

**AIRGRAM**  
CONTINUATION

DEPARTMENT OF STATE 5170113- (12) AIRGRAM

PD-AAB-702-B1 28p

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**PROJECT EVALUATION SUMMARY**  
(Submit to MO/PAV after each project evaluation)

Mission or AID/W Office Name	2. Project Number 5170113001505
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Project Title
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Key project dates (fiscal years) Project Agreement Signed	b. Final Obligation	c. Final Input delivered	5. Total U.S. funding life of project \$
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Evaluation number as stated in Eval. Schedule	7. Period covered by this evaluation From: Month/year TO: 12/31/76 Month/year	8. Date of this Evaluation Review Month/Day/Year
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Action Decisions Reached at Evaluation Review, including items needing further study (Note--This list does not constitute an action request to AID/W. Use telegrams, airgrams, SPARS, etc., for action)  agents. Make reference to earlier USAID recommendations sent out by USAID Ag. Division.	10. Officer or Unit responsible for follow-up	11. Date action to be completed
	Agriculture	Immediately
	Agriculture	Immediately

Signatures:	Project Officer	Mission or AID/W Office Director
Signature	Signature	
Typed Name	Typed Name	
Date	Date	

**SUMMARY** - Summarize in about 200 words the current project situation, mentioning progress in relation to design, prospects of achieving purpose, major problems encountered, etc.

Funds for agricultural credit were dispersed through four separate programs/institutions: the Agricultural Bank; the Secretariat of State for Agriculture (SEA) -- supervised credit and custodial accounts; and the Dominican Development Foundation (DDF). Dispersal of funds through these institutions for lending to small farmers has proceeded smoothly and has surpassed originally scheduled target dates in all programs save the custodial accounts (see Table I, Annex A). The latter program has failed to disperse loan funds at anticipated rates. It did not prove to be an adequate mechanism for significantly expanding the commercial banking system's knowledge of, interest in, or the flow of their resources toward small scale agricultural producers. Through December 31, 1976, an aggregate total of 19,358 loans had been made through the various programs/institutions with 9,303 recipients having been introduced to institutional credit for the first time. The mean average loan size was slightly over RD\$500. The delinquency rate on the loans has varied from program to program, but has not exceeded 12.2%.

The capacity of the various institutions to administer small farmer credit programs has unquestionably improved. Overall, the credit programs have amassed overwhelming evidence that the administrative cost of dealing with small farmers on an individual basis is prohibitive. Such experience has been instrumental in reorienting recipient institutions toward a group lending approach.

The program has not succeeded in increasing the proportion of total capital resources available for credit to the agricultural sector. It is thought that the distribution of agricultural sector credit is now somewhat more favorable to small farmers, but the extent to which this is true cannot be quantified at present.

Collection of sufficient baseline data to ascertain the impact of credit upon prospective target group's production, productivity, income and/or employment would have been a major undertaking that would have required substantial resources for prolonged periods. USAID/GODR, therefore, jointly agreed to proceed at once with implementation of credit program and to make separate arrangements for an extensive data collection effort. Sufficient data now exist that future USAID/GODR activities will not encounter similar problems. USAID proposes to measure credit impact upon target group at goal level in credit programs.

1. EVALUATION METHODOLOGY - Describe the methods used for this evaluation, i.e. was it a regular or special evaluation? was it in accordance with the Evaluation Plan in the PP with respect to timing, study design, scope, methodology and issues? What kinds of data were used and how were they collected and analyzed? Identify agencies and key individuals participating and contributing.

The present evaluation represents a critical appraisal of the status of the credit element of the Agricultural Sector Loans as of December 31, 1976, by USAID staff. It is based upon data collected from the various institutions which participated. The data were analyzed by the SEA in its second annual, regularly scheduled evaluation. Some local hire USAID staff participated in the evaluation. Owing to the length of the document produced -- 230 ppx. -- as well as the Spanish text, the USAID is presenting its own evaluation, utilizing the PES format. The evaluation not only summarizes the pertinent data contained in the SEA evaluation, but the judgement of the U.S. staff based upon independent analysis of the data and their own empirical observations.

