Transfer of Skills	59	39	29	37	12	24
Follow-up Prospects	59	52	30	26	11	22

- 2.18 As shown in the table, LDC project rankings were lower in all performance factors assessed by the FAORs. However, what is of interest is that certain factors were ranked relatively much lower than others. Whereas **clarity of objectives** was ranked lower, it is still notable that 70 percent of LDC projects were ranked "good" on this count, and that only 7 percent were ranked "poor". In the case of **project design**, 87 percent of LDC projects were ranked "good" or "satisfactory", with only 13 percent ranked "poor"; there is a roughly similar pattern as concerns **output**.
- 2.19 The most conspicuous differences occur in the three factors already mentioned of **government involvement**, **transfer of skills**, and **follow-up**

prospects; all were rated substantially lower in the LDCs. Compared to non-LDCs, these LDC-performance rankings are between 10 and 12 percent worse. Yet, it bears underlining that - in spite of the serious difficulties referred to earlier - more than three-quarters of the LDC projects were judged by the FAORs to have "good" or "satisfactory" performance under these three weakest factors, and that **follow-up prospects** were still "good" in the majority of cases.

- 2.20 The differentiated results suggest that, particularly in LDCs, projects considered to have "good" **objectives** and reasonably "satisfactory" **design** run into problems related to **government involvement** and **transfer of skills** (for the general reasons noted above). Yet the vast majority of these projects still produce "good" or "satisfactory" **outputs** and have "good" or "satisfactory" **follow-up prospects**. Some of the FAOR comments noted below allude to this situation. Though not strictly comparable, the analysis of individual evaluation reports for projects in LDC and non-LDC countries, as reported below in Section C, has served to highlight the underlying factors involved and to pinpoint the most common difficulties - and ingredients for success - of projects in LDCs.
- 2.21 A comparison of separate results for UNDP in contrast to Trust Fund projects revealed only marginal differences in performance ratings. While UNDP-funded projects displayed slightly higher ratings in the categories of objectives and design, Trust Fund projects appeared to have slightly less difficulties in relation to government involvement. This latter outcome may result from the fact that some Trust Fund donors have been willing to step in with extra-funding where governments fall short on their counterpart obligations, but the slight differences in ranking can hardly be judged significant.
- 2.22 As between regions, Asia and the Pacific continues to demonstrate the highest overall level of rankings - with the factors of **government involvement** and **transfer of skills** significantly higher than average. Quite a few countries in this region are extremely familiar with, and have developed efficient and well-established means for planning and making the best use of the technical cooperation provided by FAO; there is in many of the countries concerned a ready pool of qualified technical personnel. In contrast, the African region received generally lower ratings - reflecting the predominance of LDCs, whereas Latin America and the Caribbean were given relatively good marks by the FAORs in respect of the **transfer of skills** (numerous projects in that region are almost exclusively devoted to training).
- 2.23 As concerns TCP projects, it will be recalled that the FAO Representatives were not asked to rank these individually, but instead to give a summary assessment of their performance and progress (though there were many qualitative comments on individual TCP projects, some of which are reported below).
- 2.24 The performance of TCP projects has traditionally been very highly rated by the FAORs, and the same applies in this biennium. Most FAORs mentioned specifically recipient governments' strong appreciation of such projects, for their lack of "red-tape" and rapid implementation,

and for concrete results achieved. While a wide range of effective uses of the TCP were quoted, there was frequent reference to critical "bridging" operations - leading to larger-scale technical assistance or even investment activities (often involving bilateral donors). In a limited number of cases, however, FAORs cited frustrating delays in TCP project implementation and government disappointment with a slower FAO response than had been expected.

FAO Representatives' Comments on Project Performance

- 2.25 While the ranking exercise provides a broad overall view of the state of projects as seen from the field, and comparison with earlier years, the qualitative comments of the FAORs can provide informative insight into why certain projects appear to be working better than others. These comments were solicited from the FAORs both in respect to individual projects, and in connection with FAO field activities in their country as a whole. In them, a picture emerges - albeit subjective - of the reality of day-to-day problems, and means taken to overcome these, in project operations.
- 2.26 A few general comments on these responses are in order. The first concerns **project management** on the ground, something which several FAORs said should be included as a specific implementation factor in the ranking exercise. Much of what the FAORs had to say implied that the success or failure of projects had a great deal to do with the talent with which they were managed and, in particular, with the ability of project managers (national or international) and Chief Technical Advisers (CTAs - always internationally recruited) to adapt the content and direction of the project to continual changes within the country. This view seemed to be held in particular by FAORs based in LDCs, and may in part explain why many LDC projects still succeed in the face of the difficulties referred to earlier.
- 2.27 Examples of these changes were many and diverse, and included: senior staff changes in the Ministry or national/local institution to which the project was linked; the shifting roles and mandates of host institutions, including the rise of other institutions with similar functions (and which might prove a better link for the project); changed agricultural development priorities - possibly as a result of the above or a change of government; a pronounced weakening of the national financial/budget situation; the sudden transfer of key national staff dealing with the project (including counterparts); unforeseen shortages of essential materials (i.e. vehicles and petrol); and others.
- 2.28 In these circumstances the absolute usefulness of an elaborate and well-specified project design, as laid down in the project document (PRODOC), becomes relative. For this reason, many FAORs cited the need for flexibility, for a tendency towards constant (or at least very regular) revision of project workplans. This view, applies also to the time between the approval of the project and the start-up of activities on the ground - which can often be a period of 6-7 months. As one FAOR noted:

"Because of the rapidly changing situation, the objectives and design of an approved project are sometimes rather out of date by the time activities actually start-up. In such cases, it is imperative that the manager/CTA prepare revised workplans immediately on his arrival, and there may even be a need for a very early full Tripartite Review. This has happened in two cases".

- 2.29 Numerous examples were cited where one or more objectives of the original project design had become irrelevant (or much less relevant than foreseen), including where entire series of activities would best be suppressed, while others should be reinforced and/or added to. The ability to effect such changes was linked to the key factor of relevance and government interest, as noted by an FAOR based in Latin America:

"When it became obvious that the research/extension objective was no longer important (since it had been taken up under a national programme with the support of a large bilateral agency), revisions were made so that the project could concentrate on its other main objectives, including planning. Thus resources were concentrated in an area [regional development planning] where the government recognized and was very appreciative of the project's role".

- 2.30 On the subject of project management, there was frequent FAOR reference to certain new trends - and in particular the shift towards greater national direction in the form of National Project Directors. Here, the interplay of these managers with CTAs and other internationally-recruited staff - as well as National Directors' relations with their own institution/ministry - was seen as extremely important for good project management. This particular aspect is examined in Chapter FOUR (Section C).

- 2.31 Another dimension, not in the rankings but underlined in the FAORs' comments, was that of time. In a number of instances in both LDC and non-LDC countries, the actual time allocated to projects to accomplish their objectives was judged by FAORs to be insufficient. As an African-based FAOR noted:

"Most UNDP and TF projects have a duration of two, three, or four years at the most. Our experience is that this is sometimes inadequate to allow the proper planning and execution of activities which are expected to have a significant effect on future agricultural development. Technical assistance is a long-term investment in human resources, and this should be taken into account in setting longer project time-frames".

- 2.32 Indeed, failings in properly addressing the time factor in projects are (at least partially) reflected in the fact that many projects are extended into second, third and even more "phases"; and there have been objections to this practice with observations such as "the project was ineffective, so it had to be extended. This practice should be

minimized". The fact is that the project extension process is often simply an administrative means of recognizing that - to obtain the required impact - basic technical cooperation has sometimes to be on-going for much longer than allowed by present practice. As another African-based FAO Representative stated:

"A number of the larger projects, specially those dealing with training and building institutions, should have time horizons of seven-eight years, or even more. They should be evaluated/revised every two to three years, but they need at least that much time to have the necessary influence on the problems they are trying to solve".

2.33 Related to time, the need for a pronounced "programme approach" to assistance was alluded to by several FAO Representatives. Based on experience described in their countries, they considered that assistance should - to the maximum extent - be directed into main government priority areas (i.e. as set out in the national plan) in the form of long-running agreed programmes, subject to adjustment following periodic meetings between government, FAO and funding institutions concerned. While this approach might limit somewhat FAO's field interventions in areas outside these agreed programmes, it could facilitate management and backstopping, improve the coordination of efforts in particular sectors, and provide for a steady and predictable level of activities over a long time period. In some countries, FAORs implied that this was already the case.

2.34 The FAO Representatives rated performance in terms of **objectives and design** at a relatively high level. **Objectives** were generally seen to be well thought-out, clear and easy to understand. Recently, there has been much stress in project formulation training courses on setting realistic objectives and in the new project document framework of UNDP (of which essential elements are also being applied to Trust Fund projects) this is explicitly called for. Whereas in past biennia there were frequent references to projects with over-ambitious and unrealistic objectives, these seemed less in this biennium. A comment by an Asian-based FAOR was relevant here:

"In general, the new proposals being received appear much more realistic in their objectives than three or four years ago. The message seems to have been absorbed that field projects are but one part of a complex of development activities and that their purposes should take this into account".

2.35 There were, however, a number of comments criticizing the too-wide spread in the objectives of markedly multidisciplinary projects, arguing that projects with more narrow focus were easier to operate and service, and therefore more likely to succeed. An FAOR reference to a rural development project provides an example of this thinking:

"The project had simply too many objectives to suppose that such a wide variety of sectors could be dealt with all at the same time. Even if the design and budget allowed for this,

it was just not possible to deal on all fronts with subjects which no doubt should have been integrated, but never had been in the region".

- 2.36 Finally concerning **objectives**, there were a number of comments by FAORs suggesting that objectives had to be understood by all concerned, and that where these were interpreted differently, confusion had hampered progress. Thus, as one FAOR pointed out:

"It is important that objectives not only be explicit, but that they be in a common language understandable to government and counterpart officers. It is essential that this be checked out in the country first".

- 2.37 As shown in Table 2.2, only in less than 10 percent of projects did the FAORs rank project **design** as "poor". There has been much focus on improving project **design** recently, both in FAO (for instance with the expansion beginning in 1987 of special training courses in project formulation), and in UNDP, with close FAO collaboration in the introduction, in late 1987-88, of the improved project document format. While these recent efforts are not evident in the combined FAO Representatives' ratings of **design** on this occasion (since most projects surveyed were designed before 1987), their overall impact is expected to become significant.

- 2.38 In contrast to the setting of **objectives**, where almost 80 percent of projects was rated "good"; **design** was rated "good" in about 60 percent of cases - suggesting that, while numerous projects may have "good" **objectives**, their overall design is considered "satisfactory". In contrast to **objectives**, **design** is arguably a more complex factor to assess, and subject to more potential pitfalls as perceived by those who are involved with field projects. As one FAOR based in a Caribbean country noted:

"It is almost impossible for a project design to be exactly right, or even sometimes near to that, no matter how much care is taken. There are so many variables involved that a "fixed" design at the beginning will always require significant modification in practice. That being said, projects appear in general to be better designed than before".

- 2.39 Of all criticisms referring to this factor, those referring to project **design** as "too vague" were most frequent. As noted earlier, there was also some comment about **design** failing to take into account the time factor needed to transform project output into results. A number of FAORs stated that project workplans were not followed and/or kept up-to-date.
- 2.40 One design problem, which appeared to persist in too many instances is that of failing to assess the institutional environment in which projects are to be carried out. An FAOR based in a southern African country described such a case:

"The objectives are clearly and systematically spelt out but, in common with a number of other projects, the design can only be rated as fair having over-looked potential practical problems in implementation, notably the inadequacy of local institutional arrangements".

2.41 In an effort to address this kind of problem, FAORs are now consistently involved in checking the proposed local institutional arrangements for new projects, for which they now submit to headquarters a detailed analysis before the project document is finalized; a procedure intended to minimize such difficulties.

2.42 There were many positive examples given of useful **outputs** of projects - often in the face of serious problems such as the lack of counterpart staff and facilities. For instance, a large-scale FAO/UNDP project was judged by an FAOR:

"The project produced a sound basis, in terms of research and extension recommendations, conversion and transport and marketing studies, for the substantial expansion of the cotton industry - for which there are already very positive signs. The project work has already led to a large development bank loan being agreed for the sector".

2.43 There were many such encouraging remarks, suggesting that - even though most of the projects surveyed had not been completed - results and potential impact were already evident in a large number of cases. For this factor, frequent reference was also made to the concrete results of TCP projects. In one large Asian country the FAOR noted:

"Last year, approximately 20 percent of the poultry industry was destroyed by an unidentified virus. FAO responded quickly through TCP and provided expertise to identify the virus and start the process of damage control and treatment".

2.44 As noted earlier, serious difficulties continue to be encountered in this biennium in respect of **government involvement**, and the closely connected **transfer of skills**, particularly - but by no means exclusively - in LDCs. Here, a distinction needs to be made between government interest and **government involvement**. There is no evidence that recipient government interest in FAO's projects has declined, indeed - if anything - this seems stronger than ever before, judging from the large project pipelines now existing for new UNDP, Trust Fund, and TCP projects. The FAORs made frequent reference to this keen interest in most cases - both generally and in terms of individual projects. An FAOR in one of the poorest LDC countries noted:

"Though means are certainly severely limited, government attaches the highest importance to FAO's technical cooperation activities. In spite of the Ministry's recent budget cut-backs, all efforts have been made to see that projects are properly serviced and supplied with appropriate counterparts".

- 2.45 **Government involvement**, however, has been curtailed in recent years because of the well-known financial and budgetary difficulties characterizing the majority of countries in the developing world. Even in the case of a relatively wealthy country in Asia, the FAOR commented:

"A special problem is affecting the impact and success of projects in the country at this stage - the lack of counterpart funds. The national budgets for 1988 and 1989 were drastically cut compared to earlier years and all ministries operate with very reduced funds for development activities. There are almost no funds for construction of project facilities, travel, per-diem, overtime for staff, etc.".

- 2.46 This situation, in one form or another, is now unfortunately widespread, and it is a matter of which project design and implementation must more and more take account of. It is, of course, not only a difficulty for FAO projects but a problem generally; something which the UN development system as a whole has been addressing through its coordinating committee for operational activities [CCSQ(OPS)]. Increasingly, projects are covering, from international funding, items and elements which before were drawn from national budgets, and in some cases, special incentives are offered to secure the required levels of national staff participation.

- 2.47 In these circumstances the **transfer of skills** is inevitably affected, since - implicitly - part of this is intended to be conveyed through on-the-job activities of national counterparts (working with internationally-recruited personnel) and of course through the many more formal training courses, workshops, study tours, etc., which a majority of projects now comprise (formal training activities in projects are described in Chapter FOUR - Section B).

- 2.48 As concerns counterpart staff, there were numerous positive instances cited of national personnel working alongside project experts, and being progressively relied upon for essential project functions (eg. the preparation and undertaking of specialized training courses). One FAOR in a Near East country stated:

"One of the main positive results of this large-scale [mechanization] project has been the thorough practical training received by a series of counterpart officers. Valuable skills have been acquired that are being passed on in training courses by these counterparts, so that a considerable multiplier effect has been achieved".

- 2.49 However, there were frequent references to serious problems in this connection, as cited by an FAOR in a non-LDC African country. Here the project seems to have been effective in reaching its target group in spite of counterpart weaknesses:

"While the transfer of skills to farmers has been very good, the same cannot be said for counterpart field staff. Their institution has become very weak and underfunded. Poor pay has further contributed to the lack of motivation".

- 2.50 Since the fullest possible involvement of government counterpart staff constitutes a key aspect of most FAO field projects, and indeed of most technical cooperation projects of the UN development system, this would appear to have emerged as an area where a system-wide examination of problems involved is warranted. In some countries, the problems encountered are being resolved. Where there exist qualified pools of national professional technicians and administrators, increasing recourse is being made to the direct employment within projects of National Professional Personnel (NPPs - as discussed in Chapter FOUR). However, where the lack of technically-qualified nationals poses a serious constraint to agricultural development, the valuable informal "in-service" training of FAO's projects remains extremely important.
- 2.51 Although still negatively affected by the continuing financial stringencies in recipient countries, the **follow-up prospects** of many projects would still appear to be reasonably encouraging in the FAOR's view. Frequent instances were cited where project activities had contributed to the strengthening of national institutions, which were then in a position to undertake key tasks once FAO's input had terminated. Concerning a national planning agency, an African-based FAOR remarked:
- "The project is well on the way to accomplishing its tasks in the area of training in agricultural planning, policy analysis and compiling statistics. A counterpart team of local professionals from the host institution has been built-up which will be able to carry on effectively".
- 2.52 In many instances, FAORs observed that the FAO project formed just part of a chain of events promoting development, and was often in a position to fulfill a catalytic role. Diverse examples were cited of project activities being absorbed into large-scale development efforts, sometimes with the support of World Bank and Regional Development Bank funding, as in a case reported by an FAOR in a North African country:
- "The activities of the project are gradually being taken over in the context of a large rural development sector programme being financed by the World Bank. The project's output provided valuable basic information for this programme, and activities are now being transformed to meet the needs of implementation".
- 2.53 On the negative side, there was not infrequent reference to projects which had only limited **prospects for follow-up** (and for impact), for instance where the main output was studies and where there had been insufficient involvement and training of national personnel. Cases were also cited in this connection of improper institutional setting, where one or more institutions, which would invariably be involved in any follow-up, had been neglected in project activities. Yet, with these various constraints and deficiencies fully acknowledged, it is notable that such a large percentage of the projects surveyed were judged to have good (56 percent) or at least satisfactory (28 percent) **prospects for follow-up**.

C. SYNTHESIS OF EVALUATION REPORTS 1987-88

- 2.54 Each biennium, a synthesis of project evaluation findings ^{1/} is prepared as part of the feedback mechanism, to improve the formulation and execution of field projects. As in the past, this synthesis covers: (i) the evolution in the quality of evaluation reports, which has improved considerably in recent years, as a result of improved evaluation procedures; and (ii) the status of design, implementation and results of evaluated projects, as reported by the evaluation missions over the two years 1987-88.
- 2.55 A special attempt has been made in this synthesis to draw on the lessons of FAO-executed projects in LDCs with a view to identifying the critical factors which influence project achievements in these countries.
- 2.56 It needs to be emphasized that evaluation reports do not fully reflect the general performance of FAO's field programme, as projects subjected to evaluation tend to be those which require some corrective action due to operational difficulties. This trend was particularly strong in earlier years. However, in more recent years, when the annual number of evaluated projects increased, a larger proportion of problem-free projects were also subjected to evaluation, thus reducing the earlier built-in bias to "problem projects". This partly accounts for an improved picture of the general performance.

Evaluation Work: Missions and Reports

- 2.57 Evaluation missions are tripartite exercises, involving FAO, member governments and funding agencies. Persons who have been directly responsible for the selection, formulation or implementation of the project subjected to evaluation are normally excluded from evaluation missions. This procedure is essential in order to maintain objectivity and independence of judgement.
- 2.58 After successive increases in the early 1980s, the number of project evaluation missions has stabilized at about 70 missions per year. Between January 1987 and December 1988, 133 projects were evaluated by 130 independent missions. FAO participated in 129 project evaluations; donors participated in 128 evaluations and recipient governments, at their discretion, in 105 cases. The total resources committed over the two-year period by the three partners amounted to 251 work months for 417 participants, or nearly two work months per evaluation. This is in line with previous biennia.

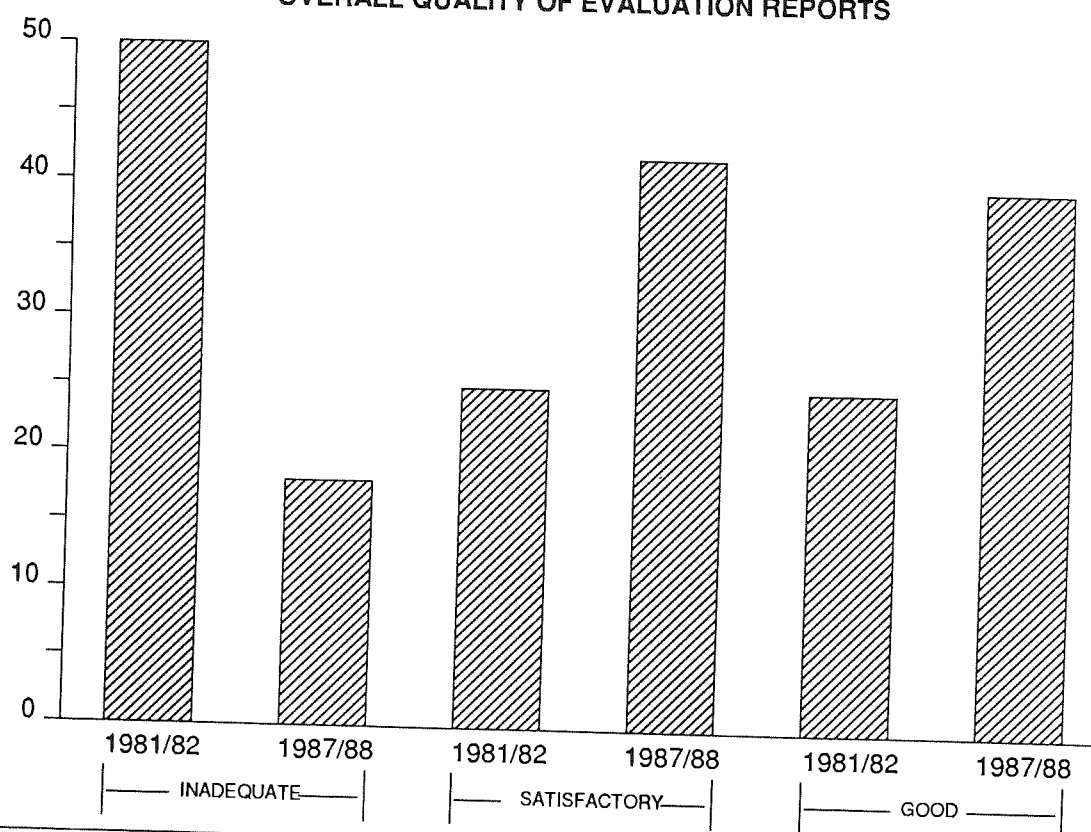
^{1/} The synthesis excludes project evaluations which are part of thematic evaluation exercises or other programme evaluations which are reported on separately and in the appropriate fora.

2.59 Africa received the largest share of evaluation missions (44 percent), followed by Asia and the Pacific (35 percent), North Africa and Near East (11 percent) and Latin America and the Caribbean (7 percent). Evaluations continued to be concentrated in the sectors covered by the Departments of Agriculture (48 percent of all evaluated projects), followed by Forestry (23 percent), Economic and Social Policy (18 percent), and Fisheries (11 percent). Nearly 60 percent of the projects evaluated were large-scale (with budgets over US\$ 1 million). Seventy-one percent of the projects were funded by UNDP, the remainder by Trust Funds.

2.60 Since the introduction of revised procedures for the conduct of evaluation by FAO (in January 1985) and by UNDP (in July 1987), the quality of evaluation reports has markedly improved. Missions are now guided in a more systematic manner to address all key aspects of projects (objectives, design, implementation, outputs and effects). Missions' terms of reference are systematically reviewed and cleared by the FAO Evaluation Service and missions are regularly briefed and debriefed at FAO Headquarters by both the concerned technical units and the Evaluation Service. Evaluation reports are subject to close scrutiny by the Evaluation Service and checked for internal logic and consistency. It is stressed that no attempts are made to modify missions' findings and recommendations, as they are considered to be the result of the mission's own independent observations and judgments. During 1987-88, only seven missions were fielded without observing the new UNDP procedures and the criteria set out in the FAO Guidelines for Evaluation.

Chart 2.2

OVERALL QUALITY OF EVALUATION REPORTS



- 2.61 Based on the criteria set out in the FAO Guidelines, the proportion of evaluation reports rated as good or satisfactory has increased from 50 percent in the 1981-82 to 82 percent in 1987-88, as shown in Chart 2.2. The share of reports judged to have been of good quality has increased from a quarter of the total in 1981-82 to 40 percent in 1987-88.
- 2.62 There is still room for further improvement in some key areas, particularly in analysis of project design, which was found to be inadequate in 31 percent of the evaluation reports in 1987-88. Most recommendations made by evaluation missions were judged to be operational and of immediate application (72 percent of the cases). However in 25 percent of the reports, there were some difficulties in applying all the recommendations made, and in 3 percent of the reports (4 cases) the recommendations were considered generally inapplicable or non-operational.
- 2.63 Persistent weaknesses in evaluation work appear to stem from two factors: insufficient time allowed for missions to carry out both their field investigations and report writing, and to inadequate familiarity of the mission members, especially the team leader, with evaluation concepts, techniques and terminology. During the period under review, the time available for 38 missions, or about 29 percent of all missions, was found to be insufficient in relation to their terms of reference. Some 56 missions, or about 49 percent of all missions, were fielded with one or more members unfamiliar with evaluation work. This is a serious difficulty experienced by all the UN agencies in evaluation work. To help remedy the situation, FAO has, as noted earlier, been holding headquarters courses since 1985 for staff in project formulation, which also include training in monitoring and evaluation. By April 1989, such courses had been attended by 300 persons.

