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Mr. R. D. H. Rowe, Forestry Adviser

H. Wagner, LCPA2A

Bank Policy on Forestry - First In-house Review

1. The paper "Bank Policy on Forestry" is a good base for a broader activity of the Bank on this sector. The tendency to integrate forestry in rural development projects is a new and necessary completion.

2. Nevertheless permit me to make a suggestion about Future Orientation of Forestry Activity (chapter 4, page 38). On this most essential part of the paper the author laid down three priorities for the Bank's activities. I am fully agreeing with it, but would it not be better to establish for every country a priority of activities according to its conditions and to the state of its forest sector.

3. I would propose to make a decision about the Bank's activity and its priorities after having the sectorial review. It shows the weak points and deficiencies. Only then you are able to set priorities where you could start to solve a problem. Without preconceiving priorities you are more flexible to react on the particular necessities of a country.

4. Perhaps there are two points that should be mentioned in a forest policy paper.

   (a) Some statements about the cooperation with FAO or other organizations.

   (b) What is the Bank's official policy in areas, where foreign participation in joint ventures is limited on 49%. (Pacto Andino).

H. Wagner
Country Lending Programs in the Agriculture Sector

1. In response to your memorandum of January 16, I attach a Table showing for each borrowing country the projected annual IBRD/IDA lending for agriculture over the period FY76-80. These projections are reasonably reliable for the earlier years but less so for the outer years.

2. We are not able to provide comparable disbursement projections on a country-by-country basis for only one sector. The number of projects is too small and the disbursement pattern for agriculture projects especially is too varied. It is possible, however, to predict what total IBRD/IDA disbursements for agriculture will be over the next five years. Our estimate, which includes disbursements on past loans as well as on the new commitments projected for FY76-80, is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Disbursements (in $m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY76</td>
<td>750</td>
</tr>
<tr>
<td>FY77</td>
<td>1,110</td>
</tr>
<tr>
<td>FY78</td>
<td>1,340</td>
</tr>
<tr>
<td>FY79</td>
<td>1,585</td>
</tr>
<tr>
<td>FY80</td>
<td>1,855</td>
</tr>
<tr>
<td>Total FY76-80</td>
<td>6,640</td>
</tr>
</tbody>
</table>

Attachment

cc: Mr. Yudelman
Mr. Adler

JH/Adler/JB/Knapp
Mr. T. J. Coering

February 3, 1976

Alan Berg

Settlement of Agricultural Lands

Per our chat, attached are comments you may want to take into consideration in conjunction with the Issues Paper on "Settlement of Agricultural Lands".

Attachment

ABerg/1gl
TO: Alan Berg
FROM: Ewen Thomson, CPS-Agri. & Rural Development Department (Cons.)
SUBJECT: Comments on Settlement of Agricultural Lands

DATE: February 3, 1976

Inadequate attention to the food needs of settlers has jeopardized success in many projects (Groundnuts scheme, Tanzania; Hola irrigated rice project, Malawi; Mumbwa Cotton Project, Zambia; numerous transmigration projects, Indonesia). Pending the first harvest, there must be an adequate source of food for the settler farmers and their families.

If clearing and developing new land is based on labour intensive methods, it is heavy manual labour. Energy input as food must be commensurate with the energy output in labour. More frequently than not, those who are being settled come from deprived areas and are likely to be in a state of undernutrition. They have little or no reserves to draw upon and should be built up nutritionally to cope with the hard physical work which settlement demands.

Planning the settlers' food supply should take precedence over production economics. If the settler would be expected to produce all or part of the food for his family, then first priority requires to be given to the initial food harvest. If the settler would not be expected to produce the food for his family, then planned arrangements are required for the supply and retail of foods, adequate in variety, quality and quantity, at prices which the settler can afford to pay.

Because of ecological factors, there may be need to change the staple. If the staple is downgraded from being a cereal to being a starchy root, it is likely that the housewife requires to be taught to compensate for the change by choosing protein-rich foods for the non-staple portion of the diet, especially for young children.

Every settlement project represents a new start for the people being settled. It would seem to be particularly desirable that every settlement project has a nutrition component, so that in the new way of life the nutritional ills of the original home may be obviated. Such a nutrition component would require as much study and preparation in depth as any other part of the project.