- 5 Documents to be revised to reflect decisions noted page 1 (other side:)

Project Paper (PP)    Logical Framework    CPI Network    Financial Plan

PIO/T    PIO/C    PIO/P    Project Agreement    Other

This evaluation brought out ideas for a new project -- a Project Identification Document (PID) will follow.

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Evaluation findings about EXTERNAL FACTORS - Identify and discuss major changes in project setting which have an impact on the project. Examine continuing validity of assumptions.

It was assumed that the GODR would pursue "rational" domestic credit policies based upon the free market as the allocative mechanism. Instead, the GODR continued to keep nominal interest rates fixed at levels that reflected considerations based on equity and politics that resulted in negative real rates, given levels of inflation throughout much of the period. As a consequence of the subsidized rates, together with delinquency rates in the vicinity of 9-12% on the largest programs, the small farm credit funds that were established are slowly being decapitalized. Of equal importance, public interest rate policy also resulted in private financial institutions continuing to avoid committing their assets to small farmers.

It was also assumed that the weather would not be unusually bad throughout the dispersal period. Instead, the nation experienced its most severe drought in more than 50 years in 1975. The drought caused crop failures that resulted in higher than anticipated delinquency rates among borrowers.

Evaluation findings about GOAL/SUBGOAL - For the reader's convenience, quote the approved sector or other goal, (and subgoal, where relevant) to which the project contributes. Then describe status by citing evidence available to date from specified indicators and by mentioning progress of other projects (whether or not U.S.) which contribute to same goal. Discuss causes--can progress toward goal be attributed to project, why shortfalls?

Owing to cost in both resources and time, baseline data was not collected. Without such data, project progress in improving small farmer productivity, production, income and employment becomes extremely difficult to estimate. Such information, however rough, would prove so useful to USAID and GODR programs, however, that the USAID proposes to do this "in retrospect" for the end of project evaluation via a sample survey of borrowers. See 13 above.

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8. Evaluation findings about PURPOSE - Quote the approved project purpose. Cite progress toward each End-of-Project Status (EOPS) condition. When can achievement be expected? Discuss causes of progress or shortfalls.

The purpose of the credit component was to attract a relatively larger proportion of the nation's capital resources into agriculture in general and small farmer agriculture in particular. Aggregate credit data for 1975 and 1976 are still in preliminary form, but they indicate no increase in the percentage of overall commercial or public credit devoted to the agricultural sector. Concerning the distribution of credit within the agricultural sector, no aggregate data are available. It would appear that small farmers have received a somewhat larger proportion of the credit made available to the sector overall. It is not possible at present to quantify the extent to which this may be true, however.

19. Evaluation findings about OUTPUTS and INPUTS - Note any particular success or difficulties. Comment on significant management experiences of host contractor, and donor organizations. Describe any necessary changes in schedule or in type and quantity of resources or outputs needed to achieve project purpose.

Loan funds were dispersed to participating institutions at faster than anticipated rates for all programs other than custodial accounts. Delinquency rates were higher than anticipated. This can be attributed to a number of factors, including the unforeseen extremely severe drought that occurred during 1975, the first year of operations. Delinquency rates were found by the SEA evaluation to be positively correlated with the extent of supervision exercised by field representatives. In retrospect, a smaller proportion of loan funds were lent to groups and agroindustries than had been anticipated, while a relatively larger proportion went to individuals. Available evidence indicates that borrowers have all been from the initial target group of rural poor. There does not appear to have been a significant improvement in the amount of time required by participating institutions to process loan applications.

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Evaluation findings about UNPLANNED EFFECTS - Has project had any unexpected results or impact, such as changes in social structure, environment, technical or economic situation? Are these effects advantageous or not? Do they require any change in plans?

N/A

CHANGES in DESIGN or EXECUTION - Explain the rationale for any proposed modification in project design or execution which now appear advisable as a result of the preceding findings (items 16 to 20 above) and which were reflected in one or more of the action decisions listed on page 1 or noted in Item 15 on page 2.

