plans for particular sectors of the economy. It is for this reason that we tend to favor the project approach to development assistance, not so much with the idea of making sure of what is happening to every dollar made available, but rather as an administrative mechanism for achieving a greater degree of involvement in the development process of a country. Although individual projects should not be considered in isolation and out of context with the general pattern of a country's development, it is not enough in most cases simply to make large general purpose development loans on the basis of a broad development plan, no matter how well conceived. A review of the engineering, accounting, and economic aspects accompanying an application for a specific project loan will often have an educational value for the officials of the developing country, which will carry over to projects financed by the country out of its own resources. Also, any close examination of an individual project requires a detailed examination of related projects which are to be financed from other sources, and more broadly, a review of plans for the entire economic sector into which the project fits as well as the relationship of that sector and its projects to other sectors of the economy.

In the past the tendency on the part of development assistance institutions to concentrate on projects rather than on long-range development programs has been criticized because it is impossible for countries to undertake long-range planning unless they know where the financing of individual projects is going to come from over a period of time. Thus it is argued that individual development institutions or a consortium of institutions should make large general purpose development loans to assure the availability of funds over a period of several years. This is a valid consideration, but a commitment to provide financing up to a certain level for a long-range development program is not inconsistent with the project approach. The development assistance agency can agree in advance to make available a certain amount of aid over a period of years by agreeing to financing individual projects as they are formulated by the country and reviewed by the assistance agency. In addition, the development agency should be in a position to offer technical assistance in the formulation of projects suitable for external financing so as to provide a continuous flow of development assistance in accordance with agreed long-range plans and commitments of funds. The implementation of this approach, of course, requires considerable flexibility with respect to the timing of the actual allocation of funds and therefore argues for the availability of funds over a period of years rather than dependence upon annual appropriations. Dependence of development assistance agencies on annual appropriations not only makes it difficult for them to promote rational development planning by a long-range commitment of funds, but in addition, it puts aid agencies under pressure to make allocations of funds before the end of a given fiscal year. This not only may mean waste as a consequence of misdirection of investment, but also weakens the position of the development assistance agency in influencing the policies and programs of the recipient countries.

2. Surplus agricultural commodities

Sales of surplus agricultural commodities under title I of Public Law 480 and grants under titles II and III have been employed for