Assessment of Project Design, Implementation and Results

- 2.64 The evaluation missions' findings on project design, implementation, outputs and effects are summarized in Table 2.4. The trend towards improvement in project design and implementation, when compared to the beginning of the decade (1981-82 data), is striking. This is a welcome trend particularly because improvements concern the areas which are more directly under the control of FAO, the donors and the governments. However, similar improvements at the level of project results appear slower to achieve; changes in the rating of outputs were insignificant, although effects under more projects were rated "satisfactory" (from 34 percent in 1981-82 to 61 percent in 1987-88). This optimistic assessment probably indicates an increased readiness on the part of beneficiary countries to make more successful use of project outputs in achieving the intended objectives.

Table 2.4

OVERALL ASSESSMENT OF PROJECT DESIGN, IMPLEMENTATION AND RESULTS

Key Aspect/ Evaluation Elements	No of Reports ^{1/} in which element was assessed		Percentage distribution of assessments rated as:			
			Good	Satisfactory	Unsatisfactory	
Biennium	1981-82	1987-88	1981-81	1987-88	1981-82	1987-88
Design						
- immediate objectives	45	124	11	47	29	39
- overall design	44	127	14	31	20	46
Implementation	57	117	12	32	42	52
Results						
- outputs	75	123	31	33	52	51
- effects	59	104	25	27	34	61

^{1/} Total number of reports: 80 reports in 1981-82; 133 reports in 1987-88.

Project Design

- 2.65 Good design implies that the project has an adequate hierarchy of intended results, well-defined beneficiaries, consistent links between inputs, outputs and objectives, and sufficient resources (manpower, equipment and other facilities) to produce the intended results. The proportion of well or adequately-designed projects has been steadily rising. In 1987-88, the design of 77 percent of the evaluated projects was rated as good or satisfactory compared with 34 percent in 1981-82. Nevertheless, selected design problems continue to affect a large proportion of projects (these factors are not shown in the table). These include inappropriate institutional framework (61 percent of the 133 projects evaluated in 1987-88), poor definition or absence of output targets (43 percent) and inadequate or unrealistic workplans (49 percent). Despite the considerable improvements since 1981-82, the share of projects considered as having a good design remain relatively low, 31 percent of projects evaluated in 1987-88.

Project Implementation

- 2.66 Experience shows that efficient implementation depends on a number of elements: (i) strong government support in terms of policy and funds; (ii) timely recruitment and adequate performance of national and international staff; (iii) appropriate and timely provision of equipment, facilities and other necessary inputs; (iv) effective project management, administrative support and FAO's technical backstopping.
- 2.67 In general, evaluation missions reports were positive on all these elements, and implementation in general was found to be "good" or "satisfactory" in 84 percent of the cases in 1987-88, compared with 54 percent in 1981-82. Remarkable improvements (good or satisfactory rating) were reported in: government policy support, 83 percent of evaluated projects in 1987-88 compared with less than half in 1981-82; staff performance, especially national staff, 81 percent of the evaluated projects in 1987-88 compared with only one-third in 1981-82; quality of project management, 74 percent of the evaluated projects in 1987-88 compared with 39 percent in 1981-82.
- 2.68 Other more routine implementation aspects have also shown a positive trend. For example, the provision of national staff, has improved as the share of those appointed without delays has increased to 74 percent in 1987-88 from 60 percent in 1981-82; likewise, governments' financial support was found to be sufficient in 77 percent of the cases (45 percent in 1981-82). In particular, international staff were more efficiently recruited; they were found to be fielded in a timely manner in 76 percent of the evaluated projects in 1987-88, compared with 41 percent in 1981-82.

Project Results

- 2.69 The overall picture is positive for 1987-88, with 84 percent of the project outputs and 88 percent of effects rated as good or satisfactory. However, it is a matter of concern that the share of evaluated projects with outputs and effects rated as "good" has remained almost constant since 1981-82.
- 2.70 In comparison to project outputs, the assessments of effects were made in fewer cases (104 projects, as compared to 123). This is probably because the generation of effects (i.e. use made of outputs by project beneficiaries) takes a longer time to emerge.
- 2.71 Most evaluation missions were fielded late enough in the project life to address the issue of follow-up (109 out of 133). Of these, 70 percent recommended follow-up action similar to the predecessor project, and only 25 percent proposed a different or extensively modified project. For the rest of the 5 percent, no follow-up was recommended, either because the donor did not foresee funding or because a larger investment proposal was under consideration.

Lessons from Project Experience in LDCs

- 2.72 To identify critical factors in project formulation and execution which influence performance and achievements in LDCs, the findings of 144 project evaluation reports in LDCs were reviewed and compared with similar findings of 136 evaluation reports in non-LDCs over the period 1985-1988. In particular, 21 of the evaluation reports considered to be of high quality were closely examined to shed light on the dynamics of success and failure of technical cooperation projects in LDCs.

Factors Affecting Project Operations in LDCs

- 2.73 It is commonly acknowledged that the LDCs as a group, sharing some distinct constraints, pose a special challenge with regard to the design and implementation of technical cooperation projects. In 1971, the Development Planning Committee of the Economic and Social Council (ECOSOC), used three criteria in defining LDCs: (i) per capita gross domestic product (GDP), (ii) percentage share of manufacturing in GDP, and (iii) adult literacy rate. These were taken as the most practical indicators of the level of development, given the paucity and unreliability of available information, and they have remained so, with only minor adjustments. The LDC group, which in the early 1970s included 25 countries has now grown to 42 ^{1/}. The LDC group has been the object of the Substantial New Programme of Action (SNPA) conceived by UNCTAD in 1979 and adopted by the First UN Conference on the LDCs in 1981. SNPA will be reviewed by the Second UN Conference on the LDCs, to be held in 1990.
- 2.74 The group is highly heterogeneous; some countries are land-locked, others are sea-locked and lie off the main shipping routes and many are located in or cover widely different agro-ecological zones. Yet, in spite of their diversity, LDCs share one characteristic: obstacles to development tend to loom larger than for non-LDCs.
- 2.75 In developing their agriculture and the rural sector, LDCs are confronted with a series of inter-locked issues. Chief among them are:
- (i) limited economic resources: inadequate capital formation due to low level of national savings; shortage of trained manpower and skills for development;
 - (ii) inadequate or rudimentary economic infrastructures (communications, energy, water, harbours, roads etc.) resulting in difficulties in organizing distribution channels and markets;

^{1/} Afghanistan, Bangladesh, Benin, Bhutan, Botswana, Burkina Faso, Burma, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Djibouti, Equatorial Guinea, Ethiopia, Gambia, Guinea, Guinea Bissau, Haiti, Kiribati, Lao P.D.R., Lesotho, Malawi, Maldives, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, Sao Tomé/Príncipe, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Tuvalu, Uganda, Vanuatu, P.D.R. Yemen, Yemen Arab Republic.

(iii) weak institutional basis: the capacity of government in support of development is constrained by inadequate development policies, weak planning and implementation machinery, as well as by limited fiscal capacity to mobilize domestic resources and expand the revenue base of the public sector; weak administration caused by the insufficiency of trained manpower; and limited mobilization of people in the development process.

(iv) inappropriate resource management: a threatened environment due to growing imbalance between traditional land use customs and rules and the need for preserving natural resources for future generations, often exacerbated by climatic factors; paucity of usable research results with few or no locally proven and appropriate technological packages to accelerate or expand agricultural production.

2.76 In 1971, the ECOSOC Committee for Development Planning stressed that "a comprehensive approach - that is covering both economic and social aspects - is required". With respect to technical cooperation, areas requiring special attention were indicated, inter alia, development of the national planning machinery and of national training programmes, including on-the-job training.

2.77 The First UN Conference on the LDCs also recognized that food and agriculture and rural development should receive the highest priority in the national development plans and strategies of the LDCs. It recommended inter alia, the provision of increased budgetary resources for agriculture and related activities as well as priority for the implementation of policies and programmes for greater people's participation in development and for improving rural social infrastructures.

2.78 The international community was called upon to provide increased technical and financial assistance. A mid-term review of progress accomplished in the LDCs, carried out in 1985, found that food and agriculture were critical areas. Only seven of the then 36 LDCs recorded positive growth in per caput food output during 1980-85. The review reiterated the need for introducing coordinated food strategies for the LDCs, including promotion of cooperative development, appropriate price policies for agricultural inputs and measures to ensure full participation of the rural people. Donors were urged to make firmer commitments of technical, financial and food aid that should be integrated into long-term agricultural and food development plans. It is against this general policy background that FAO's field projects in support of development in LDCs must be viewed.

Profile of Evaluated Projects in LDCs

2.79 FAO's field activities have shifted in favour of LDCs, as shown in Table 2.5. The share of projects in LDCs, both in number and financial allocation, increased from about a third of the total FAO field programme at the beginning of the decade to about one-half in 1988.

- 2.80 As will be shown in this section, the profile of evaluated projects in LDCs reflects UN concerns and recommendations. However, as the evaluated projects form a limited sample of FAO's total field activities in LDCs, the picture emerging from the analysis of project evaluation reports is merely indicative of the main orientation of FAO's technical cooperation with LDCs.
- 2.81 An analysis of the main characteristics of the sample projects reveals a number of significant differences between LDCs and non-LDCs, both in terms of physical and human resources committed as well as areas of support.

Table 2.5

EVOLUTION OF FAO'S FIELD PROGRAMME IN SUPPORT OF
LDCs COMPARED TO NON-LDCs

	<u>No. of projects 1/</u>		<u>Allocations</u> <u>(US\$ million)</u>	
	<u>1981</u> (as of Jan.)	<u>1988</u> (as of Dec.)	<u>1981</u> (as of Jan.)	<u>1988</u> (as of Dec.)
Field Projects (total)	1 852	2 062	954.7	1 486.8
Field Projects (LDCs)	610	985	305.9	756.7
Share of LDCs in total (percent)	(33)	(48)	(32)	(51)

1/ Excludes regional, inter-regional and global project

- 2.82 With respect to **resources** allocation, projects in LDCs provide more substantial inputs; 12 projects in LDCs (8 percent of the total evaluated projects) have budgets over US\$ 4 million, as against six projects (4 percent of the total evaluated projects) in non-LDCs. Among the evaluated projects in LDCs, 31 projects (21 percent of the total) had a duration of more than five years as against 24 projects (18 percent of the total) in non-LDCs.
- 2.83 An attempt has also been made to classify projects on the basis of their major **area of support** or component. As shown in Table 2.6, a larger proportion of evaluated projects in LDCs (29 percent) have been multi-component/multi-sector projects, with large budgets, compared with 23 percent in non-LDCs. In terms of resource allocation, these multi-component/multi-sector projects in LDCs absorbed 44 percent of

the budgets of 144 projects compared with 27 percent of the budgets of 136 projects in non-LDCs. Because of their low status of development and weak government support services, projects in LDCs resort more readily to comprehensive, area-development projects that embrace all aspects, technical, economic and social. This tendency also corresponds to the recommendations made by the ECOSOC Committee for Development Planning.

Table 2.6

PROFILE OF EVALUATED FAO EXECUTED PROJECTS IN LDCs AND NON-LDCs
(on basis of sample of 280 projects evaluated during 1985-88)

Type of Project	Number of projects		Budget allocations (US\$ million)	
	LDCs	non-LDCs	LDCs	non-LDCs
Multi-component projects	42	31	134.4	54.2
Single-component projects of which:	102 (100)	105 (100)	168.6 (100)	145.8 (100)
• Policy and Planning	10 (10)	8 (8)	10.2 (6)	5.1 (3)
• National Research	7 (7)	7 (7)	20.0 (12)	12.1 (8)
• Agricultural Inputs and Services	48 (47)	41 (39)	87.2 (52)	65.5 (45)
• Training and Extension	20 (20)	21 (20)	28.0 (17)	24.5 (17)
• Natural Resources Management and Conservation	17 (17)	28 (27)	23.2 (14)	38.6 (26)
TOTAL	144	136	303.0	200.0

- 2.84 Single component projects were also examined to identify the main thrust of activities. The largest share of resources went to agricultural inputs and services in both LDCs and non-LDCs, but the proportion was larger in LDCs (52 percent of the total budget compared with 45 percent in non-LDCs). The explanation probably lies in the

fact that LDCs, confronted with successive emergency crises, tend to resort more readily to short-term measures for immediate relief (such as production inputs) rather than the preservation of the environment as a long-term proposition. The smallest share was for policy and planning support for both groups, but here again, the proportion was greater in LDCs (6 percent) than in non-LDCs (3 percent). Generally, in terms of resource allocation, greater emphasis is placed in LDCs on policy and planning and national research support, while the same weight is given to training and extension in LDCs and non-LDCs. Assistance in the management and conservation of natural resources, on the other hand, is lower (14 percent in LDCs compared with 26 percent in non-LDCs).

Performance and Results of Projects in LDCs

- 2.85 Table 2.7 shows the rating of output and effects for LDCs and non-LDCs based on the evaluation reports. It should be noted that the "unsatisfactory" rating for both groups of countries is the same. However, in comparison to non-LDCs, a much smaller proportion of projects in LDCs received "good" rating. Twenty-four percent of the projects in LDCs were judged to have produced good outputs compared to 31 percent in non-LDCs, and 20 percent achieved good effects compared to 33 percent in non-LDCs. The percentage of projects rated as "satisfactory" is larger in LDCs than non-LDCs, reflecting a tendency towards average results in the former compared with the latter.

Table 2.7

ASSESSMENT OF PROJECT OUTPUTS AND EFFECTS IN LDCs
AND NON-LDCs 1985-1988
(percent distribution)

Assessment	Outputs		Effects	
	LDCs	Non-LDCs	LDCs	non-LDCs
Good	24	31	20	33
Satisfactory	65	58	68	55
Unsatisfactory	11	11	12	12
No. of Reports in which outputs and effects were assessed	139	125	123 ^{1/}	112 ^{1/}

^{1/} Number of reports in which overall effects were assessed is smaller because at the time of evaluation, effects had not always emerged.

Absorptive Capacity and Institutional Problems in LDCs

- 2.86 To probe the differences in absorptive capacity between LDCs and non-LDCs, an investigation has been made of the extent to which positive effects were obtained by project component (policy and planning support, research, training, etc.). The results, presented in Table 2.8, generally confirm the conclusions that the LDCs, in comparison to non-LDCs, show a reduced capacity to absorb and use effectively the outputs produced by the projects in all areas, except management advice.

Table 2.8

EFFECTS OF SELECTED DIFFERENT PROJECT COMPONENTS
IN LDCs AND NON-LDCs (1985-1988)

Project Component	Number of evaluation reports assessing effects		Percent distribution of effects rated "good" in:	
Activity	LDCs	non-LDCs	LDCs	non-LDCs
Policy/planning	61	59	25	29
Management advice	69	49	27	26
Survey/Research	121	119	24	31
On-job training	106	87	29	40
Farmer/producer training	60	44	22	30
Fellowships	88	85	33	35
Extension	78	58	27	31
Farm inputs and services	53	31	34	52

- 2.87 The largest differences were observed with respect to farm inputs and services (34 percent rated as "good" in LDCs against 52 percent in non-LDCs); on-job training (29 as against 40 percent); farmer/producer training (22 as against 30 percent); use of survey/research results (24 as against 31 percent); policy and planning support (25 as against 29 percent) and extension support (27 as against 31 percent). Conversely, the differences were minor with respect to benefits derived from fellowships (33 as against 35 percent) and management advice.
- 2.88 The evaluation reports consistently reveal that the capacity of LDCs to implement policy and planning advice, to use the results of surveys or research, to successfully apply farm inputs and services, to profit from on-job training and to effectively organize farmer training and other extension activities is seriously curtailed by the lack of skilled national personnel. All too often, the national institutions

are too weak to use the output of projects effectively. The reasons usually are that the institution assisted by the project is short of staff and equipment, has little or no financial resources, and is often poorly coordinated with complementary institutions, which often find themselves in similar conditions.

- 2.89 A project to establish a national fertilizer inputs unit in an African country well illustrates the type of difficulty encountered. With a budget of US\$ 2.2 million, it was expected, in the course of three years to: (i) develop, in close collaboration with the national Institute of Agricultural Research, fertilizer use recommendations; (ii) review and recommend improvements in the national systems for fertilizer supply and demand projections, for fertilizer procurement and distribution and for farm credit and collection; and (iii) develop policy options for fertilizer and other inputs use, including price policies. The project did succeed in contributing to national awareness of the importance of fertilizers in raising food production on small farms. And, as the mission noted, "it was this awareness that led to some 97 000 tons of fertilizers being imported for the peasant sector in 1986-87 at a cost of US\$ 18 million". But in the short time allowed, the project could not achieve its institution-building objectives. There were several serious constraints, chief among which was the unstable national institutional framework. At the time of project identification, as the mission reported, national institutional structures were "in a stage of transition". During project implementation, government structures were decentralized and, with the transfer of national personnel to zonal offices, the project's host agency faced an "extremely constrained" staff position at headquarters. No full-time counterpart staff was ever provided to the project. Moreover, coordination within the Ministry of Agriculture and with the national Institute of Agricultural Research remained unsatisfactory.
- 2.90 On the other hand, the mission found that sufficient staff had been allocated to field trial sites. Although work at the sites suffered from high staff turnover, it proceeded according to "surprisingly high standards of accuracy and husbandry". This was made possible by a number of favourable factors: (i) adequate resources were provided to the trial sites to conduct work; (ii) a comprehensive in-country training programme improved the skills of both field trial site managers, local agronomists and rural coordinators; (iii) clear and comprehensive guidelines were issued covering the purpose of the trials, site layouts and crop husbandry; (iv) a systematic scoring system was used by the project to monitor and closely backstop field site selection and the work conducted; and (v) finally, work was facilitated by the issue of fertilizers in prepared numbered bags of the appropriate quantities.
- 2.91 As a result, a strengthened national trials programme was successfully developed, and, in the mission's judgment, "would probably continue in the absence of the project". What made the trials programme sustainable was the satisfactory level of skills achieved by local staff. The difficulties, however, remained at the higher management level. The mission noted, "the national capacity to direct the

evolution of the trials programme and ensure that new generations of trials address priority local problems has yet to be developed. Similarly, there is as yet no national capacity for the analysis of trial results, although the available computing facilities and programmes are a significant output of the project".

- 2.92 The major lesson to be drawn from this experience is clear: for effective institution-building, a first requirement is that national staff at all levels be provided to benefit from on-the-job training opportunities, and secondly sufficient resources and time be built in the project design to produce the key outputs. If this is not done, projects tend to produce other outputs, often of immediate use to the recipient country, but not contributing to strengthening national capacity. For example, a project in a Near East country was intended to develop a national capacity for the design and construction of surface water conservation structures (diversion dams, off-bed reservoirs etc.). At the request of the Government, the project actually ended in designing ten dams (of which five were either under construction or completed at the time of evaluation). But the opportunity to train national staff was lost because no staff was ever assigned to the project.
- 2.93 However in some cases, training targets may be fully achieved, yet the expected institution-building effect does not automatically ensue. How this may occur is well documented by the experience of a project in an Asian country to strengthen the Department of Soil Conservation and Watershed Management. All training targets were met, and the project was judged to have successfully contributed to the country's "substantial and growing cadre of well-trained soil and water conservation specialists". Yet, it did not achieve fully its institution-building objective mainly because the host institution underwent a major reorganization, which altered the institution's mandate. At the time of evaluation, the new mandate was still not finalized.
- 2.94 Thus, design and implementation of institution-building projects in LDCs should take a realistic account of a complex set of problems related to (i) low manpower availability and skills; (ii) instability in institutional structure, and (iii) long-time framework for sustained assistance.

Major Features of Successful Projects in LDCs

- 2.95 How should technical cooperation be oriented and implemented to achieve success in LDCs? An attempt has been made to draw lessons from the group of successful projects, defined as those whose overall outputs were judged to be appropriate and effects were rated as "good" by evaluation missions. The comparative analysis covers key design and implementation elements which account for successful performance and results in both LDCs and non-LDCs. The results are summarized in Tables 2.8 and 2.9.

Table 2.9

**ASSESSMENT OF KEY DESIGN ELEMENTS IN SUCCESSFUL PROJECTS IN LDCs
AND NON-LDCs**

Design of Element	Number of evaluation reports in which element is assessed		Successful projects ^{1/} percent distribution elements rated "good"	
	LDCs	non-LDCs	LDCs	non-LDCs
Relevance of immediate objectives	25	31	64	77
• Adequacy of duration	24	28	58	50
• Adequacy of project management structure	23	25	57	56
• Logical sequencing of activities	19	26	47	58
• Adequacy of host institution	24	25	42	52
• Adequacy of means to achieve ends	21	30	33	50

^{1/} The group of successful projects includes all those whose outputs (rated "satisfactory" or "good") have produced "good" effects. It contains 25 projects in LDCs and 37 projects in non-LDCs; a similar analysis was carried out on the group of unsuccessful projects, but no additional tables are provided here as the situation is essentially a mirror image of the one prevailing for successful projects.

- 2.96 Compared to non-LDCs, projects in LDCs clearly suffer from relative weaknesses in design as shown in Table 2.9. The relevance of immediate objectives appears as a major element determining success in both LDCs and non-LDCs (it shows the highest ratings in both LDCs and non-LDCs). There is, however, considerable room for improvement in the formulation of projects' immediate objectives in LDCs (64 percent rated "good" as against 77 percent in non-LDCs). Likewise, the potential exists for improving the adequacy of means to achieve ends (33 percent rated "good" as against 50 percent in non-LDCs), the adequacy of the host institution (42 percent as against 52 percent in non-LDCs) and the logical sequencing of activities (47 percent as against 58 percent in non-LDCs).

- 2.97 Successful projects in LDCs tend to fare better than those in non-LDCs in two areas only: their planned duration is clearly more adequate (58 percent rated "good" as against 50 percent in non-LDCs) and their management structure is just as good if not slightly better (57 rated "good" as against 56 in LDCs). Thus, it appears that as a result of a more effective management structure and a more realistic (longer) duration of planned activities, projects in LDCs succeed in compensating for relative weaknesses in other design features, such as an inappropriate institutional framework and insufficient means to achieve ends.

Table 2.10

ASSESSMENT OF KEY IMPLEMENTATION ELEMENTS IN SUCCESSFUL
PROJECTS IN LDCs AND NON-LDCs

Implementation Element	Number of evaluation reports in which element is assessed		Percent distribution of elements rated "good"	
	LDCs	non-LDCs	LDCs	non-LDCs
Quality of project management	21	24	62	58
Effectiveness of FAO personnel	20	27	60	63
Government Policy support	25	29	40	55
Usefulness of FAO provided equipment	20	26	35	42
Effectiveness of national staff	22	25	32	36
Effectiveness of workplans	17	25	29	44
National admin- istrative support	18	24	28	38

- 2.98 With respect to implementation, as shown in Table 2.10, all ratings in LDCs are lower in the column "good", with one exception: quality of project management, for which the situation is reversed. Compared to non-LDCs, there is obviously room for strengthening government policy support (40 percent rated "good" as against 55 percent in non-LDCs), improving national administrative support (28 percent rated "good" as against 38 percent) and making work plans more effective (29 percent rated "good" as against 44 percent).