One of the most sensitive ways to assess the human aspects of settlement would be to monitor the nutritional status of young children. Between the ages of 12 and 60 months growth rate is almost linear at 250 grams per month. If a random sample of 100 children of this age group (exact age immaterial) were weighed monthly the normal total increase in weight should be 25 kilos. If the increase in weight of the sample falls below 20 kilos (80%) there is an early warning that something is wrong with the food supply. (This warning system was demonstrated successfully in Haiti). It is a simple process, which the settlers could be trained to do for themselves.
Mr. Montague Yudelman

October 16, 1975

Colin Bruce

Proposed Issues Paper on Agricultural Prices and Subsidies

The issues raised by agricultural pricing policies and subsidies are important ones which need to be reviewed within the wider context of a comparative, sectoral analysis of general fiscal policies. From this point of view I am sympathetic towards including this subject in our work program, the more so because Marto Ballesteros is very much interested in this topic, but for reasons, which I think you share, I am against taking on any more formal commitments to either Policy Papers or Issues Papers at the present time. (If there were a real distinction between the two in terms of bureaucratic timetables and procedures, there might be some reason for agreeing to an Issues Paper rather than a Policy Paper, but the distinction there used to be on this score seems to have disappeared.) Our division is over-programmed as it is and obtaining DFS assistance would not solve this problem as research and policy formulation on a topic such as this is our responsibility and we would have to have a major input into and responsibility for supervising the required research and drafting work.

I would much prefer to approach the subject in a different way: to undertake, first, a number of empirical studies in countries where it is believed that prices, taxes and subsidies are both important absolutely and are believed to cause adverse distortions on the agricultural sector, take into account the experience of other research work in this field and then attempt to draw some practical conclusions and recommendations in terms of what the Bank can reasonably expect to achieve as compared with what would be the ideal. The time to talk about an Issues/Policy Paper would be when the empirical studies are completed.

Cleared with and cc: Messrs. Ballesteros, Donaldson
cc: Mr. Burki

CBruce:issp
OFFICE MEMORANDUM

TO: See Distribution List

FROM: Graham F. Donaldson

DATE: September 10, 1975

SUBJECT: Issues Paper on Farm Technology - Draft Outline

Attached is a draft outline for the proposed Issues Paper formulated by John McInerney, Frank Jarrett and Graham Donaldson.

We would appreciate your comments at an early time. For preliminary discussions we will hold a meeting on Thursday, September 11 at 11 a.m. in D.860. All welcome.

cc: M. Yudelman  F. Jarrett
    G.F. Darnell  J. McInerney
    C. Bruce  C. Downing
    D. Turnham  R. Hofmeister
    M. Leiserson  I. Peprah
    S.J. Burki  
    C. Weiss  
    J. Fransen  

GFDonaldson:mt
I. TECHNOLOGICAL CHANGE IN RURAL DEVELOPMENT

The process of technological change may be examined from a variety of standpoints, including new resources and production processes, new products, productivity and quality improvements, output, cost and factor demand effects etc. However, technical change must be seen ultimately as a directed process, and can therefore be treated as an instrument in development policy which should be consistent with or designed to meet particular targets. The achievement of specified objectives in the rural sector will be intimately connected with the type of agricultural technology that is developed and adopted.

(i) Nature of Technological Change
- what it is
  - new products
  - new processes
  - quality changes
- what it does
  - productivity effects
  - factor augmentation
  - supply/price effects
  - adjustment effects
  - substitution
  - scale effects

(ii) Objectives for Technology Policy
- help the poor - equity impact
- labor absorption - linkages
- productivity/incomes
- institutional reform
- resource release/development
- allocation efficiency
- output quality improvement/nutrition
- reduction of drudgery/non-cash benefits
(iii) Characteristics of Farm Technology

- biological/chemical
- mechanical
- organizational
- infrastructure

II HARNESSING TECHNOLOGY FOR DEVELOPMENT

Given a prior specification of objectives with which technological changes are to be consistent, their achievement is not an automatic consequence of introducing new technology. A whole series of pre-conditions as to the nature and type of technology, and the manner in which it is introduced to and exploited within agriculture will determine whether ex post the exercise will be considered as successful. It is important, therefore, that new technology is not just "offered" to farmers, but rather is part of an integrated policy which has been designed, structured, monitored and controlled from beginning to end.

In order to construct such a policy, a wide array of issues deserve consideration.

(i) Sources of Technology

- research and development
- technology transfer
- adaptation

(ii) Selection of Technology

- appropriate technology
- situation goals
- situation constraints
- system/structure

(iii) Adoption of Technology

- farmer incentives/pricing policies
- support and services
- dynamic effects/responses
- small farmer constraints
(iv) Channeling the Effects of Technology
- monitoring and evaluation
- institutional regulation
- economic measures

III THE BANK AND FARM TECHNOLOGY

(i) Past Bank Activities
- project components/lending
- sector development/planning
- institution building
- research and development

(ii) Issues in Country Strategies
- competing development goals
- conflicts of interest between groups
- distortions in factor pricing
- institutional constraints
- relative factor prices
- need for sub-sector studies

(iii) Problems in Project Formulation
- technical requirements/constraints
- economic limitations
- identification of options
- infrastructure needs
- research and training components
(iv) Future Bank Strategy

- adjusting to changing technology
- allowing for country situation changes
- sectoral activities
- project components
- technology generation
Mr. M. Fudelman

M. Furst and B.A. Thoolen

Evaluation of ICED's Report: "Attacking Rural Poverty"

September 9, 1975

1. This evaluation is based on the report as published after review by the Bank, which reflects not only the results of the authors' research but also the many contributions by Bank staff. The comments made on the draft report by the Bank and IPS editorial committees suggest that the operational relevance of the report has greatly improved as a result of Bank contributions. Thus, part of the credit that we are giving to the report should not go to the authors but to Bank staff.

