

PROJECT APPRAISAL REPORT (PAR)

5180096-14
REPORT U-446

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1. PROJECT NO. 518-15-995-096.4	2. PAR FOR PERIOD: 1/18/70 TO 5/31/71	3. COUNTRY Ecuador	4. PAR SERIAL NO. 71-5
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5. PROJECT TITLE
INSTITUTIONAL DEVELOPMENT -
Agricultural Marketing

6. PROJECT DURATION: Begin FY 70 Ends FY 72	7. DATE LATEST PROP 5/3/71	8. DATE LATEST PIP 3/10/70	9. DATE PRIOR PAR No prior PAR
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 234,000	b. Current FY Estimated Budget: \$ 140,000	c. Estimated Budget to completion After Current FY: \$ -
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
International Development Foundation	AID/A-634

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			P. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
		X	CREA must assign adequate staff to assure institution- alization of capacity to carry on project activity	August, 1971
		X	CREA must establish a sufficient budget to continue this project successfully, including per diems and means of transportation.	May, 1972
X			Base-line data on income, productivity and potential membership of area need to be compiled by contractor	July, 1971
X			Contractor should develop estimates of budgets neces- sary to finance minimum acceptable services for each cooperative and federation, and program sources of income.	August, 1971

D. RE PLANNING REQUIRES	REVISOR OR NEW	<input type="checkbox"/> PROP	<input checked="" type="checkbox"/> PIP	<input type="checkbox"/> PRO AG	<input type="checkbox"/> PIO/T	<input type="checkbox"/> PIO/C	<input type="checkbox"/> PIO/P	E. DATE OF MISSION REVIEW
								June 1, 1971

F. PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE	G. MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE
Robert Maladay RMH (6/9/71)	Robert J. Minges RJM 6/10/71

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

INPUT OR ACTION AGENT	U. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		LOW		MEDIUM		HIGH	
	1	2	3	4	5	6	7	1	2	3	4	5	
CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY													
International Development Foundation			X										X

Comment on key factors determining rating Communications between USAID, the contractor, and the host agency were inadequate during the period March to September, 1970, due primarily to manpower limitations in the Mission. As a result, the project purpose was not shared by the contractor, and the institutionalization of the project (which is the prime objective of the Mission) was not promoted satisfactorily. There have been only limited attempts and successes by the contractor to facilitate a more functional role in the project for the host agency. The contractor was dilatory in performing necessary marketing analyses, and has been slow to identify and deal with needs and problems. Also, the required reports of the contractor were not adequate to allow meaningful evaluation of the program by the Mission. Since September, 1970, the Mission has had a full time project manager, and many of these problems have been overcome. Also, recent discussions with the contractor have led to an increased identification with the project purpose and objectives.

4. PARTICIPANT TRAINING	1	2	3	4	5	6	7	1	2	3	4	5
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Comment on key factors determining rating

No participant training.

5. COMMODITIES	1	2	3	4	5	6	7	1	2	3	4	5
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Comment on key factors determining rating

Commodities play a very marginal role in this project.

6. COOPERATING COUNTRY	a. PERSONNEL organizers/instructors	1	2	3	4	5	6	7	1	2	3	4	5
	b. OTHER administration & budget		X										X

Comment on key factors determining rating To date CREA has not been sufficiently committed to the project, and has not provided adequate support for it. This has not jeopardized the intermediate objective of establishing a limited number of successful marketing cooperatives, but since the purpose of the project is to institutionalize these development activities in CREA, this lack of commitment could become much more serious. CREA will have to increase its budget for this program substantially at the end of project. There has been recent evidence that CREA intends to increase its support of the project, but if this support does not materialize, the Mission will have to decide whether or not to establish an independent, self-sufficient cooperative infrastructure that performs the services expected from CREA. The organizer/instructors provided by CREA have been outstanding, both in their technical competence and performance. They are highly committed to the project, and should influence CREA to support the program after AID inputs are terminated.

7. OTHER DONORS	No other	1	2	3	4	5	6	7	1	2	3	4	5
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(See Next Page for Comments on Other Donors)

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II. 7. Continued: Comment on key factors determining rating of Other Donors

No other donors.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMU- LATIVE PRIOR FY	CURRENT FY 71		FY 72	FY ____	
			TO DATE	TO END			
organizer/instructors well trained	PLANNED	0	12	12			12
	ACTUAL PERFORM- ANCE	in training					
	REPLANNED			8	8		8
first level marketing cooperatives formed	PLANNED	0	4	4			
	ACTUAL PERFORM- ANCE	0	12				
	REPLANNED			12	21		21
Number of members of first level cooperatives	PLANNED	0		400			
	ACTUAL PERFORM- ANCE	0	500				
	REPLANNED			500	2,000		2,000
Secondary level marketing unions established	PLANNED	0	0	1	3		0
	ACTUAL PERFORM- ANCE	0	0				
	REPLANNED			0	3		3
D. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.	organizer/instructors well trained	8 CREA agricultural extensionists have been in training for the past year. It is expected that these 8 will be further trained during FY 72, and will be reincorporated into CREA by end of FY 72.					
2.	department dealing exclusively with marketing established in CREA	COMMENT: This department will be established separate from CREA's regular agricultural extension department by January, 1972. It will incorporate the organizer/instructors, a department head, economic analyst and accountant from CREA's regular staff.					
3.		COMMENT:					

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IV. PROJECT PURPOSE

1. Statement of purpose as currently envisaged. 2. Same as in PROP? YES NO

An on-going program of developing self-sufficient, effectively functioning agricultural marketing cooperatives in the Azuay-Cañar and Morona Santiago region.

1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward those conditions.
<p><u>CREA</u> A department established in CREA working exclusively to promote, organize and service marketing cooperatives, with:</p> <ul style="list-style-type: none"> a) a full-time department manager b) at least 4 organizer/instructors working full time in marketing c) A marketing economist and accountant d) An adequate budget to perform effectively <p><u>Marketing Organizations</u> At least 15 cooperatives and 6 pre-cooperatives which:</p> <ul style="list-style-type: none"> a) have at least 2,000 members b) have trained, paid managers c) are credit worthy or receiving credit d) are marketing the major portion of their members' production. <p>Three regional line of production secondary level cooperatives channeling the marketing of the local cooperatives</p>	<p>The commitment of CREA to carry out the program after the project ends is one of the major concerns of the Mission. Recently CREA has indicated increased interest in the project and plans to establish the department by January, 1972. The organizer/instructors have already been trained and it is likely that one of them will be the chief of this new department. The marketing economist and accountant will be assigned within the next two months.</p> <p>12 cooperatives have been established to date with a total of 500 members. Managers are receiving a percentage of the marketing volume. A \$500,000 line of credit was made available to the wheat cooperative by the Banco Nacional de Fomento last year. No data is yet available on percentage of production being marketed, as the first marketing season under the project begins in July.</p> <p>None of the regional secondary level cooperative organizations have yet been formed.</p>

V. PROGRAMMING GOAL

A. Statement of Programming Goal

- To increase the participation of low-income groups in the political, social and economic life of the country.
- To promote a more equitable distribution of income.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

The establishment of cooperatives directly by the project will have only a limited impact on the total low-income population of Cañar, Azuay, and Morona Santiago. However, if the program is institutionalized and carried on adequately by CREA in the future, the number of people affected, and the benefits accruing to them, could have a significant impact on this area, which is one of the more impoverished of Ecuador. This project fits into the Mission strategy of promoting cooperativism in Ecuador and could contribute significantly in the long-run to the Southern Zone's development when the benefits of regional and national cooperatives are further expanded.