- 2.99 The implementation elements which most clearly determine success in LDCs are the effectiveness of FAO personnel (60 percent rated "good") and the quality of project management. The latter plays a more decisive role in LDCs than in non-LDCs (62 percent rated "good" as against 58 percent in non-LDCs). Thus, in successful projects in LDCs, it is the human resources available to the project, in terms of both personnel and management, which succeed in compensating for a much lower level of government policy and administrative support compared to non-LDCs.
- 2.100 Tables 2.8 and 2.9 together indicate that project success in LDCs is highly dependent on (i) the relevance of immediate objectives; (ii) the quality of project management; (iii) the effectiveness of FAO personnel; and (iv) the adequacy of project management structure, in that order (these four elements are given the highest ratings for projects in LDCs in both tables). Other design and implementation elements may be weaker or even absent, yet projects which are strong in the above four elements generally succeed in achieving most of their objectives. A project to sustain the integrated development of fishery communities in an African country is a case in point.
- 2.101 The original project, while satisfactory with respect to the relevance of its immediate objectives (i.e. improve through people participation the income and welfare of coastal, artisanal fishing communities), was unclear on two aspects: with whom the project was to work and what type of institution it was to promote. The project was to establish a "high quality Central Fisheries Development Unit Team" at regional level plus similar units at a lower, village level, without clarifying what type of organization was intended. The real danger here was that such an objective might have been mistaken for a call to establish a new paternalistic enclave-type institution. Instead, the project staff, both national and international, demonstrated a good understanding and constructive use of the concept of integrated development of fishing communities. As the mission noted, "because of excellent field management, the process of formulation and project document has not been a significant constraint on project performance" or results.
- 2.102 In spite of its limited budget, compounded by lack of foreign exchange in the country, the project managed to finance the necessary inputs from local currency proceeds of the sale of fishing nets and gear. Moreover, it stimulated active people participation; food aid from WFP in the form of rice was successfully used as an incentive for unpaid workers to rebuild a road; village-based cooperative activities were promoted and rapidly became popular, in particular retail store operations. Under the good managerial guidance of the project, the established stores soon became the commercial suppliers of fuel and lubricants, rice and sugar and performed a critically needed credit and savings function for the target group. The store operations were judged by the mission to be "the single most important contribution to the fishing economy of the region".
- 2.103 Through such means, the project was successful in introducing new technologies. A major accomplishment was the design of a practical outrigger for local canoes which, apart from being safer than the

traditional type, made it possible to fish in more distant grounds and catch different stock of fish. A local mechanical repair capacity was also successfully introduced. The repair facility remained constrained, however, by the non-availability of spare parts, attributed to the scarcity of foreign exchange. The mission judged that project sustainability depended on the provision of spare parts and the fact that community-based activities have not yet been established long enough to weather an unfavourable event (such as weaknesses in the management of the retail stores). Thus, the project, while successful in overcoming the weaknesses in its design, could not fully attain its objectives. It however, succeeded in setting the activities of the fishing community on a renewed basis, thanks to a successful people participation approach which opened opportunities for future expansion, especially if constraints external to the project (such as the foreign exchange situation) are removed.

Combination of Factors for Project Success in LDCs

- 2.104 Quantitative analysis of the type summarized in Tables 2.8 and 2.9 has, however, a limited explanatory value. While it focuses on the major elements of design and implementation which best account for success within a group of projects, it does not throw light on the relative importance of each element and the required combination of elements to achieve success within a single project. Moreover, the design and implementation elements examined were those which account for success in all developing countries, not those that are specific to LDCs. Therefore, to gain further insight into the dynamics of successful projects in LDCs, five project evaluations were chosen for in-depth analysis, on the basis of (i) the exceptional performance and achievements of the projects evaluated and (ii) the high quality of the evaluation reports which clearly identified all the factors explaining success.
- 2.105 All five project evaluations unequivocally showed that success in LDCs required a combination of specific factors. It was not enough to have a well-designed project: indeed, overall design was judged to be "poor" in two of the projects, "satisfactory" in two and "good" in only one. In all cases, design weaknesses were compensated by good performance in project implementation. Thus a combination of five specific factors explaining success were repeatedly identified by the evaluation missions in all cases.
- 2.106 These factors are: (i) sufficient duration to build up national management capacity; (ii) high relevance to the development issue to be addressed; (iii) strong national commitment; (iv) comprehensive training at all levels; (v) direct support activities with a strong demonstration effect. Taken together, they would likely constitute the necessary ingredients for a successful institution-building project anywhere, but they apply to the LDCs in particular.
- 2.107 Duration: All projects were second or third phases of a development action that had started many years before, one in the early 1970s. In all cases, it was apparent that the project strategy had been sustained

through time and success was achieved after at least 8-10 years. This time was necessary to allow national project management to take over the project activities, internalize responsibilities and develop an independent managerial capability.

- 2.108 Relevance: Projects also contained, in all cases, a relevant strategy in resolving the development constraints. In an evolving institutional and political climate, the projects served as reference points for continued guidance. One project met the need for an improved national agricultural extension service through the elaboration and field testing of an extension system based on the techniques of people participation that were well-adapted to the country's socio-economic conditions. Another provided a sound basis for the development of aquaculture, a major potential resource in a country almost entirely land-locked. Another rehabilitated a major watershed threatened by man-made degradation and deforestation. Yet another strengthened the national capacity in crop protection, a well justified objective mainly because of the magnitude of pre- and post-harvest losses suffered by the country. Another project built up the country's only multi-disciplinary training centre for extension agents. Thus, in all cases, strong national support was elicited, and, eventually, it was forthcoming.
- 2.109 National Commitment: The signs of a positive national commitment were essentially: (a) a more stable and larger national staff presence in the project; (b) strong collaboration between the project's host institution and the complementary services and users; (c) an adequate operating budget for the national institution. The latter was generally achieved through government provision of sufficient funds to the institution. Sometimes external financial support was also obtained. It was, however, considered the less-desirable method as it did not contribute to the institution's long-term sustainability.
- 2.110 A more interesting device, and one which directly enhances sustainability, is for the national institution to obtain financial autonomy from the central authorities and achieve self-financing. The aquaculture development project experience vividly illustrates how effective such a device is, in strengthening national institutions and achieving the desired development objectives. In 1986, the project's national aquaculture research and production stations were allowed by the government to keep the proceeds from their sales. This led to the doubling of production in a single year, exceeding all planned targets, and achieving a higher quality of fish production (larger fishes). Such an achievement was made possible because all necessary inputs could be purchased on time and fish ponds maintained properly. The other constraints were: (a) the fixed official sales price for fish which remained too low; and (b) the status of the stations which had not yet been modified (at the time of the mission) to adequately reflect their financial autonomy. Nevertheless, a first major step towards the objective of self-financing had been taken, with excellent effects also on national staff morale and commitment.

- 2.111 Training: For institution-building purposes, training is generally recognized as a key activity, particularly on-the-job training. In all five cases examined, training was found to effectively strengthen the national institution because: (a) it had been provided at all staff levels, technical and managerial, thus addressing the entire range of related manpower development needs; (b) fellowships and study tours abroad had been successfully combined with in-country and on-the-job training in such a manner that project implementation schedules were not disrupted. In particular, care was taken that fellowships abroad were not allowed to conflict with on-the-job training. As a result, even though field staff remained in some cases "thin on the ground", a core group of management staff was created, allowing the host institution to achieve a good measure of independence and self-guidance.
- 2.112 Demonstration Effect: Training alone cannot, by itself, achieve institution-building; it requires a proper balance between training and other supporting activities directly related to production. This is a difficult task not subject to cut-and-dry guidelines. In particular, the other direct-support activities can be shown to complement training only if they achieve a strong demonstration effect. The watershed management project provides a good illustration. The project was fortunate in being launched in a relatively favourable institutional environment; an intensive programme of protected area management had been started by the government ten years prior to the project, and a local Development Board established. The project succeeded in (a) organizing effective extension support focussed on resource conservation issues, and achieving collaboration with the people living in and around the protected areas; (b) achieving high quality road construction and protection as well as reduction of sediment through gully and land slide stabilization; (c) demonstrating attractive fodder (napier grass) and fuelwood production as well as achieving terrace improvements, soil erosion reduction and introducing agro-forestry practices in the project area.
- 2.113 What is interesting is that the project activities constituted a balanced mixture of on-the-job training, workshops, seminars, and local study tours to strengthen the skills of field staff. In addition, the establishment of "conservation committees" at village level turned out to be an effective mechanism for dialogue between project personnel and resident population. Action with the target group was also successfully carried out through a variety of extension activities which included farmers' study tours to other districts, field visits, film shows, school programmes for tree planting and protection. Effective erosion control measures and agro-forestry practices were introduced and demonstrated to the benefit of both immediate and ultimate beneficiaries. In short, the project not only completed the job but also stimulated others to try it and trained them to do it. Thus, the demonstration effects of the proposed methodology played an important institution-building role.
- 2.114 The issue of institution-building is especially pressing in area-development/integrated rural development projects. The special constraints faced by such projects, which often tend to substitute for

existing weak national institutions, are well illustrated in the mid-term evaluation of a large project in an African country. A special effort was made at the time of project formulation to gather all the necessary information to guide project activities and the project design was essentially sound. It covered all aspects of development in a major region of the country (control of soil erosion, food crop production of both cereals and vegetables, livestock for milk and meat production, fuelwood and the development of cooperatives and marketing activities, education and health services). Yet, as the report put it, "the difficulty in foreseeing the necessary sequence of actions in each project component and the lack of priorities among the project's objectives made project implementation, monitoring and evaluation hard to carry out". As a consequence, project results were uneven; they were highly successful for some components, especially soil erosion control which had in fact been given higher priority after the 1984 drought. The project had succeeded both in mobilizing the local population and with their help, especially of women, in rehabilitating almost 7 000 ha of agricultural land at the time of the project evaluation. Thus, the project was well ahead of its own land reclamation targets but it was behind in other areas. Little or no results had yet been achieved in agricultural production, livestock, training, health, marketing and rural organizations. The mission identified multiple causes for these delays, chief among them being the rudimentary stage of development of the beneficiary village organizations and the complexity of project administration. In spite of strong national commitment to the project, its sustainability was seen to be endangered chiefly by two factors: (a) the local/village organizations, which suffered from a high illiteracy level and lack of self-management committees or structures, could not be expected to take over and continue project action; and (b) the lack of attention to the livestock sector, with animals still allowed to roam freely, as traditional habits of livestock keeping continued to prevail, thus threatening the viability of the erosion control measures. The mission recommended increased attention to all areas so far neglected and the establishment of improved project monitoring and internal evaluation mechanisms.

- 2.115 In short, the main immediate issue in such projects is one of management. To expect a single project to cover such disparate disciplines as soil conservation, agricultural and livestock production and health and education puts an unusual level of pressure on project management to coordinate and monitor all separate components, particularly when counterpart national services are either weak or non-existent. The answer is that such area-development/integrated rural development projects are really the equivalent of several institution-building projects (one for agriculture, one for livestock, one for health, one for education etc.) all elaborated as a single package. For such a project to succeed, each component must, during the course of operation, transfer responsibilities to the appropriate national services or beneficiary organizations. This takes time and resources, and one must plan for at least ten years to achieve sustainability.

External Factors

- 2.116 Apart from the five "internal" factors reviewed above, there are also important external factors which could be decisive in the achievement of good results. Once again, the aquaculture project exemplifies the role of these external factors. The project benefited from a number of favourable economic variables such as a high level of national fish consumption (over 30 kg/head/year) and a strong demand for fish in rural areas which was reflected in relatively high prices in non-official markets. Physical conditions were also favourable; water of good quality was available everywhere and soils were well suited to fish pond construction. Feed inputs were plentiful as a result of the wide availability of many agricultural by-products. Fish farmers, at least by the time the last phase of the project had started, were enjoying a good degree of autonomy with respect to supply of fingerlings. They no longer depended on the state farms and stations as private farmers were already producing 30 percent of the necessary fingerlings.
- 2.117 Finally, there was close and constructive collaboration with other donors. WFP support in the form of food-for-work enabled fish pond construction to proceed unimpeded in spite of budgetary constraints; training opportunities were multiplied with USAID and Swedish support; the Dutch provided additional junior project staff. It is noteworthy that as a direct result of the project, future activities of WFP and UNICEF in the country are planned to include the development of aquaculture.
- 2.118 Such a favourable set of external factors may be relatively rare in LDCs, as these countries are often beset by many constraints, natural and economic, that were noted earlier. This explains why it is more difficult to achieve project results fully in LDCs than in non-LDCs.

Conclusions

- 2.119 The preceding analyses showed that agricultural and rural development projects in LDCs assisted by FAO face particular problems unique to these countries. The analysis of the group of successful projects indicates that there is considerable room for improvement in LDCs in the following key elements of project design:
- (i) formulation of immediate objectives: greater attention to their relevance is required;
 - (ii) institutional setting of the project: the adequacy of the host agency is too often an issue;
 - (iii) means-ends adequacy: resources to achieve objectives are still too often inadequate;
 - (iv) scheduling of project activities: the sequencing of activities needs to be improved.

2.120 With respect to implementation, there is room for strengthening:

- (i) government policy support: it is still too often weak or absent;
- (ii) national administrative support: it is plagued by bureaucratic slowness, red tape, and insufficient resources;
- (iii) project workplans: more efforts are required to turn workplans into effective guides for project activities; in the fluctuating and uncertain institutional climate of LDCs, this may well be very difficult to achieve.

2.121 The analysis confirms the importance of providing high-quality human resources through external assistance as a major factor in compensating for the low level of support from host government. Also, other external factors (economic factors, physical resources, donor collaboration) may often be less favourable in LDCs than in non-LDCs, thereby creating an additional set of constraints on project execution.

2.122 Experience shows that successful projects in LDCs are those which can contribute to the emergence of autonomous national institutions. Such institutions appear to be the key to increased absorptive capacity in LDCs. To build institutions in LDCs an obvious first step is to maintain stringent standards of project design and implementation, but these are not enough.

2.123 There are special requirements for a project operating in a weak institutional environment. Evaluation missions have often made recommendations in this respect, which taken together, point to the need for a comprehensive institution-building strategy appropriate for the LDCs. Such a strategy calls for:

- (i) broad-based, multi-level training and strengthening extension capacity: this should cover university and technical level training abroad and in-country, on-job training for all levels of staff in the host institution, including training the trainers, where applicable; general awareness and extension activities to reach the ultimate beneficiaries (individual farmers and groups of producers) and, if necessary, the general public. In all cases, training activities should be sequenced in such a way that an effective core group of managers is created and supported by a reasonable number of field staff;
- (ii) a strong demonstration effect: this should be pursued in collaboration with national project staff, farmers' groups or other interested local development organizations or projects. Achievement of a strong demonstration effect not only accelerates technology transfer but ensures that the national institution is also ultimately strengthened as it acquires appropriate techniques and improved work procedures. Also, the national institution may be expected to have gained in the process a better image as well as the confidence of the ultimate beneficiaries;

(iii) sufficient time to build up a national project management structure: given the time and a flexible project management structure, expatriate staff have the opportunity to reduce their direct involvement in project activities and to focus more on providing advice, information and general supporting assistance, thus ensuring broad participation of host country staff in all project activities and, particularly in decision-making.

- 2.124 The implications of this three-pronged strategy for LDCs, donors and FAO are clear. The commitment of LDCs to projects should be encouraged to take more concrete forms. In addition to strong policy support, efforts are required to create a stable institutional structure with a clear mandate. Enough financial and human resources should also be made available to allow national institutions to operate. In particular, reorganization and restructuring of national institutions should not be allowed to conflict with the training and management opportunities provided through external assistance. Moreover, in view of existing financial and human constraints, LDCs should resist the temptation to disperse efforts on too many small projects.
- 2.125 A long-term commitment on the part of donors is necessary. Projects in LDCs are not merely vehicles for the transfer of technology, as they so often are in non-LDCs. In LDCs, they have to be primarily institution-building projects aimed at increasing LDCs absorptive capacity, and ensuring, eventually, self-reliance. Hence, they require more time.
- 2.126 FAO's role remains to ensure both high standards of project formulation and implementation and the continued application of this institution-building strategy, which is the result of a long experience in technical cooperation with LDCs.
- 2.127 While factors external to the project (national macro-economic policies, physical conditions, cultural traditions) are difficult to change, FAO and donor agencies are in a better position, during project formulation, to identify the factors that are likely to become serious constraints during implementation and, to assist the LDCs in taking the correct steps for their removal.
- 2.128 Finally, collaboration between the executing agency and donors, based on clear purpose and flexibility in implementation, plays an essential role. Through it, projects could be provided with better opportunities to achieve greater effectiveness in realizing the objectives. For example, training of additional staff or more intensive training may be provided; also, national institutions can be encouraged to build up, with the coordinated support of several external aid agencies, the necessary contacts with complementary projects, related services and users. Thus, collaboration between external aid agencies can effectively contribute to a strengthened and stable national institutional network, itself a prerequisite for sustainable development.

D. REVIEW OF THE AGRICULTURE REHABILITATION PROGRAMME IN AFRICA (ARPA)

Background

- 2.129 At its Eighty-Sixth Session in November 1984, the FAO Council expressed its grave concern with the extremely serious food situation in Africa caused by the 1982-84 drought. In Resolution 1/86, the Council requested governments and international organizations to provide the maximum financial and technical assistance for the rehabilitation of agriculture in Africa. It called on the Director-General "to promote positive measures in that direction" and authorized him to use up to US\$ 5 million of the Regular Programme funds to this effect.
- 2.130 FAO started the preparation of a Programme for the Rehabilitation of Agriculture in Africa (ARPA) in December 1984. Its preparation followed closely the UN Resolution which emphasized the "need to undertake urgent action to support the recovery and rehabilitation process of African countries". The Resolution was followed by the UN-sponsored donors meeting in Geneva, which received wide international support. The World Bank, EEC, OAU, Non-aligned Movement as well as major bilateral donors established special emergency and rehabilitation programmes during this time.
- 2.131 From December 1984 to January 1985, FAO's expertise was mobilized to prepare, with utmost urgency and in cooperation with recipient countries, projects to be included under ARPA. At headquarters, country task forces were set up to review the rehabilitation needs of the affected countries and to formulate project proposals. The FAO Representatives and field officers were alerted to participate in this effort.
- 2.132 The ARPA Programme was conceived as a series of small or medium size projects to help restore and enhance the productive capacity and production of food derived from crops, livestock and fish in 25 African countries ^{1/} which were affected by drought and other calamities. The Programme was meant to serve as a departure from an emergency situation towards development. The projects included in ARPA were aimed at restoring the production capacity through short-term rehabilitation measures. Projects were intended for immediate implementation and their purpose was to make a significant impact in less than three years.

^{1/} These countries are: Angola, Burundi, Burkina Faso, Botswana, Chad, Cape Verde, Djibouti, Ethiopia, The Gambia, Guinea Bissau, Kenya, Lesotho, Mauritania, Mali, Morocco, Mozambique, Niger, Rwanda, Senegal, Somalia, Sao Tomé and Príncipe, Sudan, Tanzania, Zambia and Zimbabwe.

2.133 Criteria for selecting countries to be included in the Programme were set as follows:

- (i) The country should belong to the group of Least Developed Countries (LDCs);
- (ii) The country should be among the Food Priority Countries (FPCs);
- (iii) It should have been repeatedly affected by food shortages during recent years;
- (iv) A significant part of the food producing capacity of the country in terms of cropped areas and livestock losses, and related size of farmer population, should have been affected by drought or other calamities during recent years;
- (v) Prospects for recovery with local means, and for better harvests, should be limited owing to the lack of inputs and related production factors.

2.134 The following criteria were to be used in the choice of projects.

- (i) priority and support by the recipient government;
- (ii) relevance to Programme objectives;
- (iii) complementary to on-going or future government action and/or to other assistance, including present FAO programmes and projects operating in the country (FSAS, PFL, IFS, SIDP inter alia);
- (iv) possible start of the projects within a few months, and projects being capable of achieving a significant impact in less than three years;
- (v) concern a large number of food producers and benefit populations recently affected by calamities;
- (vi) normally include a technical assistance and training component, especially for in-service training;
- (vii) have logistic, institutional infrastructure, and the delivery/support services at the site to guarantee reasonable prospects for impact. If necessary, the project may help strengthen these infrastructures and services.

2.135 The ARPA Programme was presented to donors at two meetings in early 1985, one in January for Ethiopia and one in March 1985 for 20 African countries. Four additional drought-affected countries* were added to the Programme in June 1985.

1/ These countries are: Djibouti, The Gambia, Guinea Bissau, and Sao Tomé and Príncipe

- 2.136 At its Eighty-Seventh Session in June 1985, the FAO Council endorsed the transfer of US\$ 15 million of Regular Programme savings under the 1984-85 budget to finance ARPA projects through TCP, specifying however that TCP's procedures and criteria should be applied. It was foreseen that the amount of US\$ 15 million would be fully spent before the end of 1987.

Programme Concept and Design

- 2.137 The degradation of the environment and the weakening of productive capacity for food crops and livestock has been a process going on for almost two decades in most of Africa. The 1982-84 drought, apart from accelerating the general deterioration of the productive capacity, put some countries or regions within a country at a greater risk. The drought had a disastrous effect on the food balance system in the areas affected and resulted in a further setback to the overall development process.
- 2.138 With the advent of sufficient precipitation in early 1985, the opportunity for recovering from the losses in production capacity caused by the 1982-84 drought improved considerably. ARPA and other UN-sponsored programmes were conceived to take maximum advantage of this opportunity.
- 2.139 ARPA was initiated to achieve two specific objectives:
- (i) help the rehabilitation of production capacity in the affected countries to the pre-drought period;
 - (ii) consolidate and integrate the achievements of the rehabilitation phase with intermediate and long-term development programmes/projects aimed at developing agriculture in the affected countries to its optimal capacity.
- 2.140 The country-by-country approach was elaborated by 20 mini-task forces established in December 1984 on the basis of:
- in-house expertise of the country's requirements;
 - existing Regular Programme and emergency activities of potential benefit for immediate agricultural rehabilitation;
 - re-focus of the Regular Programme resources;
 - the 1984 OSRO/multi-donor mission reports;
 - FAOR's comments and consultation with the concerned governments;
 - government requests.
- 2.141 The Programme presented in March 1985 covered 20 country "reviews", 194 project proposals and a total assistance package of US\$ 107 million. It involved all technical and operational divisions in the house and more than 88 officers distributed in 20 different mini-task forces working almost full-time. Most projects were formulated between April and October 1985.

Purpose of the Review

- 2.142 Considering the significant amount of resources which FAO made available to ARPA, the Director-General decided to undertake a review at the end of the Programme.
- 2.143 Based on an initial desk study a systematic survey of the Programme's results was undertaken in each of the selected countries through the offices of the FAORs. A set of questionnaires was elaborated to provide up-to-date information on the status of both project implementation and follow-up of FAO-executed and other related projects. A breakdown of FAO operated projects by the PWB programme and country is given in Table 2.11.

Table 2.11

FAO-OPERATED ARPA PROJECTS BROKEN DOWN BY COUNTRY AND FUND

Country	UNDP	TF	TCP	TOTAL
ANGOLA	1	-	4	4
BOTSWANA	2	-	2	4
BURUNDI	2	-	5	7
BURKINA FASO	4	1	7	12
CAPE VERDE	-	3	2	5
CHAD	1	4	3	8
DJIBOUTI	-	-	5	5
ETHIOPIA	-	2	6	8
GAMBIA	-	1	4	5
GUINEA BISSAU	-	-	6	6
KENYA	-	-	2	2
LESOTHO	-	2	6	8
MALI	-	1	6	7
MAURITANIA	-	2	4	6
MOROCCO	-	-	3	3
MOZAMBIQUE	-	4	5	9
NIGER	2	1	4	7
RWANDA	1	2	9	12
SENEGAL	-	1	6	7
SOMALIA	3	1	7	11
SAO TOME	-	-	4	4
SUDAN	-	4	6	10
TANZANIA	5	5	5	15
ZAMBIA	1	2	7	10
ZIMBABWE	-	-	4	4
TOTAL	21	36	122	179
Share in %	11.7	20.1	68.2	100.0

- 2.144 By June 1988, ARPA consisted of 255 project proposals which had been broken down into 367 sub-projects to accommodate donor programmes and lending criteria. The total cost to donors (including FAO contributions) was estimated to be approximately US\$ 287 million, of which Ethiopia's share alone was US\$ 124 million covering 52 projects or sub-projects. FAO had funded 122 projects in the 25 countries selected under ARPA. In addition, FAO has been entrusted with the execution of 57 projects funded by external donors, primarily UNDP, but also AGFUND, UNO, EAOA, Austria, Belgium, Denmark, France, Italy, Netherlands, Spain and Sweden.
- 2.145 The main fields covered by the ARPA projects include: agricultural inputs (32.4%); livestock protection (25%); and rehabilitation of irrigation schemes (22%). Other sections of intervention were small fisheries development (5.0%), and support to extension services (10.6%) as shown in Table 2.12 below.

