

AIRGRAM

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DEPARTMENT OF STATE

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GENERAL INVESTIGATIVE
DIVISION
DATE REC'D.
1979 FEB 22 P

PD-AAA-795-A1

UNCLASSIFIED
CLASSIFICATION

For each address check one ACTION

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February 14, 1979

SUBJECT . PES - Evaluation of Grain Marketing Loan Project #519-0019

REFERENCE .

PDC

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Attached please find two copies of a PES for the FY 1978 evaluation of the subject loan.

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CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

<p>1. PROJECT TITLE</p> <p style="font-size: 1.2em; text-align: center;">Grain Marketing & Storage - IRA</p>	<p>2. PROJECT NUMBER</p> <p style="font-size: 1.2em;">519-0019 519-0165</p>	<p>3. MISSION/AID/W OFFICE</p> <p style="font-size: 1.2em;">USAID El Salvador</p>
<p>4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 78-104</p> <p><input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION</p>		

<p>5. KEY PROJECT IMPLEMENTATION DATES</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">A. First PRO-AG or Equivalent FY <u>74</u></td> <td style="width: 33%;">B. Final Obligation Expected FY <u>74</u></td> <td style="width: 33%;">C. Final Input Delivery FY <u>79</u></td> </tr> </table>	A. First PRO-AG or Equivalent FY <u>74</u>	B. Final Obligation Expected FY <u>74</u>	C. Final Input Delivery FY <u>79</u>	<p>6. ESTIMATED PROJECT FUNDING</p> <p>A. Total \$ _____</p> <p>B. U.S. \$ _____</p>	<p>7. PERIOD COVERED BY EVALUATION</p> <p>From (month/yr.) <u>Nov. 1973</u></p> <p>To (month/yr.) <u>May 1978</u></p> <p>Date of Evaluation Review <u>December 1978</u></p>
A. First PRO-AG or Equivalent FY <u>74</u>	B. Final Obligation Expected FY <u>74</u>	C. Final Input Delivery FY <u>79</u>			

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR		
<p>A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)</p> <p style="font-size: 1.5em; text-align: center;">None</p>	<p>B. NAME OF OFFICER RESPONSIBLE FOR ACTION</p>	<p>C. DATE ACTION TO BE COMPLETED</p>

<p>9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS None</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td><input type="checkbox"/> Project Paper</td> <td><input type="checkbox"/> Implementation Plan e.g., CPI Network</td> <td><input type="checkbox"/> Other (Specify) _____</td> </tr> <tr> <td><input type="checkbox"/> Financial Plan</td> <td><input type="checkbox"/> PIO/T</td> <td><input type="checkbox"/> Other (Specify) _____</td> </tr> <tr> <td><input type="checkbox"/> Logical Framework</td> <td><input type="checkbox"/> PIO/C</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Project Agreement</td> <td><input type="checkbox"/> PIO/P</td> <td>_____</td> </tr> </table>	<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	_____	<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____	<p>10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT</p> <p>A. <input checked="" type="checkbox"/> Continue Project Without Change</p> <p>B. <input type="checkbox"/> Change Project Design and/or</p> <p style="padding-left: 20px;"><input type="checkbox"/> Change Implementation Plan</p> <p>C. <input type="checkbox"/> Discontinue Project</p>
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____											
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	<input type="checkbox"/> Other (Specify) _____											
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	_____											
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____											

<p>11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)</p> <p style="font-size: 1.2em;">Roberto Gavidia, Mission Engineer</p>	<p>12. Mission/AID/W Office Director Approval</p> <p>Signature </p> <p>Typed Name <u>Aldo Ruiz</u></p> <p>Date <u>February 12, 1979</u></p>
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GRAIN MARKETING
IRA EVALUATION

MAY 1978

1. SUMMARY

There is light at the end of the tunnel. After literally years of excruciatingly slow progress, this project is within the final twelve months of satisfactorily completing the four purposes set forth in the loan agreement signed on November 21, 1973.

Within the over-all somnambulistic framework of this loan's implementation, the technical assistance and training sub-activity has moved forward reasonably well from the beginning. This was loan funded and required continuing coordination between the USAID and the GOES National Grain Marketing Institute. In addition, the GOES has successfully met two major responsibilities under the program, those of providing working capital for grain inventories and developing a basic grains marketing price policy. The one physical activity, the construction of a network of grain storage silos, has proven to be the tar baby that has tied up everyone's time and effort from the outset. This difficulty can be attributed to administrative delays and bureaucratic inertia on all sides. As of April 1, 1978, this loan was 40% disbursed and 54% committed.