N/A

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22. **LESSONS LEARNED** - What advice can you give a colleague about development strategy-- e.g., how to tackle a similar development problem or to manage a similar project in another country? What can be suggested for follow-on in this country? Similarly, do you have any suggestions about evaluation methodology?

Agricultural credit to small farmers was not as difficult to "move" as anticipated.

Delinquency rates are positively correlated with the quantity and quality of supervisory assistance to borrowers in the field.

Without an interest rate structure based upon the supply and demand for credit in financial markets it is impossible to interest private commercial financial institutions in providing credit to small farmers.

The cost of processing individual loan applications for small farmers without previously established credit records is prohibitive.

23. **SPECIAL COMMENTS or REMARKS** (For AID/W projects, assess likelihood that results of project will be utilized in LDC's).

None.

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3. SUMMARY - Summarize in about 200 words the current project situation, mentioning progress in relation to design, prospects of achieving purpose, major problems encountered, etc.

Between September 1975 and the end of 1976 a total of 18 centers were established at strategic locations for the distribution of productive agricultural inputs for small farmers. The input centers had purchased of approximately RD\$2.4 million, consisting primarily of pesticides and fertilizer. Sales during the same period were approximately RD\$1.2 million. An additional 16 centers were scheduled for opening during CY 1977.

14. EVALUATION METHODOLOGY - Describe the methods used for this evaluation, i.e. was it a regular or special evaluation? was it in accordance with the Evaluation Plan in the PP with respect to timing, study design, scope, methodology and issues? What kinds of data were used and how were they collected and analyzed? Identify agencies and key individuals participating and contributing.

Review of SEA 2nd annual evaluation.  
Audit of SEA and input center accounts for CY 1975 and 1976.  
Inspection of input centers by USAID staff and TDY personnel.

15 Documents to be revised to reflect decisions noted page 1 (other side:)

Project Paper (PP)  Logical Framework  CPI Network  Financial Plan

PIO/T  PIO/C  PIO/P  Project Agreement  Other

This evaluation brought out ideas for a new project -- a Project Identification Document (PID) will follow.

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5. Evaluation findings about EXTERNAL FACTORS - Identify and discuss major changes in project setting which have an impact on the project. Examine continuing validity of assumptions.

None. Original assumptions remain valid.

17. Evaluation findings about GOAL/SUBGOAL - For the reader's convenience, quote the approved sector or other goal, (and subgoal, where relevant) to which the project contributes. Then describe status by citing evidence available to date from specified indicators and by mentioning progress of other projects (whether or not U.S.) which contribute to same goal. Discuss causes--can progress toward goal be attributed to project, why shortfalls?

The effect of supplies sold in input centers upon small farmers income, productivity and employment cannot be measured thusfar. The USAID is extremely interested in ascertaining this information. SEA has arranged for a preliminary study during early 1977. Based upon results of the SEA study, USAID will determine whether additional analysis should be undertaken jointly in the end of project evaluation.

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18. Evaluation findings about PURPOSE - Quote the approved project purpose. Cite progress toward each End-of-Project Status (EOPS) condition. When can achievement be expected? Discuss causes of progress or shortfalls.

The purpose is to attract additional productive resources into the Agricultural Sector. The input center component of the Sector Loan contributes to this objective by making highly productive inputs such as fertilizer, pesticides and improved seed varieties available to farmers whose scale of operation is so small that they have not been able to buy such inputs previously owing to the prohibitively large minimum purchase required. During 1975-1976 more than \$1.2 million of such resources were sold to such farmers through the 18 existing centers. Sales are expected to increase rapidly during the next few years.

19. Evaluation findings about OUTPUTS and INPUTS - Note any particular success or difficulties. Comment on significant management experiences of host contractor, and donor organizations. Describe any necessary changes in schedule or in type and quantity of resources or outputs needed to achieve project purpose.

Central warehouse established.  
18 input centers established.  
RD\$2.4 million inventory established.  
RD\$1.2 million in sales.