Table 2.12

FAO-OPERATED ARPA PROJECTS BROKEN DOWN BY PWB, PROGRAMME AND FUND

PWB	UNDP	TF	TCP	Total	Percentage Share (%)
211	5	11	24	40	22.3
212	6	14	38	58	32.4
213	5	4	35	44	24.6
214	1	-	2	3	1.6
215	3	5	11	19	10.6
217	-	-	1	1	0.6
218	-	-	2	2	1.1
221	-	1	-	1	0.6
222	-	1	8	9	5.0
231	1	-	1	2	1.2
Total	21	36	122	179	100.0

Quality of ARPA Programme Formulation and Implementation

- 2.146 The picture emerging from the FAO Representatives' replies is that the Country ARPA Programmes were well formulated (good or adequate) and based on perceived rehabilitation needs. All the ARPA Programmes responded to the priorities of governments and in only three cases, the governments were poorly involved in the formulation process. However, two-thirds of the projects would not have taken place if not included on the ARPA list. In all cases, except one, the proposed programmes had received adequate endorsement by the government concerned.

- 2.147 The involvement of FAORs in the formulation of the ARPA Programme was more than adequate, ranging from full involvement (18) to partial (3). Only two FAORs report that they were not involved as they were not assigned to the country of representation at the time of ARPA formulation. FAO field staff have been more than adequately involved in 21 countries.

Formulation of ARPA Projects

- 2.148 The FAORs report that the great majority of projects have been adequately formulated (134) and in an efficient way (139). Only four projects were found to have unclear objectives, while in 49 cases, the objectives could have been made more clear. The clarity of workplans is one major characteristic of ARPA projects executed by FAO. Indeed, 149 out of 179 had either very clear or adequate workplans. Only seven cases have been reported as having unclear workplans.
- 2.149 The ARPA programmes have been presented by FAORs to local representatives of donors in 13 out of the 25 cases. Out of 13 presentations, eight succeeded in mobilizing donor support for a certain number of projects. In one case, there was no positive reaction (Zambia) and in another (Ethiopia), a large number of projects were funded by donors. Partial successes have been achieved in the remaining three cases.

Project Implementation under ARPA Programme

- 2.150 Although some differences do appear from one country to another, there is no firm indication that the majority of ARPA projects had performed better than the average FAO projects in terms of starting date, timeliness and quality of delivery, completion of activities and outputs, and achievement of objectives. Only in Rwanda and Tanzania the Programme had better performance than the FAO average.

Weaknesses and Problems in Project Implementation

- 2.151 The FAORs have reported a number of problems that have affected to some extent project implementation in the countries. The most important ones relate to the timely delivery of inputs and their quality. In fact, delays have been reported on 26 projects. Inadequate project design has affected 15 projects: this related to limited assessment of institutional framework and project environment, unrealistic objectives and resources, inappropriate selection of project areas or sites. Management problems, including logistic and travel difficulties, inappropriate implementation modalities, inadequate project coordination, have affected only six projects.

Catalytic Role of ARPA Projects

- 2.152 The total number of ARPA projects or sub-projects executed by FAO is 179. FAORs record 95 projects as having attracted additional external

funding. This represents over 53 percent of the Programme. The Programme includes 122 TCP projects, of which 49 projects, or 40 percent, have had a known follow-up. UNDP-funded projects are twenty-one. Eight of these have had a follow-up, mainly in the form of an additional phase of original UNDP projects (6 cases). Out of 36 Trust Fund projects, eight are reported to have a follow-up. It should be noted that in only one country (Burundi), ARPA projects did not receive any reported follow-up. In two countries (Mali and Tanzania), all the projects included in the Programme have attracted additional funding.

- 2.153 The response from the FAORs on the volume of resources mobilized to finance the follow-up of ARPA projects was not always complete. Information on financial resources has been provided for 54 projects undertaken as follow-up to one or more ARPA projects. The volume of resources related to these projects is US\$ 67 million. In addition, US\$ 38 million for aid in kind provided to the Government of Tanzania have also in part been used for activities initiated under ARPA projects.

Results at the country level

- 2.154 In most countries the ARPA programme provided for a cross-sectorial coverage of rehabilitation activities combining direct assistance to displaced persons or most seriously affected populations with punctual development assistance. A breakdown of the major results of the ARPA Programme as reported by the FAORs in 17 of the 25 countries is given below:
- 2.155 In Burundi wheat production packages have been extended to 3 000 farmers. The proposed packages have been effectively adopted by the farmers concerned. Seed legislation has been formulated and adopted by the authorities of Burundi. Seed control in the field and laboratory controls are being undertaken by personnel trained through an ARPA project. A tsetse/trypanosomiasis control unit has been established and equipped, it has already conducted surveys as a basis for effective control measures in areas of high potential for crop and livestock development. Two vaccination campaigns have been completed with TCP support.
- 2.156 In Burkina Faso seed farms and a network of 200 seed farmers have been arranged in the Yatenga Province. These are effectively multiplying seeds. In addition a programme in support of cereal banks and marketing has been prepared with the assistance provided by ARPA projects. Thirty-five officers at the Ministry of Inland Waters and Forestry were trained to provide support to groups of fishermen. Two projects have also provided fishery material and equipment. The value of aquaculture has been demonstrated and fish ponds established through a TCP project. Another project concerned with production of legumes and vegetables around community centres has been formulated and executed with the assistance of a bilateral donor. A TCP project assisted in the preparation of livestock feed and trained 51 livestock

officers on the proposed techniques. Three village meat drying centres were installed and 13 technical officers were trained in meat drying techniques.

- 2.157 **In Cape Verde**, a TCP project contributed to the increase in horticultural production. A new training methodology for farmers was identified with the support of an ARPA project.
- 2.158 **In Chad** two successful agricultural campaigns have been supported. Assistance to settle 1 650 displaced families has been provided through the distribution of agricultural inputs. In the livestock sector, two successful vaccination campaigns have been conducted and improved meat drying processes have been demonstrated.
- 2.159 **In Mali** three TCP projects addressed rehabilitation of agricultural stations with a view to restoring agricultural production to previous levels. The results from an afforestation project are being used by other projects concerned with afforestation and dune fixation in the country.
- 2.160 **In Angola** disease-resistant varieties of seed have been distributed in the Cavaco Valley under the Programme. An ARPA project succeeded in identifying and surveying water points which required rehabilitation. A crop development plan for a major food crop has been prepared.
- 2.161 **In Ethiopia** areas where post-harvest losses could be reduced have been identified and farmers in the Wollo region have been trained on methods to prevent post-harvest losses. Improved root crop varieties suitable for drought-prone areas have been introduced, multiplication plots have been established in various climatic zones for testing before distribution to peasant associations. Reports on rangeland and forage as a basis for the Third Livestock Development Project have been produced.
- 2.162 **In Guinea-Bissau** the fisheries potential of the Biombo region was established under the Programme and fishermen have been trained to exploit such a productive opportunity. The possibility of sheep rearing in the south of the country has been demonstrated. The reconstruction of a water reservoir has made irrigated rice production possible again in the Cã San Miguel basin a rural engineering brigade has been formed through an ARPA project to supervise day-to-day activities in the maintenance and improvement of the system which covers approximately 1 180 ha.
- 2.163 **In Lesotho**, 690 tons of fertilizer have been applied over 4 000 ha benefiting approximately 2 450 farmers. Local staff have been trained on the use of fertilizers. A Water Harvesting Unit has been established and water harvesting structures have been constructed.
- 2.164 **In Mauritania**, 300 fishermen have been trained on techniques to improve fish handling and processing in three Imraguen villages. Similarly, local personnel were trained on organization of training sessions for seed extensionists and farmers. Equipment and materials have been provided for crop protection while drugs for livestock treatment were also made available to the government.

CHAPTER THREE

P R O M O T I N G A G R I C U L T U R A L I N V E S T M E N T

- 3.1 By helping developing countries to formulate some 750 investment projects, FAO has been instrumental in generating more than US\$ 34 billion of agricultural investment in 108 countries during its 25 years of existence. Of this amount about US\$ 18 billion has been in foreign exchange from multilateral and other financing institutions, much of it on highly concessional terms. More than 80 percent of these capital resources have been committed since 1976 when FAO's investment support services were substantially strengthened. This chapter describes the Organization's role in investment promotion and support and discusses the links between technical assistance and investment. A final section looks to the future and raises a number of issues which have bearing on the direction and scope of FAO's investment support activities in the years to come.

A. INTRODUCTION

- 3.2 Investment is an essential component of agricultural development. While, except in the poorest countries, the main source of investment must be the developing countries themselves, external assistance is required if the necessary rate of growth in agricultural production is to be maintained. Assistance in investment promotion is, therefore, a priority activity of FAO. The focal point within the Organization for this work is the Investment Centre, which draws upon the rest of FAO for technical support.
- 3.3 Today investment in agriculture, including fisheries and forestry, is of major concern to most developing countries. This is in contrast to 25 or 30 years ago when it was thought more important to direct investment to other sectors of the economy, such as industry. It was in the late 1960s that the critical role of agriculture in stimulating economic development received wide recognition. This role was further underlined in the early 1970s as a result of the world food crisis, which also brought a new awareness of the need to alleviate the harsh living conditions of vast numbers of the rural poor. The global recession of the 1980s has accentuated the plight of the developing countries and focused renewed attention on the importance of agriculture in their economies: the need for investment is more urgent than ever.
- 3.4 Over the last ten years, however, capital commitments to agriculture by multilateral institutions have shown little real increase. After correction for inflation, and at 1985 prices, they have fluctuated from a low of US\$ 4 563 million in 1979 to a high of US\$ 6 851 million in 1983. In 1986 they rose again to US\$ 6 707 million, only to fall to US\$ 5 293 million in 1987, a level lower than in either 1980 or 1978.

- 3.5 Bilateral commitments have followed a similar pattern, with an estimated US\$ 3 093 million in 1987, about equal, in real terms, to the amount committed in 1977. FAO's Agriculture Toward 2000 has emphasized the very considerable amounts of investment that must be directed to the agriculture of developing countries to sustain the massive increase in output of food and agricultural products needed to supply their rapidly growing populations. Even allowing for the contribution of domestic resources mobilized for this purpose, it is clear that present levels of external investment fall far short of the minimum requirements.
- 3.6 Multilateral aid, except in the poorest countries, remains a relatively small percentage of total development finance to the sector. Nevertheless the impact of multilateral resources is far larger than its share of total investment. In the first place, projects by multilateral financing institutions attract substantial amounts of co-financing from other sources. Also, projects financed by multilateral institutions are often of an innovative nature, and once their technical and economic feasibility is demonstrated, they may lead to further investment by national and bilateral sources. They also stimulate national investment, since the loans in foreign exchange cover only part of a project's total costs, the remainder being provided by the recipient government and the ultimate beneficiaries. Project lending usually supports the building up of strong local institutions whose development impact may eventually extend far beyond the project. It also provides a framework for dialogue in which countries may seek advice on policy issues and reforms and on investment programming.
- 3.7 Availability of financial resources is not the only factor limiting investment. There is a continuing need for viable and well-prepared projects. Most developing countries, particularly the poorest, are still not in a position to formulate investment projects entirely by themselves, because of the weakness of institutions able to identify and prepare investment projects to the standards required by the financing institutions. FAO's Investment Centre (IC) exists to bridge this gap.

B. ROLE OF THE INVESTMENT CENTRE

- 3.8 The principal function of the IC is to help developing countries formulate investment projects which will attract capital resources, mainly from the multilateral financing institutions which lend for agriculture. The Centre's basic work, project identification and preparation, is usually carried out in two stages. The first, reconnaissance or identification, is intended: to identify promising investment projects and assess their development priority and place in the general development framework of the country; to point out the main issues to be resolved before implementation; and to set up guidelines and a schedule for project preparation. The second stage consists of guiding and assisting government agencies in project preparation and aims at producing a feasibility study for submission to a financing

institution; this has increasingly become a joint undertaking with government departments, agencies or local banks, and local counterpart staff.

- 3.9 Under its programmes of cooperation with financing institutions, the Investment Centre also assists in project appraisal and missions for project supervision; the Centre also carries out more general studies, such as advice to governments in the form of sector or sub-sector analysis, as a basis for the identification of investment needs.
- 3.10 Over the last 25 years the Investment Centre, part of FAO's Development Department, has grown into one of the largest divisions in FAO, with a multidisciplinary staff of more than 100 professionals trained in a wide range of disciplines: economists, financial analysts, agronomists, fishery, forestry and livestock experts, and engineers, sociologists and agricultural credit specialists. To cope with its workload, and because it would be uneconomic to maintain sufficient numbers of every speciality on its staff, the Centre draws heavily on consultants, using between 40 and 50 consultant man-years annually. Whenever possible consultants are drawn from developing countries which provided 26 percent of consultant services in 1987 and 35 percent in 1988. The IC also attempts to use staff from other FAO divisions, to the extent that they can be released from their duties.
- 3.11 The Investment Centre is organized in two main programmes each divided into three services: the FAO/World Bank Cooperative Programme (about 60% of staff), which works exclusively on projects for financing by the World Bank/IDA, and the Investment Support Programme (40%) which works with all other multilateral financing institutions with which FAO has cooperative agreements. Main financing institutions cooperating with the Investment Support Programme (ISP) are the International Fund for Agricultural Development (IFAD), the African Development Bank (AfDB) and the United Nations Capital Development Fund (UNCDF). ISP also works on projects for financing by the Asian and Inter-American Development Banks, sub-regional financing institutions and the major Arab funds. In all, FAO through its Investment Centre, has signed agreements to cooperate in the field of investment with 15 multilateral financing institutions.
- 3.12 On average, the Investment Centre works on more than 100 projects a year, carrying out about 200 missions under its own responsibility and participating in nearly 100 other missions led by cooperating financing institutions. Investment projects formulated by the IC cover a wide range of activities, including agricultural and rural development, irrigation and drainage, forestry, fisheries, livestock, credit, extension and agro-industries. (Charts 3.1 and 3.2 show the distribution of FAO-assisted projects by sub-sector and by region).
- 3.13 During each of the last five years some 40 investment projects identified or prepared with FAO's help have been approved for financing. Total investments involved in such projects have amounted to about US\$ 2 000 million annually with one-half to two-thirds in loans from the financing institutions, the balance being provided by the recipient countries. A large and increasing proportion of loans

Chart 3.1

**SECTORAL DISTRIBUTION OF FAO INVESTMENT CENTRE-ASSISTED PROJECTS
APPROVED FOR FINANCING (1964-1988)**

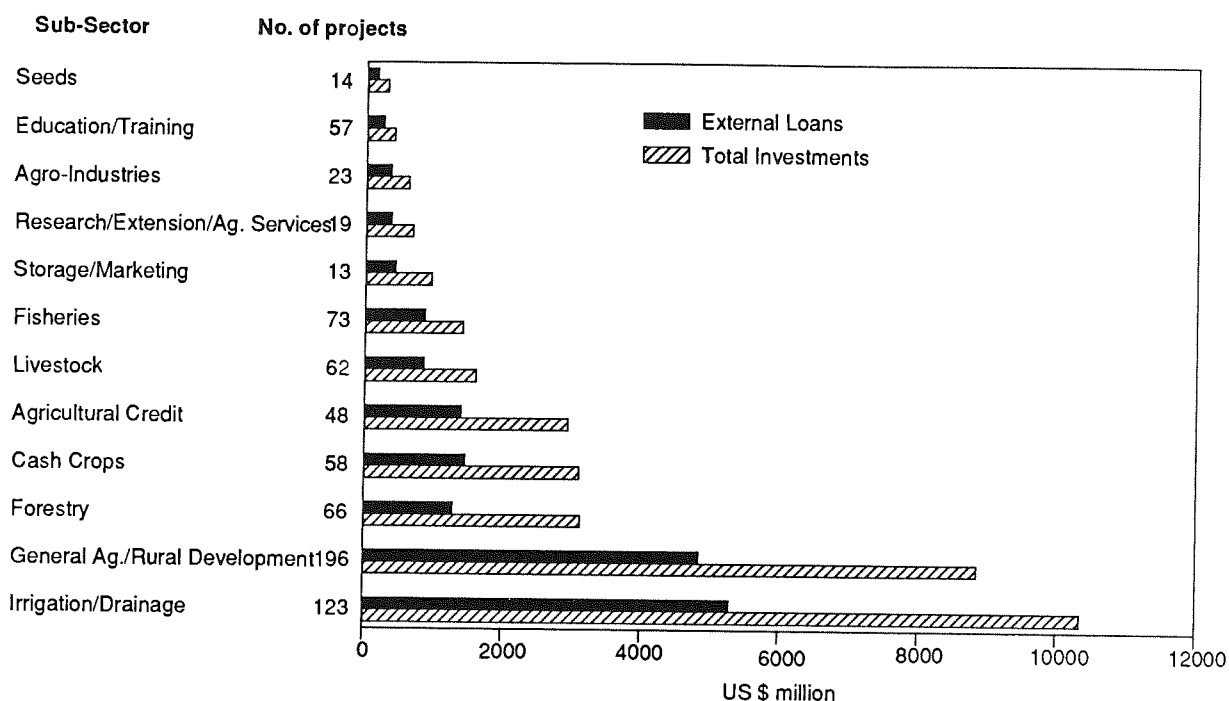
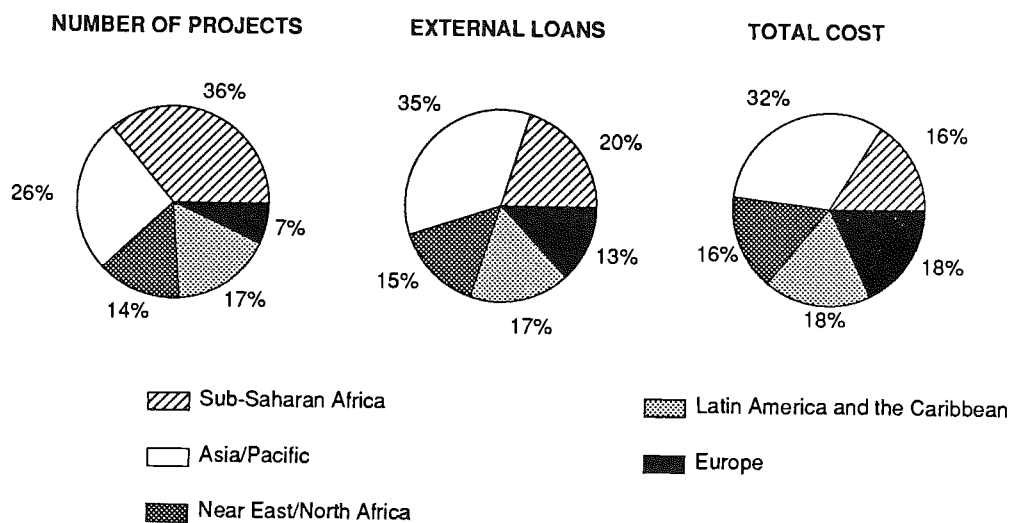


Chart 3.2

**REGIONAL DISTRIBUTION OF FAO INVESTMENT CENTRE-ASSISTED PROJECTS
APPROVED FOR FINANCING (1964-1988)**



for IC-prepared projects (64% in 1988) have been granted on concessional terms. (Commitments for projects approved for financing in 1983-86 are shown in Chart 3.3, with the proportion of concessional lending in Chart 3.4. Table 3.1 lists projects approved by sources of finance, from the start of IC operations to the end of 1988.)

Table 3.1

INVESTMENT CENTRE-ASSISTED PROJECTS APPROVED 1964-1988
BY SOURCE OF FINANCE

Lead Financing Institution	No of Projects	Amount	Total Investments <u>1/</u>
..... US\$ million			
World Bank/IDA	466	12 078	27 701
IFAD	81	976	2 159
African Dev. Bank/Fund	80	892	1 555
Asian Dev. Bank/Fund	37	1 019	1 664
Inter-American Dev. Bank	18	222	368
UN Capital Dev. Fund	16	32	55
FAO/Bankers Programme	21 (33) <u>2/</u>	119 (240)	355 (607)
Corporación Andina de Fomento	8	91	208
Arab Funds	9	53	115
EEC	4	74	91
Bilateral	4	67	70
Other <u>3/</u>	8	20	38
Co-financing from the above institutions	-	1 927	-
TOTAL	752	17 572	34 377

1/ Includes recipient government's contribution.

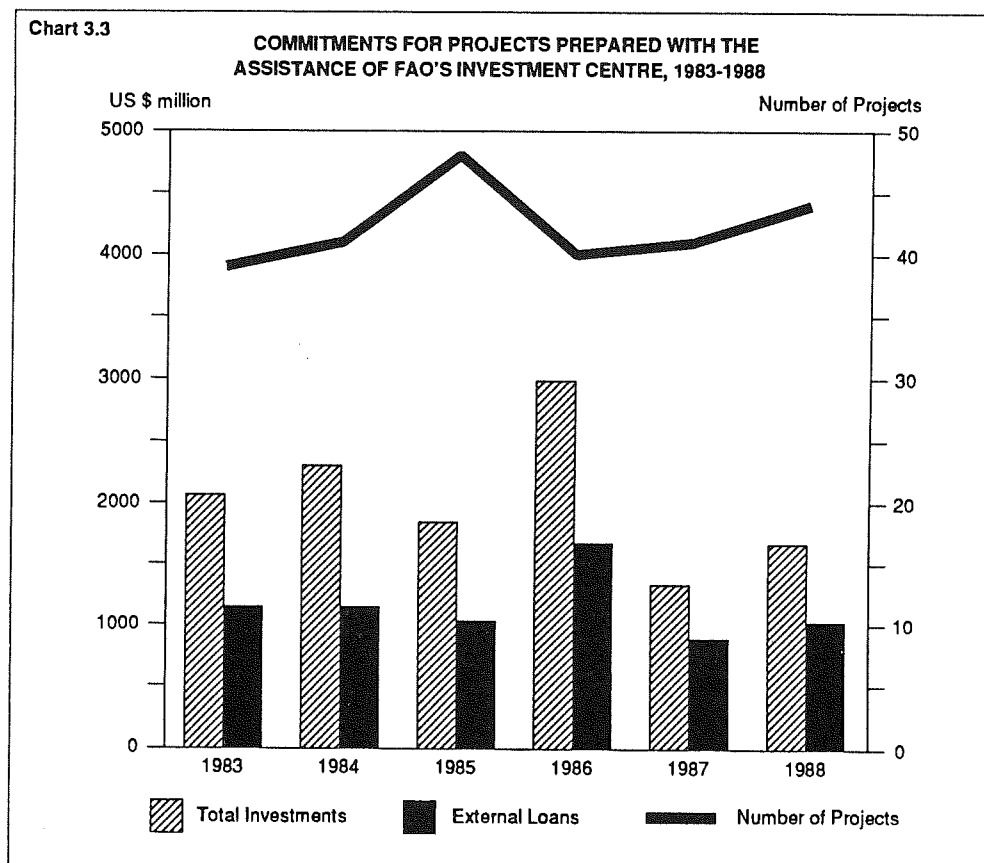
2/ In addition, 7 projects prepared under the FAO/Bankers Programme were financed by CAF, 3 by Arab Funds (Abu Dhabi) and 2 by AfDB, making a total for FBP of 33 projects, total investments US\$ 607 million, loans US\$ 240 million plus co-finance.

3/ Six projects financed entirely by Government, 1 by UN High Commission for Refugees and 1 by UNDP/bilateral sources.