2. EVALUATION METHODOLOGY

To the best of our knowledge this is the first evaluation of the program since the loan agreement was signed and it does not follow any particular evaluation plan. The GOES is committed in the loan agreement to carry out an evaluation of the program each year, but this has never been done to the best of our knowledge. This particular evaluation was carried out within the USAID using GOES and AID documents that have accumulated over the years. Period covered: 1973-78.

3. EXTERNAL FACTORS

There are no major changes in the project setting which have had an impact on the program. All assumptions at the goal and purpose levels have held. At the output and input levels the aforementioned administrative delays have slowed the construction program and the equipment purchases, in effect invalidating some of the assumptions at these levels. However, this has merely slowed the program and will not significantly alter the final results.

4. GOAL/SUB-GOAL

The goal of this loan program has been to "increase income and employment of small grain producer(s)." The task of measuring goal achievement was beyond the scope of this evaluation. However, baseline data is being gathered from the universe of Salvadoran small farmers (grain producers) and we hope that future evaluations will be able to measure progress in both income and employment. Of course the problem of sorting out the contribution of this loan program toward goal achievement will be no small matter. For example AID funds are only a part of a larger package including GOES and CABEI (Central American Economic Integration Bank) contributions that has been used to raise IRA's storage capacity to 110,000 metric tons. AID funding will provide for only 40,000 metric tons of this total.

5. PURPOSE

Good progress has been made in moving toward the EOPS.

1. The network of storage silos when completed will significantly improve the access of the small grains producer to the market of IRA buying centers. The AID and other financed facilities will provide very good coverage. The AID-financed silos of Phase I are about 93% completed.
2. When all silos are in place it is expected that IRA losses due to poor storage and handling will be reduced to 5% of total capacity.
3. The GOES continues to provide its share of funds for this project. This included funding for construction, operating costs, and working capital.

4. IRA's transportation has continued to function as required by program needs.
5. IRA's Planning and Economic Studies Department has continued to make well informed policy recommendations to the IRA Board of Directors.
6. IRA continues to intervene in the market in a capable and timely way to purchase grain, although it should be said that IRA's over-all operations and pricing policies are subject to honest differences of political opinion within El Salvador.
7. Records show that price fluctuations have reduced by 50% since 1973.

6. OUTPUTS/INPUTS

As indicated in the summary, the outputs of training and technical assistance have progressed more or less satisfactorily. People have gone to and returned from training courses, and long and short-term advisers have been providing assistance to IRA in construction, management and statistical analysis. Only the construction program has been hampered by serious delays. It will have taken almost five full years for the first AID loan-financed silos to come into operation.

Administrative/bureaucratic difficulties at the input level are largely responsible for the state of affairs on the construction side. No particular blame can be assigned to any single party. It would be more practical to say that the different bureaucratic mentalities and administrative procedures of IRA, the USAID, and the construction and consulting firms have contributed to a situation where what could have taken eighteen months to complete is taking nearly three times as long.

The following chronology is worth noting:

21 Nov 73	loan agreement signed
01 Apr 74	conditions met for initial disbursement
16 May 74	conditions met for beginning training program
10 Jul 74	technical assistance plan submitted by IRA in March, April and June approved by USAID

05 Sep 74 first participants approved for training
16 Jun 75 conditions met for disbursements other than
training and technical assistance
27 Jun 75 A&E firm for silo construction approved
08 Apr 76 Loan Agreement amended dropping AID funding
for working capital; picked up by GOES
19 Jul 76 silo construction contracts approved
17 Aug 76 A & E firm contract terminated
Sep 76 silo construction begins - Phase I
Apr 78 silos 93% completed

7. UNPLANNED EFFECTS

This program has brought about no unplanned effects or unexpected impacts in social structure, environment, or the economic setting of the country.

8. CHANGES IN DESIGN OR EXECUTION

As a result of the extremely slow implementation of the silo construction project during Phase I, the USAID and IRA agreed in November 1977 that Phase II of the silo construction would be carried out (1) as a turn key operation, i.e., the design, material supplies, and actual construction of the silos will be carried out by one firm, (2) with IRA carrying out the earthworks and ground preparation before the contractor becomes involved, (3) with IRA providing a new GOES project manager for the remainder of the loan, and (4) with IRA assigning an engineer to work with the over-all IRA project manager to supervise Phase II construction. We believe that these changes, especially the use of the turn key operation, will significantly improve the rate of progress of the loan through completion.

9. LESSONS LEARNED/SPECIAL COMMENTS OR REMARKS

There have been no unique experiences or special lessons that have been driven home. AID has been through similar ordeals of slow implementation before in construction projects of this sort. The loan Completion Report will treat this question of implementation in further detail.