2. A first useful result of the study is that we have now, for the first time, a large-scale review of nonformal education systems. By bringing together and systematically presenting a variety of individual programs, the report has an important documentation function. A second positive result is the report's systematic analysis of the various programs, showing their strengths and weaknesses. This can help educators, education planners and policy makers take a fresh look at the programs for which they are responsible, and enrich their experience. Thirdly, the report provides some general conclusions and recommendations. Most of these conclusions were already well known to those active in this field, but their systematic presentation is new and urgently calls for re-thinking of policies and practices which thus far have been taken for granted as viable and relevant.

3. A serious shortcoming of the report is its paucity of information on costs and benefits and the virtual absence of cost-benefit or even cost-effectiveness analyses. Thus, the report is weak on the economics of nonformal education and represents typically the educator's point of view. It's main conclusion is that for some types of training nonformal approaches have a decided advantage. But it does not indicate for what types of skills under what circumstances what type of training is the most cost effective. The report merely points out - like all research reports probably ought to - that more research is needed.

4. The direct operational relevance of the report seems limited because many of the recommendations are general and require translation into improved practices on a case-by-case basis. Thus, the real test of the report's benefits has to come from a review of the application of its conclusions and recommendations in education policies, programs and practices and in Bank-financed projects. It will take time for concrete indications to emerge on the impact of the report. Thus, a more definitive
evaluation can only be made two or three years from now.

5. There are some preliminary indications, however, that the report has influenced the Bank's thinking. For example, the report has clearly influenced the Education Sector Working Paper, particularly the suggested basic criteria for the design of rural education and training programs and some of the recommendations for the Bank's education lending policy. The report has to some extent also influenced the design of specific projects. One example is the Algerian agricultural extension service project, for which the conclusions and recommendation of the report were used extensively. Instead of financing the implementation of a traditional extension service, the Bank is supporting a three-year technical assistance project, which will define extension methods most relevant to the Algerian socio-economic system and Algerian agriculture, through a program of testing of alternative approaches, and document the selected approach in terms which promote replication. Another example is the Philippines, where a comprehensive study of the agricultural knowledge delivery system has been recommended by a Bank mission and accepted by the Government as a first step to initiate an agricultural education reform. This study will identify and diagnose the multitude of existing problems in agricultural education and will consist of a comprehensive system-wide review which would recommend a process of appropriate corrective measures.

6. Although the report does not recommend specific operational solutions, it highlights the need for re-educating the educators. The report itself can help to this end, but its circulation has been too limited and its format seems unsuitable for a large impact. Consideration should be given to the large-scale dissemination of the report's main findings and recommendations, for example in the form of a free Bank brochure containing a re-edited version of chapter 13.

cc: Mr. L. Christoffersen
Mr. F. Kada, Agric. & Rural Development

Peter Pollak, EPDC

Market Outlook for Skipjack and Yellowfin Tuna

Attached is a brief note on the market outlook for tuna. I would appreciate your comments.

Attachment

cc: Messrs. S. Singh (o/r), K. Takeuchi, J. Musbaumer
Agricultural Advisory Panel: Utility in Other Sectors

1. In accordance with your request, I checked with Messrs. Ballantine and Rovani to get their reactions as to the contribution of the Advisory Panel on Agriculture and Rural Development to the papers in their respective sectors which the Panel reviewed.

2. Mr. Ballantine believed that the Panel contributed little, if anything, of substance to the paper on rural education which it considered. On the other hand, Mr. Ballantine indicated that the paper itself was not an outstanding piece of work and so did not perhaps offer a fair test.

3. Mr. Rovani believed that the Panel contributed nothing of substance to the two papers, village electrification and village water supply, which it reviewed. Nevertheless, the review was useful in two respects: it provided an opportunity for real and effective coordination with another sector, agriculture, and access to higher levels of policy-making and management within the Bank, and it gave a negative assurance that the papers were on a sound basis.

4. Mr. Rovani wanted to make clear that whatever negative implications his comments might have for the Panel, he valued very highly Sir John's contributions as an individual, and the same applied to Jim Evans. Though Mr. Ballantine did not say so explicitly, I believe he too would agree that Sir John contributed more than the Panel.

JAKing:JLG