(Figures do not add up due to rounding)

Chart 3.3

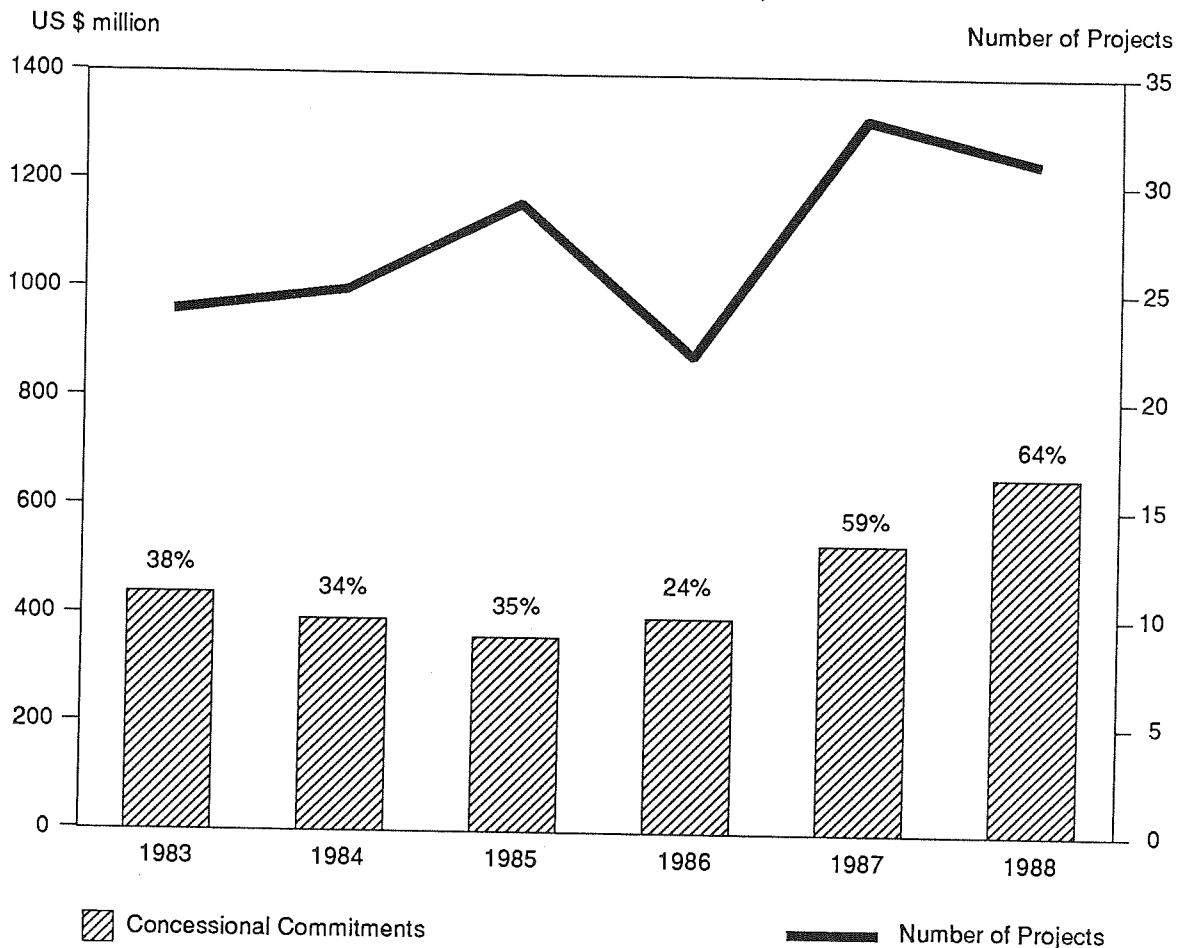
COMMITMENTS FOR PROJECTS PREPARED WITH THE ASSISTANCE OF
FAO'S INVESTMENT CENTRE, 1983-1988



- 3.14 Investment Centre missions on behalf of Member Governments are normally mounted only when specific interest in a particular project has been expressed by a financing institution. This is to ensure that there is a reasonable chance that the time, effort and resources involved in preparing a full feasibility study will be rewarded by actual investment.
- 3.15 There is no cost to the recipient country for these services. Costs are shared between the cooperating financing institutions and FAO. The rationale behind cost sharing is that if FAO is to have an independent voice in advising countries on investment projects and programmes, it must be ready to bear part of the costs.
- 3.16 The World Bank contributes 75 percent of the costs of the FAO/World Bank Cooperative Programme. While the cooperative agreements with ISP institutions are similar in intent to that with the World Bank, they differ in that ISP staff are funded mainly by the Regular Programme of FAO. The principle of cost-sharing, however is maintained through sharing of costs on a project basis. It was decided that for project identification, costs should be shared equally between FAO and the

Chart 3.4

CONCESSIONAL COMMITMENTS FOR PROJECTS PREPARED WITH THE
ASSISTANCE OF FAO'S INVESTMENT CENTRE, 1983-1988



financing institutions concerned; for project preparation, however, since the project was now a part of the financing institution's lending programme, FAO's share of costs should be only 30 percent; for the Centre's participation in project appraisal or supervision, costs would be borne entirely by the financing institution. At present FAO is exploring with ISP partner-institutions the possibility of a simpler and uniform arrangement by which costs of all IC joint activities would be shared in the ratio of 2:1, with FAO paying the smaller share. Two lending agencies have already agreed to this new arrangement.

- 3.17 The annual budget of the Investment Centre (1988) is close to US\$ 20 million. Of this, US\$ 8.2 million is provided by the World Bank as its contribution to the CP, and about US\$ 2.6 million is reimbursed by ISP financing institutions under cost-sharing arrangements. The net annual contribution from FAO's Regular Programme funds is thus about US\$ 9.6 million.

- 3.18 Increasing the capability of countries to identify and prepare investment projects themselves is one objective of FAO. This is mainly carried out by the Policy Analysis Division (see para. 3.80 below). The IC contributes indirectly to this activity through its field missions which work closely with national counterpart staff; occasionally such staff participate in report writing and review in Rome. In 1984 the Centre intensified its efforts in this field by initiating a training programme which provided six posts for 11 months at the P-2 grade to train government staff in investment project formulation. As a consequence of the Organization's financial crisis in late 1987, however, this programme has been temporarily suspended.
- 3.19 As an integral part of FAO, and drawing on the information and expertise of FAO's technical divisions, the Investment Centre is uniquely placed to give advice in the field of agricultural investment. Through its contacts with the financing agencies, the Centre is familiar with their lending policies and criteria and knows how to prepare projects which they can support. It is the combination of impartiality, independence and practical experience that enables the Centre to work effectively with both financing institutions and the governments of developing countries. In this sense, it has a true catalytic effect in speeding up the investment process.

The FAO/World Bank Cooperative Programme (CP)

- 3.20 The CP is the oldest and largest of the two programmes that comprise the Investment Centre. In the early 1960s, when the World Bank recognized the importance of agriculture to the developing countries and determined to expand its lending to this sector, it turned to FAO for help. A Memorandum of Understanding between the two organizations was signed in 1964 in which it was agreed that a cooperative programme with "a team of specialized personnel of high calibre" would be established as "an integral part of the FAO secretariat". Costs of the cooperative programme would be borne 75 percent by the World Bank and 25 percent by FAO.
- 3.21 Over the next ten years the CP grew rapidly, in line with a massive increase in WB lending to agriculture. Starting from a core of 12 professionals in 1965, CP staff increased to 70 in 1974. For the CP, 1976-80 marked a high plateau of achievements in terms of volume of projects worked on and the amount of investment generated. For most of these five years World Bank lending for agriculture reached well over US\$ 3 billion a year, one third of which was for projects prepared with the help of the CP, many of them in the poorer countries qualifying for concessional funds from IDA.
- 3.22 In the early years, much of the CP's work consisted in the formulation of large projects in irrigation, drainage and flood control. From 1974, when the World Bank took the lead in directing a major share of multilateral aid toward relieving rural poverty, the CP became heavily involved in the preparation of projects for rural development. In the 1980s the emphasis broadened to projects which aimed to improve the efficiency of existing irrigation systems and strengthen agricultural services such as extension and research.

- 3.23 At the same time a number of relatively new fields for investment were being recognized as important by countries and financing institutions. The Centre was increasingly called upon to assist in the formulation of projects in forestry development, and especially social or community forestry, which involves investment directed to the needs of rural communities (for example, the production of wood for fuel); artisanal fisheries; agro-industry; and storage, associated with the need to reduce food losses and strengthen food security.
- 3.24 In addition to its project formulation work, CP staff assisted the Bank in project appraisal and supervision and participated in Bank country and sector reviews. CP staff have produced technical studies on key aspects of agricultural investment and prepared guidelines for investment project preparation which were increasingly in demand from planning staff in developing countries and other financing institutions. The CP has also assisted countries in preparing project completion reports, which evaluate the performance and experience of projects after loan disbursement.
- 3.25 Inevitably, FAO's investment support activities are closely linked to the availability of multilateral resources for agricultural development. The early 1980s were marked by global economic recession, and the climate of aid worsened dramatically; all the major financing institutions curtailed their lending on concessional terms. It was also found that the absorptive capacity of many countries had been severely overstretched as a consequence of the rapid expansion of lending for agricultural projects, often poorly designed, in the 1970s and an increasingly distorted macro-economic environment. In consequence, World Bank requirements for CP services decreased. This was partly due to the increasing proportion in Bank commitments for non-project-specific lending such as programme and structural adjustment loans, partly to the increased capacity of some countries to prepare projects themselves, and partly to a reduction in the concessional resources made available to IDA. World Bank lending for agriculture fell and the number of projects financed also declined. As a consequence, the Bank reduced its contribution to the CP by 4 percent in 1981 and a further 10 percent in 1982. At present there are 60 established CP professional posts; since this number does not allow the maintenance of all specialized skills required, several of these posts are kept vacant and the resources are used to hire consultants.
- 3.26 During the last few years, the structural adjustment to which many countries have committed themselves has affected the investment support activities undertaken by the CP, and by the Investment Centre as a whole. Emphasis is now on investments that will rapidly increase production capacity, efficiency and export earnings. Loans are increasingly associated with policy changes intended to maximize the impact of investments. Tight domestic public budgets and the pressures from external indebtedness have discouraged massive investments in heavy infrastructure projects as well as in projects primarily directed toward welfare objectives. Instead, at least in the short term, the focus of projects tends to be on production, balance of payments support to permit importation of inputs, and funding of recurrent expenditure to maintain essential services, especially credit,

extension and research. However, the Investment Centre pays particular attention to the social impact of its projects and several staff members have been especially recruited for this purpose. Similarly, the growing awareness of the fragility of natural resources has also led to more attention being given to improved methods of land management that can conserve soil and water and at the same time bring higher returns to farmers. Particular importance is attached to investment in forestry, with emphasis on community forestry programmes.

- 3.27 A major share of FAO's investment support work is now directed to sub-Saharan Africa where development of the agricultural sector continues to be of dominant importance. Emphasis is on investments in food crops and crops for export and the strengthening of local institutions. Because of the low absorptive capacity of most African countries, projects tend to be small. As a result, while the number of projects formulated by the CP has remained about the same, the total of World Bank commitments to support them have decreased.
- 3.28 In the last few years, the CP has increased its planning support to governments through sectoral and sub-sectoral analysis. Generally, this has consisted in assisting countries to make a technical and economic assessment of development options, which can provide the basis for policy dialogue with the World Bank, leading eventually to investment. There has been a similar increase in sector work for other financing institutions, carried out by the ISP.
- 3.29 Following the major reorganization of the World Bank in 1987, a review was carried out of Bank project preparation needs and its cooperative relations with UN agencies. As an outcome of this, in May 1989 the World Bank reconfirmed its long-term commitment to the Cooperative Programme. Following the recently approved increase in the Bank's capital resources, a considerable expansion in WB/IDA lending is planned over the next three to five years. At present the CP is responsible for preparation of about 30 percent of the Bank's agricultural projects; this level is expected to be approximately maintained in the future. In particular the CP will be called upon to help ensure the quality and sustainability of World Bank commitments to the sector and to build up the pipeline of investment projects for inclusion in the Bank's lending programme.

The Investment Support Programme (ISP)

- 3.30 The ISP came into existence in the mid-1960s following agreements to cooperate in the investment field with the Inter-American, African and Asian Development Banks. In 1972 the FAO/Bankers Programme was established to provide assistance to national development banks. ISP staff and budget remained small until 1976 when, in the aftermath of the 1974 World Food Conference and in a climate of international opinion favourable to agricultural investment, the Investment Centre was expanded. The main increase was in the ISP whose professional staff tripled from 12 in 1975 to 38 in 1978. ISP staff at present number 42.

- 3.31 An agreement to cooperate with IFAD was signed in 1977. The following years saw agreements concluded with a growing number of financing institutions lending for agriculture, many of them relatively new, including Arab funds, sub-regional financing institutions and the UN Capital Development Fund. Activities with many of these have remained at a very low level, the exception being UNCDF. The bulk of ISP work (80%) has in recent years been with four financing institutions: IFAD, the African Development Bank, UNCDF and, to a lesser extent recently, the Asian Development Bank.
- 3.32 The establishment of the International Fund for Agricultural Development (IFAD) was of particular significance to the ISP. Because of IFAD's exclusively agricultural orientation and its special objective of supporting development projects which aim to increase food production, improve levels of nutrition and raise incomes of the small farmer and the rural poor, FAO considered it of highest importance to give maximum support to the Fund in all its activities. During IFAD's establishment, FAO seconded staff and made a significant contribution to the formulation of the new institution's lending policies. When IFAD started its lending operations in 1978, priority was given to IFAD in ISP work.
- 3.33 Much of IFAD lending, especially in the beginning, was in the form of co-financing of projects with other financing institutions. Many of these projects were prepared with Investment Centre assistance. However, IFAD's other objective was the financing of projects which it itself initiated or which it took the lead in financing. The IC was called upon to support IFAD in this effort and the main contribution of the ISP was, and continues to be, the identification and preparation of IFAD-initiated projects.
- 3.34 By the end of 1988, 155 IFAD-initiated projects had been approved for financing for total IFAD commitments of US\$ 1 625 million. Eighty-three or 54 percent of these projects, for 58 percent of IFAD loans, were formulated with FAO assistance. In 1988, 23 of the 24 projects approved were IFAD-initiated; of these 12 (52%) were prepared by the IC, involving loans of US\$ 146 million (66% of related lending). Two of these projects were financed from IFAD's Special Programme for Africa.
- 3.35 The level of joint activities with the regional development banks has fluctuated considerably during the last twenty years. Work with the Inter-American Development Bank (IDB) was substantial until about 1979, by which time 14 FAO-assisted investment projects had been approved, mainly in fisheries and forestry, for IDB loans of US\$ 156 million. Since then, cooperation has resulted in only three projects being financed for some US\$ 35 million. However, after IDB's recently approved capital increase and its on-going reorganization, there are prospects for reactivating the cooperative programme with IDB, and negotiations are proceeding with this objective.
- 3.36 Although the cooperative agreement with the Asian Development Bank (AsDB) was signed in 1968, joint activities did not bear fruit until 1976. Since then 37 FAO-assisted investment projects have been

approved for financing, supported by loans from the Bank and its concessional window, the Asian Development Fund, amounting to US\$ 1 019 million. In the nine years 1978-86, commitments for FAO-formulated projects accounted for an annual average of about 18 percent of AsDB lending for agriculture. Since 1987 only one IC project has been financed and mission work has declined. Among the reasons for this decrease in cooperation is the reluctance of many Asian countries to borrow for agriculture, the lack of bankable projects in the sector and the emergence of a strong consultancy capacity within the region. AsDB lending for agriculture, as a proportion of its total commitments, fell from an annual average of 36 percent during 1984-86 to less than 22 percent in both 1987 and 1988.

- 3.37 The cooperative programme with the African Development Bank (AfDB) has remained strong since 1968 when the Bank's agricultural lending was launched with the help of the Investment Centre. Cooperation with the AfDB became especially important in 1974 when the newly created African Development Fund began concessional lending operations mainly for the poorest of the Bank's member countries. To end-1988, 80 investment projects prepared with FAO assistance, for total investments of US\$ 1 555 million, have been funded by the Bank with loans of US\$ 892 million, mainly on concessional terms from the AfDF.
- 3.38 Until the mid-1980s, FAO-assisted investment projects accounted for half of all AfDB projects in agriculture. In the last two years, however, this proportion has decreased, largely because most countries in sub-Saharan Africa have been forced to restructure their economies and so reduce their external borrowing. Although AfDB lending for agriculture fell from a record of US\$ 890 million in 1987 to US\$ 408 million in 1988, cooperation has continued at a high level, much of it in the form of general identification missions. Following the Bank's reorganization in 1987 and in view of its increased capital resources, continued strong demand for IC assistance can be expected in the foreseeable future.
- 3.39 Cooperation with the United Nations Capital Development Fund (UNCDF) was initiated only in 1984 but has expanded rapidly. UNCDF supports small projects in the poorest countries. Most of its projects are associated with UNDP-financed technical assistance components which are frequently assigned to FAO for execution. The majority of UNCDF agricultural projects are now prepared with ISP assistance and so far 16 of these have been financed for total investments of about US\$ 55 million, including UNCDF grants of US\$ 32 million. Eleven of these projects have been approved in 1987-88, all but one of them in Africa.
- 3.40 Cooperation agreements are in existence with most of the major Arab financing institutions such as the Arab Fund for Economic and Social Development, the Arab Bank for Economic Development in Africa and the Islamic Development Bank. Much of their lending for agriculture is in the form of co-financing projects initiated by other financing institutions, and cooperation with the IC has consisted largely of an exchange of project information. Very few projects prepared by the ISP have been financed; funds from Arab institutions have, however, supported many FAO-assisted projects co-financed with the World Bank and the AfDB. Joint activities with sub-regional development banks

such as the Andean Development Corporation, the Caribbean Development Bank and the East African Development Bank, also remain at a low level, partly owing to the limited funds available to them for sharing costs of project formulation.

- 3.41 Investment promotion of the private sector in developing countries, mainly in agro-industries, has been carried out through the FAO/Bankers Programme. By 1987, membership of the Programme had risen to some 90 financing institutions, two-thirds of which were national banks in the developing countries and the remainder international commercial banks; thirty-three projects developed under the Programme had been financed, for total investments of about US\$ 600 million. Costs of operating the Programme are borne entirely by FAO, and as a result of the Organization's recent financial crisis, its activities had to be suspended. Since the importance of the private sector is being increasingly emphasized, both by the developing countries and by multilateral and bilateral financing agencies, efforts are being made to reactivate and strengthen the Programme.
- 3.42 Investment commitments for ISP projects are lower than for CP projects because ISP generally works in the poorest countries where a lower absorptive capacity dictates a smaller investment package: project loans from financing institutions cooperating with ISP are on average between one-third and one-half of the size of World Bank loans. By the end of 1988, 281 projects formulated with ISP assistance had been approved for financing. Total investments in these projects amount to US\$ 6 592 million, including loans from cooperating financing agencies of US\$ 4 131 million. (Table 3.1 shows the distribution of IC-formulated projects approved for financing by lending agencies).

Recent Developments in Project Formulation

- 3.43 Over recent years changes have gradually taken place in the way the Investment Centre carries out its work. Whereas project formulation used to be divided into two clearly defined phases, identification and preparation, the distinction between the two has become increasingly blurred. For example, and especially in the formulation of projects for African Development Bank financing, a short pre-identification visit may be made to prepare the ground for full identification, followed by project preparation split into more than one phase. For World Bank projects preparation is tending to become shorter and more flexible, blending with appraisal. In many cases, detailed studies required before full preparation or appraisal are undertaken by local teams, supervised by the Investment Centre.
- 3.44 Countries have made increasing use of FAO's Technical Cooperation Programme which specifies investment support as one of its priority activities. TCP funds finance two main types of assistance: the identification of investment projects, and the carrying out of key studies required to complete project formulation. At the same time, a number of important sectoral and sub-sectoral studies have also been funded. Countries have made good use of this facility, and TCP funding has been instrumental in bringing a large number of investment projects to financing.

- 3.45 The shortage of viable investment proposals is of growing concern to all financing institutions. Technical assistance activities can be a major source of such ideas. The existing and potential links between technical assistance and investment projects are discussed in the following section.

C. THE LINKS BETWEEN INVESTMENT AND TECHNICAL ASSISTANCE

Technical Assistance as a Source of Investment Projects

- 3.46 In order to formulate an investment project, a large amount of technical data and information is needed. Much of this basic building material is provided by TA activities, and this is the main link between technical assistance and investment. Investment projects also often include TA components to ensure the project's successful implementation. Thus technical assistance may be linked with investment at both its early and later stages.
- 3.47 The results of TA work are not only fundamental to the formulation of investment projects, they can also be the origin of ideas for investment and thus a source of investment projects.
- 3.48 From its inception the Investment Centre has played an important role in generating a project pipeline. In its search for suitable investment opportunities it draws upon FAO's own field programme and activities. For instance, projects concerned with resource assessment in forestry and fisheries or the introduction of improved agricultural techniques or crop varieties on a pilot scale can produce results and information vital to the formulation of viable investment proposals. Similarly, technical assistance for the strengthening of national institutions can lay the foundations for the efficient use of investment resources; it may even be a prerequisite for consideration of investment proposals by a financing institution.
- 3.49 The technical assistance provided in association with UNDP is one important source for the identification of investment projects. Since 1979, in an effort to link more closely technical cooperation activities with investment, and to build up the investment project pipeline, the Investment Centre has been engaged in the systematic follow-up of UNDP/FAO projects with investment potential. This work, which is carried out by the division as a whole, involves close collaboration with FAO technical and operational divisions and with the staff of field projects.
- 3.50 New UNDP/FAO project proposals are sent to the Investment Centre before approval for screening and if investment potential is identified at this stage, proposals for necessary data collection, information-gathering and analysis are made. At the same time, funds are included in the project budget to cover the cost of IC missions to identify the investment opportunity and guide the project toward investment. Until 1981, there had been a pool of funds between FAO and UNDP to cover the

costs of such missions, but now a share of the mission's cost is funded from individual project budgets.

- 3.51 For on-going projects, and to cover those projects where investment possibilities are revealed only later during the course of project implementation, an annual selection exercise is undertaken. The Centre invites proposals for projects to be included in its programme of work from FAO Representatives, UNDP Resident Representatives, and other FAO divisions. The proposals are screened by the Centre and, after discussion with UNDP headquarters, a consolidated list is established. One or more visits are likely to be made by Investment Centre staff to each selected project at an appropriate stage. The objective is always to guide the project's work towards an investment goal.
- 3.52 When an investment project is identified, the Centre sends the mission's report to those financing institutions which might be interested in supporting the project. If a financing institution expresses interest and wishes to include the project in its lending programme, further project preparation work required is carried out by the Centre under its cooperative programme with the financing institution concerned. Costs of project preparation are shared between the Investment Centre and the financing institution.
- 3.53 During the last ten years Investment Centre staff have visited some 187 UNDP/FAO technical cooperation projects judged to have investment potential: 72 in Africa, 44 in Asia, 25 in the Arab States, 38 in Latin America and 8 in Europe. From these the Centre has identified 80 investment projects with investment requirements estimated at more than US\$ 1 300 million.
- 3.54 As a result of this work, and as of March 1989, 40 investment projects, half of them in Africa, have been prepared and approved for financing. Total investments in these projects amount to US\$ 732 million, including supporting loans from external financing institutions of US\$ 436 million. Some further 30 investment projects are at various stages of formulation.
- 3.55 The Centre has helped to attract external capital resources to support these 40 projects from a variety of financing institutions including the African Development Bank and Fund (10 projects), UNCDF (7), IFAD (6), World Bank/IDA (4), Asian Development Bank and Fund (4), our of the major Arab funds (5) and seven bilateral aid agencies (8).
- 3.56 Four of these investment projects, and their links with technical assistance work financed by UNDP and executed by FAO, are described briefly below. They are typical of investment projects developed by the Investment Centre in the course of its normal operations. They differ however in one respect in that they originate directly from FAO's field activities.
- 3.57 The first is a project in Rwanda where FAO has been providing technical assistance for many years. Selected for Investment Centre follow-up in 1985, RWA/81/001 "Promotion and Intensification of Foodcrops, Gikongoro" was visited by an IC mission in January 1986. Using the

data and experience provided by the project's work, the mission identified an investment project which would benefit 42 000 families or 250 000 people. Main objectives were to improve the nutritional situation in the Gikongoro area; increase incomes of small farmers, including women, through off-farm enterprises and by promoting commercial crops; and to arrest soil degradation. Project components include agro-forestry and erosion control, extension, input supply, adaptive research, credit facilities, assistance with marketing and support for small farmers associations.