In conjunction with the consolidation of several special small SEA inputs activities with the new sector wide small farmer inputs stores program, certain units of SEA established accounts with the inputs stores which were unpaid for several months. Procedures for obtaining prompt payment of authorized SEA purchases is receiving priority attention.

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22. **LESSONS LEARNED** - What advice can you give a colleague about development strategy-- e.g., how to tackle a similar development problem or to manage a similar project in another country? What can be suggested for follow-on in this country? Similarly, do you have any suggestions about evaluation methodology?

The potential market for productive, non traditional inputs among small farmers is substantial if they can be provided with convenient access and can purchase in quantities comensurate with the scale of their operations.

23. **SPECIAL COMMENTS or REMARKS** (For AID/W projects, assess likelihood that results of project will be utilized in LDC's).

N/A

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**SUMMARY** - Summarize in about 200 words the current project situation, mentioning progress in relation to design, prospects of achieving purpose, major problems encountered, etc.

The marketing and rural administration component of the Agricultural Sector Loan is concerned with improvements in the technical information and statistical data base relating to the supply, demand and prices existing in the nation's agricultural markets. The project began with the training of personnel in areas of data collection, sampling, statistical techniques, economic analysis, farm management, and so forth. The IICA (Inter-american Institute for Agricultural Science) provided technical assistance to SEA in these activities. During 1976 the trainees began to design questionnaires relating to the collection, transportation and storage of agricultural projects. In addition, they also began preparing reports on subjects including information services, prices and markets for various agricultural commodities and domestic marketing mechanisms. These included 24 reports on the cultivation and marketing of specific commodities. These reports will provide the basis for a National Marketing Plan. Altogether, the reports have greatly increased public knowledge of marketing activities and of the constraints to their further development, and have furnished the data necessary for the formulation of a nationwide marketing strategy. They have also provided information of use in farm management activities at the regional level.

**EVALUATION METHODOLOGY** - Describe the methods used for this evaluation, i.e. was it a regular or special evaluation? was it in accordance with the Evaluation Plan in the PP with respect to timing, study design, scope, methodology and issues? What kinds of data were used and how were they collected and analyzed? Identify agencies and key individuals participating and contributing.

Review of:

- PIO/T's approved
- training plans
- data collected and published
- reports published
- SEA evaluation
- purposive sampling of regional marketing centers.

Documents to be revised to reflect decisions noted page 1 (other side:)

- Project Paper (PP)  Logical Framework  CPI Network  Financial Plan
- PIO/T  PIO/C  PIO/P  Project Agreement  Other
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Evaluation findings about EXTERNAL FACTORS - Identify and discuss major changes in project setting which have an impact on the project. Examine continuing validity of assumptions.

Unanticipated changes in top level SEA administrative personnel delayed implementation of some activities.

Evaluation findings about GOAL/SUBGOAL - For the reader's convenience, quote the approved sector or other goal. (and subgoal, where relevant) to which the project contributes. Then describe status by citing evidence available to date from specified indicators and by mentioning progress of other projects (whether or not U.S.) which contribute to same goal. Discuss causes--can progress toward goal be attributed to project, why shortfalls?

Goal is to increase small farmer/rural productivity, production, income and employment. Estimation of impact of marketing element has been reserved for the end of project evaluation.

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18. Evaluation findings about PURPOSE - Quote the approved project purpose. Cite progress toward each End-of-Project Status (EOPS) condition. When can achievement be expected? Discuss causes of progress or shortfalls.

Purpose is to bring about changes in public and private institutional policies more favorable to agricultural. Also, to increase the flow of productive resources entering the sector. The personnel trained in research, analysis and planning with respect to agricultural marketing have unquestionably strengthened the principal institutions linked to the activity, including the SEA, the price stabilization institute (INESPRE) and the export promotion center (CEDOPEX). In addition, farm management advisors now have the data base upon which to formulate operational plans specific to the crop cycle on a regional, sub-regional and farm group basis. The end of project evaluation shall attempt to quantify project impact at the purpose level. cf. 17 above.