- 3.58 The mission's report was sent simultaneously to three financing institutions: two of them, IFAD and UNCDF expressed interest, and the project was prepared under the FAO/IFAD cooperative programme in September 1987. Following appraisal and loan negotiation, the project was approved for financing in December 1988. Total investments amount to US\$ 31.2 million to which IFAD contributed US\$ 11.2 million and UNCDF US\$ 3.7 million; UNDP provided US\$ 3.2 million for related technical assistance, with the balance from Government and project beneficiaries.
- 3.59 The main objectives of TOG/77/004 "Assistance to Reafforestation of North Togo" were to educate the local population, by demonstration, in the advantages of reafforestation vis-à-vis agriculture with the view to a rational and systematic management of forestry activities resulting in soil conservation, land use planning, protection and restoration of forests. At the suggestion of an Investment Centre staff member, TOG/77/004 was included in the Centre's follow-up programme for 1981 and in October of that year an Investment Centre mission, sharing costs with the project, outlined an investment proposal for forestry development. At the mission's suggestion, further investigations needed for preparation of a feasibility study, were carried out by the UNDP/FAO project. The Investment Centre sent its report to the African Development Bank which expressed interest in follow-up, and in July 1983 an IC mission under the FAO/AfDB cooperative programme prepared the project, estimating total investments at US\$ 16.6 million. Following protracted discussions between AfDB and Government, the Bank appraised the project in May 1986, and approved it for financing in November of that year. Total investment requirements had now risen to US\$ 18.95 million.
- 3.60 This reafforestation investment project is seen as the first phase of an extensive programme of forestry development in Togo. Its purpose is to supply local requirements of fuelwood (firewood, charcoal), poles and stakes, and construction timber. The project consists in the establishment over a five-year period of 4 000 ha of industrial plantations of eucalyptus and 2 000 ha of teak, the purchase of machinery and equipment, and the construction of buildings as well as some infrastructure (tubewells, electrical installation, forest roads and fire-breaks). The project is being financed by the African Development Fund on highly concessional terms: the AfDF loan of US\$ 16.33 million covers all foreign exchange and most of the local cost requirements.

- 3.61 The project document of PAK/83/004 "Fruit Development in Baluchistan" was reviewed by the Investment Centre in October 1983, selected for inclusion in its investment follow-up programme and brought to the attention of the Asian Development Bank. The objectives of PAK/83/004 were to develop a technology for modern fruit production; its main components were research, development and training and the introduction of trickle irrigation, which requires only 60 percent of the water used under conventional irrigation methods, and hence is particularly appropriate to the arid climate of Baluchistan. The project's work had led to much interest of fruit growers and the Government wished to expand the system.
- 3.62 In October 1984 the Investment Centre participated in an AsDB fact-finding mission and in November 1985 prepared the project under the FAO/AsDB cooperative programme, drawing heavily on the work and results of PAK/83/004. In December 1986 the Bank approved the project as part of a larger groundwater development project. The trickle irrigation component aims to increase production of tropical and deciduous fruit. It includes provision and installation of micro-irrigation and equipment on about 500 hectares, a central nursery at Quetta, and encouragement of farmer investment by establishing demonstration systems and providing training and technical assistance. The US\$ 2.93 million loan to support this US\$ 3.6 million sub-project is on concessional terms from the Asian Development Fund.
- 3.63 Another interesting example of how advanced technology developed under FAO's field programme can be picked up under the Centre's investment follow-up work, and mobilized for agricultural development on a wider scale, occurred recently in Brazil. FAO's Soil and Water Conservation project BRA/82/011 had been assisting the Government to develop practical modern approaches to soil conservation, based on improved overall land management. The work of the project was concentrated on increasing vegetation cover rather than relying solely on expensive physical works for soil conservation. Important advantages of this approach are that, with appropriate plant cover, rainfall run-off and soil erosion is reduced, water infiltration increased and soil structure is maintained and improved. This not only reduces lateral water movement and hence soil loss, but raises land productivity. Farmers can readily see the benefits of such measures, and are prepared to finance them largely with their own resources, rather than depend on heavy government subsidies.
- 3.64 Since early 1984 an IC staff member, frequently in Brazil to help prepare projects for World Bank financing, had been following the progress of this project with growing interest; while the project manager was convincing the Paraná State authorities of the advantages and benefits of the new technology developed by this project, the IC drew the attention of the World Bank to the considerable investment opportunities involved.
- 3.65 In October 1987 the IC participated in a World Bank mission to confirm investment potential, and a month later a local preparation team was set up with the FAO/World Bank Cooperative Programme assigned to supervise its work. By March 1988 preparation had been completed of a

project with total investment costs of US\$ 138 million. The Bank appraised the project in June 1988 and in January 1989 approved a supporting loan of US\$ 63 million, with the balance being provided by the State of Paraná. The technology developed by BRA/82/011 is now being used in the formulation of two similar large-scale land management projects for the States of Santa Catarina and Sao Paulo, and could be replicated in other parts of the developing world.

- 3.66 The Investment Centre is continuing its efforts to generate investment from FAO's field activities. Many FAO field projects help to generate follow-up investments financed either entirely from domestic resources or partly by external sources. Many other projects contribute indirectly to related investment schemes, for instance by providing part of the essential information and data on which these schemes are based, or by training personnel and/or strengthening institutions involved. It is significant, however, that during the ten years in which the Centre has been carrying out this work only 40, or ten percent, of FAO-prepared investment projects approved for financing in this period can claim a direct link with FAO's field programme.
- 3.67 It is unlikely that this situation will be reversed unless recipient countries and donor agencies have a clearer perception of the interdependence of technical assistance and investment and act accordingly. Governments of developing countries are the principal source of proposals to UNDP/FAO for technical assistance. Nevertheless FAO, through its programming missions, advises countries on the selection of TA. Such missions could be further sensitized to the importance of investment as a longer-term objective, and the Investment Centre could assist in setting priorities for this aspect of their work.
- 3.68 FAO Representatives and UNDP Resident Representatives could also play a more significant role in ensuring the overall balance in TA activities. FAORs, in particular, whose main relations are with the Ministry of Agriculture would have to intensify dialogue with the Ministry of Finance and national planning institutions. The policy and sector advice provided to countries by FAO as a whole would have to pay adequate attention to the pre-investment technical assistance needed as a basis for eventual investment projects and programmes.

Technical Assistance as a Component of Investment Projects

- 3.69 Multilateral financing institutions are an important source of loan funds for technical assistance in agriculture and rural development. By far the largest source is the World Bank which annually commits some US\$ 1.3 billion for TA, about US\$ 400 million of which is devoted to agriculture. (This compares with about US\$ 250 million allocated annually by UNDP). Projects executed by FAO with World Bank financing had a net expenditure of nearly US\$ 17 million in 1988; among the UN specialized agencies, FAO executes the largest share of TA components financed by the Bank.
- 3.70 The World Bank plays a major role in the definition of TA components which are usually identified as part of Bank loans. Although the Bank does not enter into formal arrangements with FAO when a technical

assistance agreement between FAO and a Government is signed, its influence cannot be ignored: major decisions on a TA component are not taken without consultation between Government and the Bank.

3.71 Whereas in the past the World Bank insisted that FAO and other UN agencies participate in international competitive bidding (ICB) procedures before they could be selected by governments as executing agency, the Bank now acknowledges the particular status of UN agencies compared with private consulting firms and may encourage borrowing countries to make greater use of UN agencies for TA support. It has established a conceptual difference between "institutional" and "engineering" TA: it is now agreed that a borrowing government may request FAO to be the sole supplier of institutional TA services without participating in a competitive bidding process.

3.72 At present only a very small proportion (around 5 percent) of multilateral bank-financed TA is carried out by UN agencies and there is considerable scope for FAO to increase its share. FAO can also play a useful role in the design of TA components of loans provided that its cooperation is enlisted at an early stage in the process of investment project preparation. Some measures have already been taken (including the Investment Centre alerting DDF and the FAO Representative of the TA needs of projects under preparation), but more effort is needed if FAO is to be more active in this field. Possible approaches include: closer collaboration between FAO and the World Bank and Regional Banks in identifying at an early stage TA appropriate to FAO's mandate and technical capability; strengthening the role of FAORs in identifying TA project opportunities through systematic contacts with bank missions, and making countries more aware of FAO's technical expertise and comparative advantages; increased flexibility in FAO's financial and personnel recruitment rules to allow the more timely provision of experts and equipment; improved headquarters backstopping and support to TA projects. These and other proposals to improve and streamline FAO procedures are currently under review.

Investment Support by FAO's Technical Units

3.73 While the Investment Centre is the focal point for the Organization's investment support work, many of the activities carried out by FAO's technical divisions are related to investment, either directly in collaboration with the IC, or indirectly through the provision of valuable statistical and other information to financing institutions or through technical studies and policy advice work of interest to them.

3.74 In its project formulation work IC staff draw upon the knowledge and experience of other FAO units to carry out their assignments, and staff from other units help review IC reports. Staff from other FAO divisions occasionally participate in IC missions, but few can be spared from their duties for the 2-3 months required to complete IC field missions and report writing.

3.75 FAO's Agriculture Department is a valued source of information to financing institutions, especially the World Bank. For example, the important 1986 study by the Land and Water Development Division on

"Potential Population Supporting Capacities of Lands in the Developing World" has been used in World Bank policy studies. The study "Water Resources Potential for Irrigation in Africa" (1987) is also of value to the World Bank, together with FAO's digitized Soil Map of the World.

- 3.76 The World Bank has made extensive use of FAO forestry information, especially statistical, in developing its lending programme in forestry, which has increased sharply during the past ten years. Financing institutions strongly support and are involved in the Tropical Forestry Action Plan (TFAP), a major international initiative coordinated by FAO. As TFAP gathers momentum the IC is playing an increasingly active role in its investment-related work. The Forestry Department is developing a methodology for monitoring and evaluation of forestry projects which will be of value to financing institutions.
- 3.77 IFAD frequently refers informally to the Fisheries Department for data and advice on specific technical issues. More generally, the Fisheries Department is a source of information and accumulated experience which is used in the planning of investment from both domestic and international sources.
- 3.78 Other indirect investment-related work includes, apart from the exchange of data, joint studies carried out by FAO's and the World Bank's Commodities divisions. Recent examples are "World Demand Prospects for Jute" (1987) and "World Rubber Economy, Structure, Changes and Prospects" (1988). FAO has contributed to the "World Bank's Programme on Social Dimensions of Adjustment". An important area of useful cooperation in the future is food security. Discussions with the World Bank started in 1988 on activities relating to food security in Africa which each Organization plans to undertake during the coming years, and it has been agreed to develop arrangements for collaboration in this field. Major FAO studies, to which the IC has also contributed and which are of interest to financing institutions include "African Agriculture: The Next 25 Years" (1986) and "Potentials for Agricultural and Rural Development in Latin America and the Caribbean" (1988).
- 3.79 An interesting new area of FAO-initiated work, combining technical assistance and investment, is FAO's "Inter-Regional Project on Preventive Locust Control in North and West Africa", prepared in 1988. This has been the starting point for an investment project which aims to tackle the problems of both locusts and grasshoppers in the Sahel countries. IFAD is mobilizing financial support from various donors. Several missions to prepare the project at national and regional level, led by the Investment Centre and with the participation of staff from FAO's Plant Production and Protection Division, have already taken place; others are planned in the near future.
- 3.80 A major activity of FAO as a whole, under the lead of the Economic and Social Policy Department, consists of advising countries on policy analysis and planning. Of particular relevance to investment are the many sector and sub-sector studies focusing on specific fields of agricultural and rural development. FAO's work in this field is extensively reported and discussed in Chapter ELEVEN of the Review of the Regular Programme 1988-89.

- 3.81 As mentioned in para 3.18, FAO is active in training staff from developing countries in the techniques of investment project formulation. It has long been recognized that the limited capacity of most developing countries to formulate viable investment project proposals and to implement them hinders efficient allocation of their development resources. This often constrains the expansion of investment in the agricultural and rural sectors as much as the availability of external financing. Yet the formulation of projects with assistance from external sources can only be a partial solution since the experience gained by national counterparts from such assistance is usually limited and often not directly transferable to other project types or investment activities. This recognition led to the launching, in the mid-1970s, of a world-wide in-service training programme focusing on agricultural and rural development project identification, preparation, monitoring and evaluation, carried out by FAO's Development Policy Studies and Training Service (ESPT). During 1988 alone, some 1 130 government officials in developing countries received in-service training in agricultural project analysis and rural development planning.

D. ISSUES AND PROSPECTS

- 3.82 FAO has now completed 25 years of investment promotion work in the interests of member countries. These years have seen a progressive growth in the size of the Investment Centre, particularly in the 1970s, and a significant widening of the number and range of financing agencies with which FAO has formal agreements of cooperation.
- 3.83 The demands on the Investment Centre have changed over the years and required of it an ability to adapt: to growing country-level capabilities; changing lending fashions (for example, the emergence of rural development projects in the 1970s, structural adjustment in the 1980s); increased attention to food security, and the importance of research and extension; the evolution of analytical techniques (including incorporation of social considerations in economic analysis, heightened awareness of environmental aspects, the growing use of computer programmes in project analysis). The Division has adapted the composition of its staff and its ways of working to these changes, as well as to alterations in the management styles of the cooperating financing institutions.
- 3.84 FAO will continue to be alert to changes taking place in approaches to financing agricultural development, and in the needs of developing countries, not only adapting itself as necessary but also contributing to the emergence of new means of providing assistance to harness local and external sources of funding for agricultural development and to the improvement of project preparation techniques.
- 3.85 One significant change now taking place in external financing for agricultural and agro-industrial development is the growth of interest among developed country industrial enterprises (not only the

transnationals but also medium-scale industries) in entering into joint ventures for primary production and processing with firms in developing countries. This trend coincides with a substantial increase in the number of countries which are adopting policies which explicitly promote a stronger private sector role in agriculture and agro-industries: in input supply, marketing, primary production and processing. The financing institutions are responding to this challenge: the World Bank's International Finance Corporation (IFC) is expanding its operations, backed by considerably increased resources, and the regional development banks have established special divisions for private sector lending. The Investment Centre, with the support of other FAO units, stands ready to help catalyze this process, particularly by assisting countries to improve the legal, fiscal, institutional and bureaucratic environment in which the private sector can operate to support agricultural growth.

- 3.86 The Investment Centre also sees opportunities for improving project preparation methodologies. It is currently working with IFAD to devise cost-efficient field survey techniques aimed at developing a much better understanding of the underlying causes of rural poverty and of the means of overcoming it in areas subject to IFAD project interventions. These survey techniques, currently being tested in China, Pakistan, Bangladesh and Brazil, are expected to contribute significantly to a more effective targetting of IFAD's resources on the poorest rural families.
- 3.87 The Centre has re-examined about 70 projects prepared with its assistance in the 1970s, for which post-evaluation material is now available. The aim of this review has been to identify the problems into which the projects have run, to establish the extent to which (with the benefit of hindsight) they could be attributable to the design stage, and to explore means of improving project design techniques to reduce problem incidence.
- 3.88 This retrospective review suggests that for all types of projects the most serious problems are of an institutional nature. Some of these problems are beyond the control of the project planner. Poor management and staffing, for instance, represented the largest single source of institutional problems, but the connection between management standards and project design is often tenuous. In some cases, however, projects have been designed in such a way that their implementation placed unrealistic demands on staff continuity and on management skills which were known to be in short supply. Other institutional problems directly attributable to deficiencies in project design include: procurement difficulties, poor monitoring and evaluation, wrong organizational structure and ineffective technical assistance.
- 3.89 Conceptual problems represent another broad set of factors accounting for poor performance. Unduly tight scheduling is by far the most serious conceptual problem and one which can be directly linked to poor project design. Most of the time over-run problems stem from consistently excessive optimism during project preparation and appraisal concerning the time which is required to start a project up. Frequently a high level of disbursement is scheduled for the first year of a project, whereas in practice, for most first phase projects, very little is generally spent in this period.

- 3.90 A second kind of conceptual problem is a large or unbalanced number of components. When a wide range of components is included in a project it is not that the success of the project as a whole is endangered but that some components are not implemented or are implemented badly. This may be either because they were treated peripherally at the time of preparation and were not thoroughly designed, or because they are perceived as being of relatively low priority by the management and supervisors of the project and hence are given only subsidiary attention during implementation.
- 3.91 About one quarter of the projects reviewed can be considered in retrospect as larger than warranted at the time of project design or appraisal. While some of the projects were too large in relation to the capacity of the implementing institution, generally it is projects which have been based on technology which has been insufficiently tested in a real-life setting which have been classified as too big. For quite a number of projects it may be claimed with the benefit of hindsight that a pilot level operation aimed both at refining institutional arrangements and technical packages and at testing farmer reactions to proposed innovations would have been more appropriate than a full size project. Indeed most of the small-scale projects in the sample were claimed to have been successful and to have provided a satisfactory basis for succeeding larger projects.
- 3.92 One of the most disturbing findings of the review is that technical problems associated with survey and engineering faults and with over-optimistic crop and livestock yield forecasts, represent the third most serious category of problems experienced by agricultural investment projects. Livestock, fisheries and rural development projects in rainfed areas exhibited the highest frequency of production shortfalls, while, in contrast, the output of irrigation projects generally corresponded with, or even exceeded, targets. Outside irrigated areas, projections of yields and, to a lesser extent, adoption rates appear to have been characterized by a pervasive optimism. The difficulty of projecting yields is clearly greatest when the technologies on which a project is based have not been tested on a significant scale in the project environment, but monitoring of the results and a continuous review of their implications and significance is also needed.
- 3.93 Financial problems represented another frequently encountered form of implementation difficulty. Most prevalent was the under-estimation of costs. Many of the cost over-runs were due to inflationary pressures which followed the 1973 oil price rise and which could not reasonably have been anticipated but, in a number of instances, stemmed from an under-estimation of quantities at the time of preparation and appraisal and appear to be closely associated with poor standards of engineering studies. Shortage of counterpart funds has been a frequent cause of delays in project implementation, which may be attributable to macro-economic difficulties but in some cases could be symptomatic of lack of commitment.
- 3.94 As a result of this review and other post evaluation work being carried out by the Division, the Investment Centre has concluded that it must:

- explore means of building greater flexibility into the design of projects to enable them to adapt better during implementation to improvements in information, perceptions of emerging opportunities, changing patterns of demand and unpredictable events;
 - strengthen analytical techniques, focusing particularly on:
 - . more thorough assessment of institutional capacities and skills availability;
 - . task analysis aimed at establishing the institutional and time demands of each major project activity;
 - . means of improving the reliability of production forecasts, giving greater weight to the assessment of yield variability and its causes as well as to assessments of the factors affecting adoption of recommended practices by farmers;
 - . thorough assessment of the environmental impacts of projects.
 - arrange for the testing, on a pilot basis, of promising but not locally proven technical recommendations before these are incorporated in the design of large scale projects;
 - raising levels of government and beneficiary commitment to projects, through adjusting preparation techniques to secure their fuller involvement at the earliest stage of project design.
- 3.95 Follow-up action on these various measures is being discussed with the Centre's cooperating financing institutions, and - where appropriate - the terms of reference of IC missions increasingly reflect the need to address these concerns.
- 3.96 Financing institutions are properly concerned with the volume of resources transferred to developing countries as well as with the quality and impact of development projects. In the past, it has sometimes appeared difficult to match these twin objectives. The review appeals to the lending agencies to give increased consideration to finding ways and means of allocating more financial and manpower resources to the design stages of project formulation, especially since the cost of project preparation is still very small in relation to the capital investments that result. This would allow the introduction of improved preparation techniques and thereby help to ensure that projects more frequently attain their development objectives.

CHAPTER FOUR

S E L E C T E D F E A T U R E S O F F I E L D A C T I V I T I E S

A. INTRODUCTION

- 4.1 FAO's field programmes, over more than 40 years of operations, have proven to be a flexible and responsive instrument for promoting development. The present content and distribution of activities, some 2 500 projects underway in over 140 countries, is the result of an evolution of experience and practice, and a reflection of perceived technical cooperation needs as expressed by recipient countries themselves, and as underscored by this Conference, the FAO Council and the many FAO inter-governmental technical organs and committees which oversee and help formulate the work of the Organization.
- 4.2 FAO has had very substantial field programmes for a very long time. Indeed, in the early 1960s, FAO was delivering about US\$ 40-100 million (at current prices) in technical assistance annually under some 170-210 projects. In 1965, FAO's technical assistance accounted for some 40 percent of all disbursements under the UN Special Fund and the Expanded Programme of Technical Assistance (EPTA) (which were merged into UNDP). By 1970, operational FAO field projects exceeded 1 200, with annual expenditures of US\$ 240 million in current terms. In fact, the total real volume of the Organization's field programmes reached more or less a peak almost ten years ago. In 1980, around US\$ 370 million in technical assistance in current terms was being delivered annually through around 2 200 operational projects.
- 4.3 While these numbers speak of literally tens of thousands of field experts working over four decades throughout the world, of more than 18 000 field projects completed in support of agricultural, fisheries and forestry development - one of the most interesting facets of this total effort is how field programmes have kept relevant, and have been adapted, to meet the changing needs of recipient countries.

Meeting Changing Needs

- 4.4 In the early stages of FAO's technical cooperation activities, the purposes, content and delivery modalities employed were arguably less complex than today. In the 1950s, much of FAO's field assistance comprised high-level resident experts and advisers - posted in government ministries and agencies. However, by the end of that decade, it was recognized that a broader-based approach was required to help countries solve their agricultural development problems. Thus there was an increasing tendency to package FAO's assistance in the form of projects. By 1965 for instance, there were around 300 projects in operation in 71 countries, with combined total budgets of about US\$ 135 million. At today's prices that meant an average project budget of around US\$ 1.6 million - almost double the average budget of current field projects.

- 4.5 Relatively long-term interventions predominated; three to four years was a usual project duration, with most, if not all projects normally being extended into second and even third phases (typical project duration at present is well under two years). There were long-term resident FAO project managers and experts in the main technical fields dealt with, and even resident administrative staff (something very rare today) - the vast majority drawn from developed countries. Moreover, a significant portion of the work performed, perhaps as much as 10-15 percent, had project staff still occupying "line" (executive) functions in government institutions and ministries, because of the lack of qualified national personnel.
- 4.6 A large proportion of this early field activity was aimed at resource appraisal: the surveying, inventorying and assessment of land and water resources for crop, animal, forestry and fisheries potential. Much of this work took place within the framework of large projects for area development, for instance for river basins and for important watersheds. Such activities often laid the basis, by providing essential information, for much larger development and investment schemes which followed. There were also a significant number of projects concerned with the establishment and strengthening of agricultural institutions, including for agricultural research. By the mid-1970s, however, the objectives of the majority of projects had shifted towards efforts to help countries develop, use, manage and conserve known resources; and in doing this, an increasing number of interventions took on a marked multidisciplinary character. It is significant in this connection that in that period there was a particularly rapid growth in FAO investment support activities, as described in the previous chapter.
- 4.7 The early and mid-1970s also witnessed significant economic, and related institutional and technical development within numerous developing countries in Asia, Latin America, the Near East and elsewhere. This meant that long-term project assistance could fulfil only part of the technical cooperation needs in agriculture of these countries. There was an increasing requirement for short-term, highly specialized inputs from FAO, to complement on-going development programmes which governments' already had in hand. At the same time, however, relatively long-term projects remained fundamental for such purposes as institution-building and rural development in many African and other LDC countries. Finally, more flexible and responsive cooperation was recognized as essential to meet urgent, unforeseen and unprogrammable requirements in FAO's fields - sometimes as a result of emergencies.
- 4.8 Thus, the latter half of the 1970s was a period of considerable adjustment and change in the Organization's field activities. The trend away from long-term resident experts towards shorter-term professional inputs and specialized consultants was consolidated, and the size and duration of projects tended to decline. Trust Fund projects, which had been an integral part of field programmes since the earliest days, grew steadily - matching programmes mutually-agreed by donors and recipients with the technical experience and expertise, and in many cases special programmes, of the Organization. The TCP was

established (in 1976) to provide flexibility in field programmes through small-scale, highly specific, and quick-action interventions.

- 4.9 At the beginning of this decade, the overall pattern of present day field activities, as described in Chapter ONE, had largely been established. By 1980 there were some 2 200 projects in operation (versus 2 500 today), the numbers of short-term experts and consultants used began to exceed long-term expert numbers, and the average project size (in current value) had dropped to just over US\$ 820 000 (vs. US\$ 850 000 today).