19. Evaluation findings about OUTPUTS and INPUTS - Note any particular success or difficulties. Comment on significant management experiences of host contractor, and donor organizations. Describe any necessary changes in schedule or in type and quantity of resources or outputs needed to achieve project purpose.

The initial allocation of funds to this project element was \$1,250,000 for a three year period. Early successes prompted the GODR to increase its support for project activities to such an extent that by December 31, 1976, disbursements totaled approximately \$1,705,000. A total of 247 persons received a total of 3,689 man/days of training-about 15 days/person.

The individuals receiving training have produced a series of questionnaires, price information reports, 24 studies dealing with production and marketing of different agricultural commodities, and data of use to farm management specialists relating to matters including soils, machinery, rural administration systems, production costs, location of crops, intercropping, multiple cropping, etc.

There were some administrative reorganizations within SEA. The new structure assured the completion of surveys prior to the formulation of a National Marketing Plan and resulted in improvements in the bulletin of marketing information. The administrative changes also accelerated the completion of studies relating to the location of the principal crops and the selection of sample farms and systems of cultivation.

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Evaluation findings about UNPLANNED EFFECTS - Has project had any unexpected results or impact, such as changes in social structure, environment, technical or economic situation? Are these effects advantageous or not? Do they require any change in plans?

N/A

CHANGES in DESIGN or EXECUTION - Explain the rationale for any proposed modification in project design or execution which now appear advisable as a result of the preceding findings (items 16 to 20 above) and which were reflected in one or more of the action decisions listed on page 1 or noted in Item 15 on page 2.

N/A

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22. **LESSONS LEARNED** - What advice can you give a colleague about development strategy-- e.g., how to tackle a similar development problem or to manage a similar project in another country? What can be suggested for follow-on in this country? Similarly, do you have any suggestions about evaluation methodology?

N/A

23. **SPECIAL COMMENTS or REMARKS** (For AID/W projects, assess likelihood that results of project will be utilized in LDC's).

N/A

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**SUMMARY** - Summarize in about 200 words the current project situation, mentioning progress in relation to design, prospects of achieving purpose, major problems encountered, etc.

The feeder road component of the Agricultural Sector Loan is nearing completion. Virtually all of the roads selected in Phase I are now finished and, as of June 30, 1977, the five roads in Phase II ranged between 20% and 100% in completion. All construction will be completed before the TDD. The CAP envisaged construction or complete reconstruction of 82 kilometers of penetration roads and 55 kilometers of secondary roads. The actual totals by TDD will be 82.8 for penetration roads and 19.8 for secondary roads. The CAP stressed that to the maximum extent possible, labor intensive, pico y pala, construction methods would be utilized so as to generate the largest possible employment effect. In practice, only 3 of the 13 roads, totaling 34.2 kilometers of the 102.6 constructed or reconstructed, utilized labor intensive techniques to any significant extent. Average construction costs were initially estimated at \$9,725/km. for penetration roads and \$17,470/km. for secondary roads. Actual costs and present estimates disclose that the average/km. cost will be \$13,200 for secondary roads and \$17,300 for penetration roads.

Baseline data determining socio-economic status was not collected in communities affected by road construction. The USAID economist will soon undertake a study in depth to determine cost/benefit ratio and socio-economic rate of return from the roads constructed with the most labor intensive techniques. It is hoped that this study will permit estimate of the extent to which the purpose and goal level objectives were met.

- **EVALUATION METHODOLOGY** - Describe the methods used for this evaluation, i.e. was it a regular or special evaluation? was it in accordance with the Evaluation Plan in the PP with respect to timing, study design, scope, methodology and issues? What kinds of data were used and how were they collected and analyzed? Identify agencies and key individuals participating and contributing.
  - Inspection of monthly reports from Caminos Vecinales.
  - Monthly observation of construction sights by USAID engineer.
  - Audit of Caminos Vecinales accounts.