Towards Development Self-Reliance

- 4.10 Besides these important developments, there was another trend which was affecting the Organization's field activities at that time; namely a distinct move from the concept of technical assistance to that of technical cooperation. This shift in thinking, echoed in FAO and other UN fora and in particular by recipient developing countries, called for more emphasis in all the Organization's field activities on the human resource factor to build up "development self-reliance". Thus, the training activities of field projects began to receive much more emphasis, as did a number of other related processes - strengthened by important initiatives in the second half of the 1970s.
- 4.11 The involvement of nationals in FAO's projects was given added impetus through the important "new dimensions" resolution of 1975 (General Assembly resolution 3405, XX), and by various other related resolutions in UN fora, including FAO, which called for the fullest possible contribution of national capacities within UN technical cooperation - including human capacities in the form of qualified national professionals. The "new dimensions" reflects the underlying theme that the scope and purpose of technical cooperation such as undertaken by FAO should be geared towards strengthening the role of developing countries themselves in undertaking measures to promote their development.
- 4.12 Improving development self-reliance was also at the centre of other important initiatives having significant impact on FAO's field activities. While in various resolutions the UN General Assembly had called upon the specialized agencies to provide continuous support for cooperation among developing countries, the UN Conference on Technical Cooperation among Developing Countries (TCDC), held in Buenos Aires in 1978, adopted a Plan of Action for promoting and implementing TCDC (subsequently endorsed by the General Assembly). In related UN resolutions since then, and in resolutions of this Conference, the importance of cooperation among developing countries was underlined.
- 4.13 At yet another level, the FAO-sponsored World Conference on Agrarian Reform and Rural Development (WCARRD), held in Rome in 1979, focused in part on the need to improve the skills and capabilities for development of the poorest and most disadvantaged groups in the rural areas of the developing world. The effects of the follow-up to WCARRD, (which became significant by the mid 1980s), were important for all FAO's

field programmes, and provoked a reorientation towards rural development themes centering on the needs of primary producers - small farmers and artisanal fishermen, community forestry groups, women in development and supporting 'people's participation', inter alia through working with NGOs. As with other shifts in the content and orientation of field activities, these changes went hand-in-hand with adjustments in the nature and scope of FAO's Regular Programme activities.

- 4.14 The following sections of this Chapter are intended to highlight a number of key facets of current-day field programmes in the above respects, noting some of the difficulties which have been encountered, and attempting to foresee future developments in the various processes referred to. Recent progress in the area of training is referred to immediately below, and this is followed by a description of the use of national personnel within projects, as well as moves towards government execution. Field programme support for TCDC approaches is then considered with a final section highlighting aspects of increased interaction with local NGOs, and strengthening project support for the role of women in agricultural development.

B. A STRONG TRAINING COMPONENT

- 4.15 As noted in Chapter ONE (Section C), training activities ^{1/} within FAO/UNDP field projects reached the high level of 13 percent (by value) of all inputs delivered in 1988, while under Trust Fund projects this figure was 8 percent. Training is also a significant activity of TCP projects (23 percent of TCP project activities by value in 1988).
- 4.16 While the above figures refer to clearly identifiable training activities such as fellowships, study tours, and group training, there is also a substantial amount of informal training in all field projects as knowledge and skills are imparted to counterpart staff working alongside FAO experts and consultants. Bearing in mind that over 15 000 counterpart personnel were estimated to be working within FAO's field projects in 1988, this type of training - while difficult to quantify - must be very substantial (however, some current difficulties in this respect are alluded to in Chapter TWO).

Fellowships and Study Tours

- 4.17 Individual fellowships, through field projects, are a major vehicle for strengthening the technical capacities of national staff. These have expanded significantly, whereby recipients are given the opportunity to

^{1/} Training under Regular Programme activities is described in the Review of the Regular Programme 1988-89, Chapter FOUR.

study agricultural, forestry and fisheries subjects at specialized research centres, universities and other relevant institutions abroad. This is the most intensive and high-level type of formal training offered through field programmes and involved over 1 050 fellowship placements in 1988 alone (up from an average of around 900 in 1983-87). Such fellowship activities have increasingly been steered away from degree courses (i.e. at European and North American universities) towards substantive training in subjects of direct relevance to the development problems being addressed by projects. Nearly 500, or 47 percent of the project fellowship courses in 1988 took place in a host institution of another developing country - the highest percentage achieved thus far.

- 4.18 At another level, field projects generated over 1 500 study tours in 1988, mainly of counterpart and host-institution personnel who were thus able to travel abroad for short periods to improve their skills through attendance at technical meetings, seminars, conferences, etc., or to observe at first hand successful development work of relevance to their own country situations. The annual numbers of study-tour participants funded by field projects has increased from around 700 at the beginning of this decade, to over 2 000 in 1988.

Training Activities within Projects

- 4.19 Besides the above, many field projects undertake individually designed training activities as an integral part of their work programmes in the country, geared to reinforce the human resource element necessary to attain project objectives, and to help ensure sustainability once the international inputs of the project terminate. This activity, sometimes referred to as "group training" or "formal" training courses, has been regularly surveyed by the Organization's Inter-Departmental Working Group (IDWG) on Training Activities since 1978. The latest comprehensive information available, referring to 1987, portrays an evolution in such training - in terms of persons reached and type of activity - which is indicative of future trends.
- 4.20 In 1987 there were nearly 400 operational UNDP and Trust Fund projects which undertook special training courses as part of their work programmes for that year. A total of some 1 150 separate courses were provided, which involved a record number of 73 000 participants (an 11 percent increase over 1986). Some 14 500 women were reached through these efforts (20 percent of total participants, as compared with less than 10 percent in 1983). Group training is frequently linked to FAO's technical cooperation for institution-building, where a series of training activities form the major part of project work. At the same time, training elements are often included as a necessary complement to enhance the effectiveness of other kinds of project assistance.
- 4.21 Field project training activities were heavily concentrated in Africa and Asia, with each region accounting for roughly 30 percent of the total training effort. Agricultural topics comprised around 46 percent of the total courses undertaken, followed by rural development topics (26 percent), forestry (13 percent) and fisheries (7 percent). Of

these categories, the rise in this decade of rural development training bears special note (from a low of only 5 percent in 1979). Covering mainly the socio-economic aspects of agricultural and rural development, this is a clear reflection of the influence of the WCARRD Conference referred to earlier.

- 4.22 Concerning the kinds of training offered, around half of the estimated 73 000 people reached participated in formal training courses, normally of from ten days to two weeks duration, and instructed by international and national staff. A further 13 000 people participated in workshops or seminars held by projects, which typically last four-five days and are of a less structured nature. Finally, some 24 000 men and women were involved in "field" or "farmer" days and special demonstrations focusing on such subjects as the use of animal traction, crop input practices, tree planting techniques, fish preservation methods, and so forth. Such training, often organized around model farms or demonstration plots, is mainly intended to enhance the skills of primary producers (a theme emphasized by the 1979 WCARRD Conference) and it is significant that over a third of those reached by this means in 1988 were women farmers in Africa.
- 4.23 As has been the case historically, a large share of those trained in courses were middle-level technicians - research, extension, credit officers, etc. - who comprised 12 000 in 1988. A key aspect of part of their preparation is emphasis on training them to train others (eg. the training of trainers). Thus, the field programme's training activities can achieve a multiplier effect in terms of coverage. Indeed, many activities such as "farmer days" and an increasing amount of course work are now conducted by national staff who had earlier received instruction under field project training arrangements.
- 4.24 A recent trend which warrants note is the expanding number of courses offered by projects for professional-level training. Inter alia, such courses reach out to government officials and managers, policy-makers and other decision-making staff - some 11 000 in all in 1988. This trend signals the increased emphasis in field projects on planning and policy analysis as noted in Chapter ONE, Section C (a number of training courses in this sphere are described in the Review of the Regular Programme 1988-89, Chapter ELEVEN, Section IV, C).
- 4.25 In viewing the above, several comments may be made concerning future trends. First, FAO's project training activities are now being extended to more participants than ever before. This has been achieved partly through reliance on national staff, some of whom themselves became qualified for such tasks under field project training. There is also the fact that modern methods of instruction and communication, for instance utilizing video techniques, have facilitated greater coverage. Second, the kinds of persons being trained has shifted towards primary producers at one end of the scale, but now also includes a record number of "professional" officials, managers and policy-makers. Women are now being trained in substantial numbers - though there would appear to be considerable additional scope for their participation given their predominant role, for instance, in African foodcrop production. Training women to train other women would appear an area

of potential in this connection. Finally, as indicated by the rise in "rural development" training activities, and the related increases in primary producers and women participants, socio-economic aspects of development are now an important feature of field project training - in line with the principles of WCARRD.

- 4.26 It should be emphasized in viewing these results, and considering trends in future, that such training activities are usually but one part of an integrated package of inputs which field projects mobilize in order to achieve their intended results. The kinds of weakness in performance referred to in Chapter TWO have impact on the benefits of this training - which can be partly wasted if other project components do not fulfil their intended function. This being said, the scope and amount of training currently offered in field activities appears impressive in coverage and relevant in its adjustment to perceived needs. There is every reason to believe that the lessons of experience in carrying out this activity, in each of FAO's numerous subject-matter areas, will continue to contribute effectively to building-up the human resource base for food and agricultural development in recipient countries.

C. NATIONAL STAFF AND PROJECT MANAGEMENT

- 4.27 While the Organization's extensive training activities are reaching tens of thousands of men and women in the developing world, a more limited number of skilled developing country nationals are undertaking direct responsibilities within technical assistance projects under FAO implementation - a process which may be directly linked with the "new dimensions" principles alluded to earlier.

National Project Directors (NPDs)

- 4.28 Although it has always been understood that the overall direction and responsibility for field projects rests with the recipient government concerned, the exercise of this overriding function has varied considerably depending on government capacities and the related availability of government staff to play an active role. While in earlier years FAO's responsibility for mobilizing, organizing and backstopping the international inputs of projects often covered most, if not all, project activities - from planning through design and full implementation - many countries have now built up relevant institutional and professional experience which enables their close association and involvement in all stages of the project cycle.
- 4.29 Already by the early 1960s it was a fairly common practice for FAO-implemented field projects to have national co-managers and co-directors, usually officials appointed from government or the host institution who participated in project management decisions, worked alongside an FAO-appointed international project manager, so as to be

prepared to take over full management responsibility at the end of the project. As this experience was consolidated, there was - in an increasing number of cases - a gradual shift in management responsibilities from the project international staff to national staff - thus leading to the appointment of National Project Directors (NPDs) who were advised by FAO-appointed Chief Technical Advisers (CTAs).

- 4.30 There are various circumstances in which NPDs have been appointed over the years; in many instances this has been simply a logical extension of project management responsibilities decided by governments in consultation with FAO on a case-by-case basis (and based on the growth of national capacities). In other instances, governments have instituted policies requiring the appointment of National Directors whenever feasible, and sometimes limiting the numbers of resident international staff working on projects in the country.
- 4.31 The above process has led to a steady rise in the number of NPDs responsible for the direct overall management of FAO-implemented field projects. Whereas only some 100 NPDs were in post at the beginning of this decade, this same figure had risen to 130 by the mid-1980, and was around 170 at any one time in the 1986-87 biennium. In this biennium, NPDs were active in supervising over 300 (usually major) field projects - thus establishing this modality as a common feature of FAO's cooperation in all main subject-matter areas.
- 4.32 The use of NPDs in projects is most pronounced in Asian and Latin American countries which have built up considerable professional capabilities in FAO's fields. However, the practice is also becoming common in many Near East countries, and in a growing number of African countries where qualified personnel are available in government departments and host institutions.
- 4.33 It bears underlining that, in the great majority of cases, National Project Directors of FAO projects are not paid out of the project budget - but remain under contract with the government host institution or agency which is providing the general counterpart services to the project. In about two-thirds of the projects concerned, the NPD is, as noted, directly assisted by a senior international Chief Technical Adviser (CTA), who often helps coordinate FAO's international inputs into the project, including through international procurement.
- 4.34 While most NPDs are allocated full-time to project activities, a number are still seconded on only a part-time basis - leaving to the CTA and other international staff the day-to-day running of operations. Although in practice a pragmatic approach has been taken in adopting this practice to prevailing circumstances and possibilities, the tendency over time has been for NPDs to become more directly involved in all project activities - including day-to-day operations. Indeed, there are now some 65 NPD-guided projects operating where FAO's inputs consist mainly of specialist consultant visits, and other periodic backstopping.
- 4.35 Where NPDs and CTAs work side-by-side, it is essential in project planning to set out respective terms of reference in a clear and

complementary manner - bearing in mind the scope and nature of the ties that the NPD must retain with the host institution and government. While in the vast majority of cases this has not caused problems, and indeed been a positive influence on the work of the project, there have been some cases where these relations were too vaguely defined - and this has led to misunderstandings hampering project activities. These cases have drawn the attention of FAO, governments and the funding partner to the need to analyze and specify clearly in the design of projects the role which the National Project Director is expected to fulfill, ranging from full day-to-day responsibility, to periodic review and oversight - still leaving many operational decisions to international staff. This particular aspect, in relation to the institutional setting of projects, is implicitly now covered in the established FAOR pre-appraisal of project proposals.

- 4.36 Related to the above, inevitable constraints have arisen in the lack of National Project Directors' knowledge of FAO's rules and procedures, reporting requirements, and the practices agreed between FAO and its funding partners (in this case, principally UNDP) in project implementation. To a large extent, the advice of CTAs and other international project staff can be useful here. However, it has also been found valuable to provide selected NPDs with special training and briefing in project procedures, prior to or during their role in project management. For this purpose, FAO has started in the last biennium a series of special briefing/training sessions at headquarters for NPDs, for which expenses involved are covered out of individual project budgets (with the agreement of the funding partner concerned, principally UNDP).
- 4.37 In this biennium, some ten specially arranged briefing/training seminars - of from one to two weeks duration - were organized at FAO headquarters by the main operating divisions. Over 120 NPDs participated, in which they were briefed on relevant facets of the Organization, and on rules, principles, and procedures governing FAO's project operations. These meetings also provided NPDs with an opportunity to meet with the technical, operational and administrative officers servicing their projects. In this same connection, special seminar/workshops have been organized in countries with a high concentration of NPDs, and many NPDs now participate in regional/sub-regional workshops centering on project operations.

National Project Professionals (NPPs)

- 4.38 Parallel with the expansion in the utilization of National Project Directors, there has been a marked increase - particularly recently - in the contracting of nationals of countries, to work as NPP experts and consultants within the framework of FAO field projects. In contrast to the NPDs, these national personnel are normally fully paid from project funds - most often through the device of short-term Service Contracts (SCs).
- 4.39 As this practice has become more used, and experience gained, the number of NPPs in FAO's field projects has risen sharply. While only

some 30 such professionals were employed in projects at the beginning of this decade, the number rose rapidly from 130 in 1984-85, to well over 500 at any one time during the current biennium. While previously the recruitment of such professionals for project work was primarily concentrated in Asia and Latin America, the use of NPPs is now becoming relatively common in all regions - and under all the Organization's main programmes. To facilitate this process, in addition to headquarters contracting, FAO Representatives in selected countries have been authorized to recruit NPPs for field activities for short-term assignments.

- 4.40 As evidenced by their growing numbers, the use of NPPs in FAO's operational activities has been seen to be beneficial from a number of viewpoints. First and foremost is the technical and related experience and expertise they can bring to strengthen the relevance of project activities in their own country. Secondly, they themselves - working alongside international staff - can develop additional experience which can then be applied to other areas, once the international input has terminated. A number of NPPs working in FAO's projects have later become National Project Directors, while others have subsequently applied their skills to other technical cooperation efforts - for instance financed through bilateral or entirely domestic sources. Finally, there is the fact that - for certain professional tasks within projects where there is a readily available pool of national talent - the use of NPPs can be more flexible and much less costly than bringing in internationally-recruited experts.
- 4.41 There can be little doubt that, in areas where this is judged appropriate, the local recruitment of NPPs for project tasks will become a standard feature of the majority of field programmes. This, in combination with the ever rising NPDs' use, suggests that enormous strides have already been taken in FAO's operational activities towards meeting a main "new dimensions" objective of fully involving recipient country capacities in international assistance such as provided by FAO.

Towards Full Government Execution

- 4.42 As has been reported in previous editions of this Review, the government execution of projects represents the ultimate application of the "new dimensions" principles to UN technical cooperation. In this case, a department, agency, institution or other entity of government takes over responsibility for the mobilization of the international inputs of field projects, and manages their application in combination with domestic resources to achieve project objectives.
- 4.43 The concept and practice of government execution in UNDP's programmes has been assigned high priority in recent UN General Assembly resolutions, and in UNDP and other UN fora. FAO fully supports this priority, which reflects a further extension of the kinds of practices, utilizing national staff, just referred to.
- 4.44 A necessary condition for government execution is the existence of appropriate managerial, technical and administrative capacity within the

government to assume the responsibility for and to undertake the project activities in question. Where this condition is only partly satisfied, perhaps in the majority of cases at present, the modality can still be used, but in conjunction with agency support for implementing specified project components (i.e. as a "cooperating agency") or providing "ad-hoc" services (i.e. guidance for formulation, review and reporting, evaluation, etc.).

- 4.45 Up to this biennium, actual government-executed projects in operation were relatively few (all UNDP-funded), and much fewer still where FAO's technical fields were concerned. The earlier government-executed projects tended to have large equipment and sub-contracting components. But this situation has now changed quite markedly: from involvement with some 23 government-executed projects in 1987, FAO was providing services to nearly double this number, 45 projects, as of end-1988. Typically, such work entails the undertaking, through FAO experts and consultants, of certain technical facets of projects, backstopping of a general or highly specific nature, assistance in the procurement of equipment or in reporting, and similar work. In a number of important cases FAO has also carried out the planning, design and formulation of projects given over for government execution.
- 4.46 This growth in numbers and services may be expected to continue into the next biennium. Indeed, whereas in 1988 government-executed projects accounted for some 12 percent of all UNDP IPF expenditures, the modality's share of new approvals (by value) was well above 15 percent (and is forecast to exceed 20 percent by 1990). In practice, of course, this growth will be conditioned by experience with this modality as its use spreads. This is where specialized technical agencies such as FAO have a key function.
- 4.47 As noted, FAO and other specialized agencies have an important complementary role to play in support of government execution, where the basic conditions for this type of execution are met. This is because the modality does not signal a sudden shift from full international to full national implementation, but - in most cases - a logical extension of practices and procedures involving governments in projects which have usually been in place for some time under agency implementation. For instance, in a number of cases, the extension of FAO projects with NPDs has been transformed over to full government execution. Thus, in reality, the distinction between agency execution on the one hand, and government execution on the other, is necessarily blurred, since what is involved is a steady process of strengthening the government function in project activities, to the point where this takes over direct responsibility for most, if not all activities. At that point, FAO's role becomes complementary and subsidiary to that of the government executing organization concerned. Moreover, in some cases, the Organization is not involved at all in government-executed UNDP projects in the field of food and agriculture, where it is considered that adequate national capacities exist.
- 4.48 While the above reasoning suggests that there should be a gradual and carefully determined shift towards government execution within countries where adequate competences have been built-up in FAO's

fields, in practice a number of difficulties have arisen which have hampered this process.

- 4.49 One such problem concerns the assessment of when and how projects in FAO's fields, with relatively high technical content, should be assigned (by UNDP in almost all cases) to government execution. Here it has been recognized by all concerned that FAO's advice should be sought in order to ensure a smooth transition to this modality with the requisite technical capacities and institutional framework established. In certain instances, where this early-stage consulting process did not take place, and where serious weakness developed upon implementation, FAO was called upon at too late a stage to play its full supporting role, and a number of projects had to be reassigned to agency implementation.
- 4.50 Related to the above problem is the fact that the design of a project for government execution must necessarily differ from that of the same project envisaged for the agency execution. Thus it is preferable for the decision about the executing modality to be made prior to full project design and formulation, so that the inter-face between government's responsibility and functions, and any necessary inputs from FAO, can be clearly spelt out and understood before project activities commence.
- 4.51 The above and other related difficulties encountered in the expansion of the government execution modality have been well recognized and are currently under study in UN inter-agency and UNDP fora. Their careful consideration and resolution will help ensure that this ultimate goal of the UN system's development activities is achieved for the maximum long-term benefits of the countries concerned and with the full contribution of FAO's (and other agencies) accumulated knowledge and experience.

D. EXPANSION OF TCDC APPROACHES

- 4.52 As highlighted in previous editions of this Review, and analyzed in detail in the 1984-85 Review of the Regular Programme, FAO's promotion of TCDC approaches in its field activities has become an important means of helping strengthen developing countries collective self-reliance in agricultural development matters. These efforts have further increased in this biennium; there is now a wide array of ways and means by which the Organization is contributing in the field to building-up the technical capacities of countries through catalytic actions which facilitate the flow of information, experience and expertise between developing countries themselves.
- 4.53 The mandate of FAO as a specialized technical organization means that the major part of its involvement in support of cooperation among developing countries falls in the technical rather than economic fields, although some activities have both a TCDC and ECDC content. Reference here is to activities which are primarily of a TCDC nature.

- 4.54 Because of the highly diverse nature and scope of TCDC approaches to which the Organization's field projects contribute, it is difficult to quantify, in exact numbers and value, the amount of field project assistance which supports these approaches. While some project activities are clearly of a TCDC nature (particularly under regional projects) others may in part reflect TCDC principles in the context of other objectives. Assistance for TCDC takes many forms, such as various kinds of inputs for meetings, workshops, study tours, seminars and training courses of a TCDC nature, inputs in connection with the establishment and operation of TCDC networks, and assistance for the assessment and matching of country-by-country capacities and needs for TCDC.
- 4.55 Although not usually accounted for in FAO's TCDC-related activities, it bears note that many field projects - both national and regional - entail the transfer of expertise, experience and technologies from one developing country to another. For instance, as indicated in Chapter ONE (Section D), nearly 50 percent of field experts are from other developing countries, and many study tour and fellowship activities of projects amount to TCDC on a bilateral basis, between one developing country and another. Such "bilateral TCDC" in projects is important in many fields of agriculture, forestry and fisheries where the most relevant experience and expertise is found in similar ecological and socio-economic circumstances.
- 4.56 A main vehicle for facilitating TCDC on a regional and sub-regional basis in association with FAO field project support is networks (as discussed further below). In late 1984, the examination noted above in the Review of the Regular Programme identified some 44 UNDP and Trust Fund projects worth US\$ 51 million (total budgets) as giving direct support to TCDC networks. A further 128 projects were identified as being involved, in one form or another, in TCDC network activities. More recently, a rough survey for the period 1987-88 identified some 139 substantial TCDC activities as receiving support under FAO's field projects, with TCDC-related expenditures of US\$ 41 million as shown in Table 4.1 below.

Table 4.1

ESTIMATED FIELD PROJECT SUPPORT FOR TCDC
1987-1988

	TCP	TRUST FUNDS	UNDP	TOTAL
No of TCDC supported activities	48	35	55	139
Expenditure for TCDC (US\$ million)	5.2	13.6	22.4	41.2

- 4.57 Around 80 percent (by value) of this total effort was found to comprise activities of a "promotional" nature (i.e. surveys of potential, strengthening institutions for TCDC, promoting networking, meetings, seminars, etc.) and the remaining 20 percent for "catalytic" support to on-going "operational" TCDC programmes. This latter category of assistance, mainly in the form of periodic cooperation within established workplans of networks, has increased recently and is expected to receive as much as 50 percent of total support in the next several years.
- 4.58 While the above figures refer only to the field project element in TCDC support, it bears emphasizing that a wide variety of Regular Programme activities of FAO's technical divisions provide field support to TCDC initiatives and networks, and in particular that FAO's Regional Offices have been especially active in this connection - with an estimated 20-25 percent of their activities devoted to work directly or indirectly involving TCDC.

TCDC Network Approaches

- 4.59 A predominant means by which field programmes support TCDC approaches is through the establishment and servicing of numerous networks as umbrella frameworks for the transfer of experience and expertise in a wide range of subject-matter fields covered by the Organization. Such networks are usually constituted at regional or sub-regional level, and have been most predominant in Latin America and Asia. FAO's role has been to provide initial seed-money and advice for setting up the structure of such networks, and to service and participate in their activities in order to stimulate much larger flows of expertise and technical resources from among the participant governments and institutions themselves.
- 4.60 Depending on definition, there are at present close to 60 operational TCDC networks in the four FAO regions; some 30-40 other potential networks are at various stages of elaboration and establishment. Networks underway cover such subjects as rice and other foodcrop development (including horticulture), processing and preservation of various crops, animal production health and genetic resources, research of various kinds, integrated rural development, agricultural credit and marketing, development planning, aquaculture, forestry education, fuelwood and diverse other matters. A number of these networks have been in operation for ten years or more. In 1988 there were some 20 operational TCDC networks in Latin America and the Caribbean, 18 in Asia and the Pacific, and around 10 each in Africa and the Near East.
- 4.61 As with subject-matter, the content of such networks varies markedly, depending on their purposes and institutional composition. Some long-established networks, particularly those linked to FAO's statutory Regional Commissions and related bodies, are of a relatively formal nature - with regular meetings, reports and even periodic public bulletins issued. Other networks are of a more ad-hoc nature (for example where a network is set up to address an immediate problem such

as pest or disease outbreak). In most if not all cases, networks link national institutions interested in the particular subject-matter concerned. Within these links, the basic activities pursued comprise: (i) meetings, workshops, courses and seminars; (ii) exchange of expertise, advice and sometimes materials (i.e. improved seeds); and (iv) training courses.

- 4.62 FAO's field projects contribute to these networks, and to other TCDC-type activities, mainly through making expert staff and consultants available to help in identification and design, organizing and funding related workshops and study tours, arranging and funding special training courses, and engaging in the support of the national institutions participating (including main host institutions which are sometimes recipients of specific project assistance for institution-building).
- 4.63 Experience with these networks - the main conduit for such TCDC-related work by FAO - has been highly variable, though many have become well-established and to a considerable extent self-sustaining. This experience is now the subject of a systematic survey by FAO's special unit for monitoring TCDC - based on standard analysis being undertaken by Regional Offices. Though material for this survey is still being received from the Regional Offices, a number of preliminary fundings have already emerged.
- 4.64 One finding is the apparent need for substantially more external financial and expert staff support than might originally have been envisaged. In part, this appears to result from the severe budget (and foreign exchange) shortages which now characterize many developing countries. Particularly in Africa, but also elsewhere, this has meant that many of the activities of networks are dependent on outside funds being found for international expenses such as air travel (in one notable case in Asia concerning a livestock network, a special local currency fund has been set up to help minimize such difficulties).
- 4.65 Thus, it is often not sufficient for merely an allocation of initial FAO promotional "seed-money" to mobilize well-identified and promising TCDC-type activities, which then become self-sustaining. Rather, FAO's input - while still small in relation to the total activities of the network - needs often to be deployed repeatedly over time to stimulate and facilitate the flow of information and the exchange of experts which are usually a network's *raison d'être*. In this connection, many of the more successful networks have attracted useful bilateral and other external support, and some have strengthened their activities by creating conditions and a framework for complementary FAO/UNDP and Trust Fund project operations.
- 4.66 A further preliminary outcome of the survey would appear to be that, given the extreme range of performance of the TCDC networks, some attention should now be given to either adjusting and revitalizing (where feasible) or weeding out those networks which are failing to attract the attention and interest necessary for their self-sustained development; thus concentrating FAO inputs on those networks where clear evidence of results (or at least clear potential) has been

demonstrated. In such case, the degree of promotional activities, as referred to in relation to the table above, would continue to decrease in favour of a greater amount of "catalytic" supportive activity within established successful networks.

4.67 TCDC activities, principally organized through networks, have expanded rapidly since the beginning of this decade. The network approach has, on the whole, proved a valuable investment for channelling significant amounts of assistance under FAO's field projects to stimulate inter-country exchange of information and experience in numerous technical areas, and in doing so enhance institutional and staff capabilities for agricultural development.

4.68 At the same time, networks have increasingly provided FAO itself with a useful focused framework for addressing certain problems at sub-regional and regional level, and for programming related complementary assistance under TCP, or extra-budgetary funding. There can be little doubt that, in future, field project work in connection with TCDC will continue to increase and that the network modality will be further refined and expanded to mirror the fact that here, as in other areas, the developing countries themselves have taken on a predominant role in relation to FAO's technical cooperation activities.

E. ASPECTS OF WCARRD FOLLOW-UP: INTERACTION WITH LOCAL NGOS, AND MORE FOCUS ON WOMEN

4.69 Ten years have passed since the FAO-sponsored WCARRD Conference laid down principles stressing that the objective of rural development must be to improve the quality of life of all elements of the rural population. The Conference, and its various resolutions, provoked a thorough review and critical analysis of the content and modalities of FAO's main field programmes at the time. This resulted - over the ensuing years - in a more focused orientation towards meeting small farmers' needs, and the needs of the rural poor in general, often through what are referred to as grass-roots approaches to development. Stress was also laid in this context on improving the position of women, and enhancing their role in agricultural development.

4.70 WCARRD follow-up thus led to a qualitative shift in the thrust of many of the Organization's main field activities, a fact which accounts for a number of their features today. Across the spectrum of crop and animal production and improvement activities, there is now pronounced emphasis on meeting the needs of the small farmer/producer. Current forestry field activities contain ample components of communal and social forestry initiatives, and in fisheries there has been a marked trend towards working for the betterment of artisanal fishermen and isolated fisheries communities. In numerous cases, large-scale multidisciplinary rural and area development projects are addressing a wide span of issues affecting the rural poor. It is difficult, if not impossible, to gauge the exact extent of these adjustments induced by

the WCARRD principles, but any review of the present purposes and intended beneficiaries of FAO's field projects, contrasted with the 1970s, will reveal very perceptible differences in this connection.

- 4.71 A consequent process which has occurred with such reorientation has been the greater emphasis on cooperation and coordination with local NGOs, to ensure grass-roots initiatives and participation in field activities. The key activities of the FFHC/AD unit in this area have already been referred to in Chapter ONE (Section A). The unit has been especially active in recent years in promoting small-scale schemes involving local NGOs in Africa, where it is sponsoring training for such groups and matching their needs to resources available from "donor" NGOs.
- 4.72 In addition to this highly focused activity, and sometimes deriving lessons from it, an increasing number of FAO's main-stream technical assistance projects are interacting with the work of local NGOs and other rural groups, which are in a position to link-up project activities with the needs of intended beneficiaries, and which can serve as conduits to villages and/or small farmer/producers, of the improved technologies, methods and practices resulting from project activities. In such cases, the staff of these local groups may also receive training under the FAO project, for instance for preparing and implementing small-scale rural or community development schemes. It bears mention in this connection that a number of the national experts and consultants now employed in connection with field project activities are local NGO personnel.
- 4.73 Besides the immediate advantages of linking certain activities with the grass-roots work of local NGOs and rural groups, this process is seen as advantageous - if not essential - to the sustainability of project impact in the area concerned. Thus, over the several years of project operations, there is an up-grading and enhancement of the experience and expertise of local development organizations and their staff, who are then in a better position to carry on once FAO's international inputs are withdrawn.
- 4.74 It should be noted that some field projects are also closely associated with the grass-roots work of larger regional and international NGOs, which may have relevant programmes and relatively long-term resident staff and volunteers in the area who can enhance certain project activities through coordinating the efforts of their organization with these.
- 4.75 Examples of these various types of NGO and related collaboration at grass-roots level can be found in all main subject-matter areas of the Organization, and a number have been cited in previous editions of this Review. Of particular interest in this biennium is the more explicit consideration of NGO involvement in projects at their identification and design stage. FAORs, for instance, were asked to devote a special section of their 1988 annual country reports to the NGO situation in relation to food and agricultural development efforts (this information is now being processed, and will be published shortly) and have been alerted to assess potential NGO involvement in their standard

pre-appraisal of new project proposals. The possibilities for an NGO link-up are also explicitly requested in the new UNDP project document format, which is being applied to most Trust Fund proposals.

- 4.76 Grass-roots approaches are a common feature of field activities which seek to promote the role of women in development (WID). In the majority of such cases, project work is linked, in one form or another, to cooperation with local women's groups and NGOs for training, the supply of inputs, for credit, marketing and food processing advice and assistance, etc. In part, this is because official channels of assistance in these spheres are not usually geared to reach rural women (this is an issue also, which a number of field activities are seeking to address directly).
- 4.77 As noted with numerous examples in the 1986-87 edition of this Review, and in the 1984-85 edition of the Review of the Regular Programme, the incidence of WID themes in FAO's field programmes has expanded since the beginning of the decade; WID is now a feature of projects in a number of main areas of FAO's technical cooperation. As concerns numbers of field projects specially designed to promote WID, these grew from only 22 projects worth US\$ 11 million (total budgets) in 1985, to 36 projects valued at around US\$ 15 million in early 1987. As of mid-1989 there were over 55 such projects in operation, with combined budgets of about US\$ 26 million.
- 4.78 In addition to the growth in specifically focused projects for promoting WID, the incidence of WID components in other larger-scale, often multidisciplinary, projects has continued to increase. While no exact measure of this element is yet possible (though with the intended coding of projects according to the percentage of women's involvement, this will soon be possible) within FAO's total project portfolio, it may be assumed that the activities involved are, in dollar value terms, at least equal to the US\$ 26 million recorded for individual WID projects.
- 4.79 In the area of crop development, WID considerations are frequently present where basic food staples are involved, particularly root tubers in Africa. Women's role is also predominant in several large on-going vegetable production and improvement schemes. For livestock, dairy development and training units are working directly with women's groups in Africa, Latin America and the Caribbean.
- 4.80 Women's role is also highlighted in numerous marketing and credit projects in Africa and the Caribbean, and women are major intended beneficiaries of projects for food processing in Africa and the Near East, and for five operational apicultural projects and six silk production projects. WID is a feature of a number of irrigation development activities, and of projects aimed at improved fertilizer use, particularly in Africa.
- 4.81 In forestry activities, WID roles are most conspicuous in fuelwood related and forest income-generating activities, while in fisheries projects women-oriented components largely concern fish handling, processing and marketing - in a number of cases linked to specific credit programmes for women.

- 4.82 While the above activities suggest that field programme focus on the role of women in food and agricultural development has been sharpened in recent years, it is widely recognized that much more potential exists for the full integration of women's concerns in FAO's technical assistance efforts. Again, this needs particular emphasis at the design stage of projects, and the new project document format now makes this explicit. In addition, special guidelines and checklists in this connection are being finalized to be used by programming missions and project design task forces (as well as in the course of project implementation and in monitoring and evaluation activities where WID components are present). Through these and other means, the role of women in agricultural development may be expected to become a prominent feature of FAO's field activities in the years ahead.

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TABLE 1

YEARLY EXPENDITURES ON FAO FIELD PROGRAMMES
(US\$ million, by programme and programme category)

FIELD PROGRAMMES	1970	1975	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989*
1. FAO/UNDP Programme	69.9	119.7	167.1	182.5	141.1	116.5	109.2	115.9	128.8	128.4	155.0	180
2. Trust Fund Technical Assistance												
FAO/Government Programme	1.5	11.2	32.6	38.9	44.4	43.8	56.8	65.4	73.0	72.5	74.6	
Assoc. Prof. Off. Programme	3.3	9.7	14.5	14.6	13.0	12.6	13.7	13.2	12.9	13.2	16.5	
Near East Cooperative Programme	-	-	4.8	3.3	3.0	1.3	0.7	0.9	0.8	0.9	0.6	
Unilateral Trust Funds	1.0	3.5	10.9	13.8	24.5	33.5	38.2	42.1	34.7	29.6	31.2	
PFL Special Account	-	-	3.6	4.0	2.7	1.5	0.5	0.6	0.6	0.6	0.8	
Freedom from Hunger Campaign/AD	2.3	2.7	1.6	1.7	1.0	1.1	1.0	1.1	0.9	1.3	1.2	
UNFPA	-	1.9	3.5	2.3	1.9	0.9	1.7	2.1	1.3	2.0	2.5	
UN Environment Programme	-	0.6	1.3	0.8	0.9	1.9	0.8	0.9	0.6	0.8	0.9	
Other UN Organizations	1.5	0.4	1.7	2.9	3.1	4.7	10.5	9.4	7.1	6.7	7.8	
Special Relief Operations (OSRO)	-	14.3	14.7	30.4	15.5	12.2	5.3	4.0	4.1	4.7	4.4	
Int. Fertil. Supply Scheme (IFS)	-	53.8	3.3	2.2	3.8	0.1	3.2	1.5	1.6	0.8	1.3	
Emergency Centre Locust Oper. (ECLO)	-	-	-	-	-	-	-	-	7.0	7.4	9.2	
Miscellaneous Trust Funds	0.4	2.1	6.4	5.2	5.9	6.7	7.2	6.4	6.6	7.4	8.6	
Sub-Total	10.0	100.2	98.9	120.1	119.7	120.3	139.6	147.6	151.2	147.9	159.6	155
TOTAL EXTRABUDGETARY FIELD PROGRAMMES	79.9	219.9	266.0	302.6	260.8	236.8	248.8	263.5	280.0	276.3	314.6	
3. TCP	-	-	13.8	15.4	17.4	22.8	20.5	27.5	35.1	37.2	26.9	28
TOTAL FIELD PROGRAMMES	79.9	219.9	279.8	318.0	278.2	259.6	269.3	291.0	315.1	313.5	341.5	363
MISCELLANEOUS SUPPORT COSTS												
4. UNDP	8.9	16.9	22.6	25.0	19.8	16.0	15.1	16.0	17.9	18.7	20.2	
5. Trust Funds	1.2	3.7	8.0	9.1	9.9	10.4	12.3	13.7	14.1	14.1	15.4	
6. World Food Programme	1.0	2.4	6.2	5.9	6.5	6.8	7.3	7.9	7.1	8.2	8.1	
7. Contributions from Investment Banks/Funds	1.4	3.8	7.5	8.7	8.4	8.2	9.0	8.2	9.9	9.7	10.5	
MISCELLANEOUS SUPPORT COSTS	12.5	26.8	44.3	48.7	44.6	41.4	43.7	45.8	49.0	50.7	54.2	
GRAND TOTAL	92.4	246.7	324.1	366.7	322.8	301.0	313.0	336.8	364.1	364.2	395.8	

* Estimated

TABLE 2

Regional Distribution of FAO Field Projects

(As of end 1988)

Region	Programme	Funded from Extra-budgetary Sources			TCP	TOTAL
		UNDP	TF	Sub-total		
(a) Number of Projects						
Africa		364	492	856	217	1,073
Asia & Pacific		315	146	461	141	602
Latin America		90	78	168	132	300
Near East		118	115	233	72	305
Europe		38	16	54	14	68
Interregional & Global		8	137	145	-	145
TOTAL		933	984	1,917	576	2,493

(b) Total Allocations (\$ million)

	UNDP	TF	Sub-total	TCP	TOTAL
Africa	379	410	789	24	813
Asia & Pacific	314	124	438	16	454
Latin America	48	67	115	12	127
Near East	80	230	310	7	317
Europe	11	17	28	1	29
Interregional & Global	9	373	382	-	382
TOTAL	841	1,221	2,062	60	2,122

TABLE 3

**DISTRIBUTION OF FAO COUNTRY PROJECTS
IN COUNTRIES GROUPED BY LEVEL OF DEVELOPMENT**

(as of December 1988)

Country Groupings	No. of Countries	No. of Projects			Allocations (\$ Million)		
		UNDP	TCP	T F	UNDP	TCP	T F
LDCs 1/	42	369	210	406	385.9	21.0	349.8
European 2/	13	35	18	14	10.3	1.2	17.1
Other	85	444	295	271	361.8	30.4	309.3
TOTAL (EXCL. REG/INT/GLO)	140	848	523	691	758.0	52.6	676.2
							1,486.8

N.B.: Regional, Interregional and Global project are not included. Therefore, totals in this table do not correspond to those in Table 2.

1/ LDCs by Region: AFRICA: Benin, Botswana, Burkina Faso, Burundi, Cape Verde, CAF, Chad, Comoros, Eq. Guinea, Ethiopia, Gambia, Guinea, Guinea Bissau, Lesotho, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome & Principe, Sierra Leone, Togo, Uganda, Tanzania.

ASIA & PAC.: Afghanistan, Bangladesh, Bhutan, Burma, Kiribati, Lao P.D.R., Maldives, Nepal, Samoa, Tuvalu, Vanuatu.

LAT. AMERICA: Haiti

NEAR EAST: Democratic Yemen, Djibouti, Somalia, Sudan, Yemen Arab Rep.

2/ Albania, Bulgaria, Cyprus, Czechoslovakia, Greece, Hungary, Malta, Poland, Portugal, Romania, Spain, Turkey, Yugoslavia.

TABLE 4

YEARLY FAO/UNDP PROJECT EXPENDITURES: BY MAJOR COMPONENT

Component	1982		1983		1984		1985		1986		1987		1988	
	US\$ m.	%	US\$ m.	%	US\$ m.	%	US\$ m.	%	US\$ m.	%	US\$ m.	%	US\$ m.	%
Project Personnel	87.6	62.1	75.3	64.6	68.7	62.9	66.0	57.0	70.3	54.6	68.8	53.6	78.3	50.5
Sub-contracts	3.8	2.7	2.8	2.4	2.8	2.6	2.8	2.4	5.6	4.3	4.0	3.1	2.5	1.6
Training	12.7	9.0	10.7	9.2	12.1	11.1	12.2	10.5	14.2	11.0	14.1	11.0	19.9	12.8
Equipment	30.0	21.2	21.9	18.8	19.5	17.8	27.6	23.8	31.5	24.5	32.7	25.5	43.5	28.1
Miscellaneous	7.0	5.0	5.8	5.0	6.1	5.6	7.3	6.3	7.2	5.6	8.8	6.8	10.8	7.0
TOTAL	141.1	100.0	116.5	100.0	109.2	100.0	115.9	100.0	128.8	100.0	128.4	100.0	155.0	100.0

TABLE 5 : INVESTMENT CENTRE-ASSISTED PROJECTS APPROVED FOR FINANCING

Year	World Bank	IFAD	African Development Bank	Inter-American Development Bank	Asian Development Bank	UN Capital Development Fund	FAO/ Bankers Programme	Other 1/	Co-Finance	TOTAL
Number of Projects										
1983	20	9	6	-	2	-	2	-	-	39
1984	21	5	6	1	4	-	1	3	-	41
1985	20	8	7	-	1	3	2	7	-	48
1986	16	8	7	-	5	-	1	3	-	40
1987	14	10	6	2	1	6	1	1	-	41
1988	19	12	3	-	-	5	1	4	-	44
External Loans (US\$ million)										
1983	860	83	60	-	34	-	11	-	97	1,146
1984	628	24	89	8	255	-	2	25	113	1,144
1985	568	48	111	-	5	5	1	29	265	1,031
1986	1,095	61	121	-	308	-	1	19	68	1,674
1987	464	95	85	45	14	11	2	4	180	899
1988	519	146	28	-	-	11	- 2/	118	203	1,025
3/ Total Investment (US\$ million)										
1983	1,775	161	77	-	41	-	14	-	-	2,067
1984	1,653	74	117	12	416	-	3	32	-	2,306
1985	1,189	336	206	-	6	9	34	67	-	1,847
1986	2,191	123	185	-	446	-	2	37	-	2,985
1987	914	184	123	62	22	15	5	10	-	1,335
1988	1,222	272	32	-	-	14	10	119	-	1,669

1/ Arab funds, sub-regional institutions, UNHCR Trust Fund, EEC/EDF, bilateral sources, and projects financed entirely by governments.

2/ Financed entirely by local sources

3/ Total investment costs, including government participation

N.B. Totals may not add due to rounding

Table 6

APPROVED TCP PROJECTS BY REGION AND CATEGORY
(CUMULATIVE 1976-1988)

<u>Region</u>	<u>Training</u>		<u>Emergencies</u>		<u>Advisory Services</u>		<u>Investment Preparation</u>		<u>Support to Development</u>		<u>Formulation Missions</u>		<u>TCDC</u>		<u>TOTAL</u>	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000 Percent
Africa	498	40,600	222	27,550	328	21,715	240	15,383	87	5,195	174	7,665	7	775	1,562	118,883 40
Asia & Pacific	352	31,165	100	11,096	232	16,243	85	6,441	65	4,242	56	1,955	13	1,097	903	72,239 24
Near East	139	10,922	89	11,669	155	8,937	60	4,400	42	3,193	46	1,990	6	705	537	41,816 14
Latin America	190	8,467	156	17,226	278	19,909	112	7,807	24	1,518	85	4,185	10	993	855	60,105 20
Europe	45	2,539	7	576	29	1,095	6	333	4	142	4	46	2	231	27	4,962 2
TOTAL	1,224	23,693	580	68,117	1,022	67,899	503	34,364	222	14,290	365	15,841	38	3,801	3,954	298,005 100
Percent of Total	31		23		23		12		5		5		5		1	

Table 7

UTILISATION OF DEVELOPING COUNTRIES CAPACITIES: PROJECT INPUTS

(UNDP, Trust Funds, TCP)

COMPONENTS BY YEAR		Total FAO	Of which developing countries	
1. Experts in post ^{1/}	1980	1,861	789	42%
	1981	1,860	826	44%
	1982	1,636	746	46%
	1983	1,625	710	44%
	1984	1,587	711	45%
	1985	1,625	766	47%
	1986	1,556	690	44%
	1987	1,443	656	45%
	1988	1,352	636	47%
2. Candidatures submitted ^{2/}	1980	732	351	48%
	1981	618	278	45%
	1982	665	339	51%
	1983	491	243	49%
	1984	639	331	52%
	1985	470	266	57%
	1986	478	225	47%
	1987	585	300	51%
	1988	516	279	54%
3. Fellowships awarded ^{3/}	1980	841	277	33%
	1981	994	396	40%
	1982	889	322	36%
	1983	874	349	40%
	1984	930	407	44%
	1985	1,149	441	38%
	1986	1,130	471	42%
	1987	902	356	39%
	1988	1,046	490	47%
4. Contracts awarded (\$'000)	1980	18,794	10,227	54%
	1981	17,583	9,867	56%
	1982	18,599	4,573	25%
	1983	19,644	6,095	31%
	1984	25,757	13,240	51%
	1985	23,354	13,350	57%
	1986	13,063	4,321	33%
	1987	15,461	4,148	27%
	1988	29,585	3,969	13%
5. Equipment orders (\$'000)	1980	57,773	14,665	25%
	1981	79,072	21,567	27%
	1982	48,783	8,069	17%
	1983	49,777	10,255	21%
	1984	51,083	10,050	20%
	1985	55,370	8,886	16%
	1986	69,899	10,743	15%
	1987	59,499	8,922	15%
	1988	77,499	9,716	13%

^{1/} Including consultants, excluding Associate Professional Officers.^{2/} Excluding consultants and Associate Professional Officers.^{3/} Figures do not reflect actual numbers of fellowships awarded during a certain year, but number of countries of study for fellowships during a certain year (i.e. higher figures) which for purposes of illustrating FAO's use of developing countries capacities may be considered more appropriate.

LIST OF ABBREVIATIONS

L I S T O F A B B R E V I A T I O N S

AfDB	African Development Bank
AGFUND	Arab Gulf Programme for the United Nations Development Organizations
APO	Associate Professional Officer
ARPA	Agricultural Rehabilitation Programme for Africa
AsDB	Asian Development Bank
CCSQ(OPS)	Consultative Committee on Substantive Questions (Operations)
CP	FAO/World Bank Cooperative Programme
CTA	Chief Technial Adviser
ECLO	Emergency Centre for Locust Operations
ECOSOC	Economic and Social Council
EEC	European Economic Community
EPTA	Expanded Programme of Technical Assistance
FAOR	FAO Representative
FBP	FAO Bankers Programme
FFHC/AD	Freedom from Hunger Campaign/Action for Development
GCP	Government Cooperative Programme
GNP	Gross National Product
IAEA	International Atomic Energy Agency
IC	Investment Centre
ICB	International Competitive Bidding
IDA	International Development Association
IDB	Inter-American Development Bank
IDWGT	Inter-Departmental Working Group on Training
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IPF	Indicative Planning Figure

ISP	Investment Support Programme
LDC	Least Developed Country
NGO	Non-Governmental Organization
NPD	National Project Directors
NPP	National Project Professional
OPE	Office for Projects Execution, UNDP
OSRO	Office for Special Relief Operations
PFL	Programme for Prevention of Food Losses
PRODOC	Project Document
PWB	Programme of Work and Budget
SC	Service Contract
SNPA	Substantial New Programme of Action
SSA	Special Service Agreement
TA	Technical Assistance
TCDC	Technical Cooperation Among Developing Countries
TCP	Technical Cooperation Programme
TF	Trust Fund
TFAP	Tropical Forestry Action Plan
UNCDF	UN Capital Development Fund
UNCTAD	UN Conference on Trade and Development
UNDP	United Nations Development Programme
UNEO	United Nations Emergency Operations Trust Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	UN Development Fund for the Women
UNPAAERD	UN Programme of Action for Africa's Economic Recovery and Development
UNSO	United Nations Sudano-Sahelian Office
USAID	Agency for International Development
UTF	Unilateral Trust Fund

WB

World Bank

WCARRD

World Conference on Agrarian Reform and Rural
Development

WFP

World Food Programme