5 Documents to be revised to reflect decisions noted page 1 (other side:)

- Project Paper (PP)  Logical Framework  CPI Network  Financial Plan
- PIO/T  PIO/C  PIO/P  Project Agreement  Other
- This evaluation brought out ideas for a new project -- a Project Identification Document (PID) will follow.

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Evaluation findings about EXTERNAL FACTORS - Identify and discuss major changes in project setting which have an impact on the project. Examine continuing validity of assumptions.

The extraordinarily severe drought of 1975 resulted in a considerably higher level of unemployment than anticipated. This had the effect of eliminating the necessity to program construction during slack working seasons.

Evaluation findings about GOAL/SUBGOAL - For the reader's convenience, quote the approved sector or other goal, (and subgoal, where relevant) to which the project contributes. Then describe status by citing evidence available to date from specified indicators and by mentioning progress of other projects (whether or not U.S.) which contribute to same goal. Discuss causes--can progress toward goal be attributed to project, why shortfalls?

Sector goal is to improve small farmer production, productivity, income, and employment. Baseline data was not collected in communities affected by construction activity. Neither SEA nor Caminos Vecinales (CV) has collected any data that would permit evaluation of project element on the goal level objectives. See 13 above.

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8. Evaluation findings about PURPOSE - Quote the approved project purpose. Cite progress toward each End-of-Project Status (EOPS) condition. When can achievement be expected? Discuss causes of progress or shortfalls.

Project purpose listed in CAP is "To implement and support major policy changes in the agricultural sector ... and to raising (sic) the level of the total available resources allocated to the sector." Road building component directly supports this objective by integrating small farm producers more fully into the nationwide marketing system. Neither SEA nor CV has thus far made any attempt to estimate in quantitative terms the extent to which this has occurred.. See 13 above.

9. Evaluation findings about OUTPUTS and INPUTS - Note any particular success or difficulties. Comment on significant management experiences of host contractor, and donor organizations. Describe any necessary changes in schedule or in type and quantity of resources or outputs needed to achieve project purpose.

Inputs were provided in timely fashion. Road construction has proceeded at a satisfactory rate. A total of 102.6 Kms. of the originally projected 137 will have been constructed by project's end - a shortfall of about 25%. Costs per Km. were over-estimated for secondary roads but underestimated for penetration roads. Accounting and auditing procedures of the CV office were found upon audit not to be sufficiently rigorous. A total of 3 of the 13 roads constructed or reconstructed, or 34.2% of the 102.6 Kms. were found to have employed pico y pala techniques. The CAP estimated that 5,084 skilled and unskilled rural workers would be employed for an average of 50 working days. The SEA evaluation of May, 1977 reported that a total of 734 workers had actually found employment on the projects. Of these, 353 were employed on pico y pala activities.

The SEA project criteria generally appear to have taken the comparative advantages of areas in which roads were constructed into account. Virtually all of the communities affected by road building specialized in the cultivation of commodities receiving priority emphasis in the sector loan program, i.e., small farmer domestic food crops including corn, rice, yucca, and so forth.

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Evaluation findings about UNPLANNED EFFECTS - Has project had any unexpected results or impact, such as changes in social structure, environment, technical or economic situation? Are these effects advantageous or not? Do they require any change in plans?

The roads which utilized labor intensive construction techniques have been found to cost significantly more than originally anticipated. The CV experience has been that total per kilometer costs are comparable to costs encountered with the usual more capital intensive techniques. See 13 above.

CHANGES in DESIGN or EXECUTION - Explain the rationale for any proposed modification in project design or execution which now appear advisable as a result of the preceding findings (items 16 to 20 above) and which were reflected in one or more of the action decisions listed on page 1 or noted in Item 15 on page 2.

N/A

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22. LESSONS LEARNED - What advice can you give a colleague about development strategy-- e.g., how to tackle a similar development problem or to manage a similar project in another country? What can be suggested for follow-on in this country? Similarly, do you have any suggestions about evaluation methodology?

To accurately evaluate road construction impact, baseline studies of important socio-economic indicators should be performed prior to construction of roads.

Construction by use of labor intensive techniques does not appear to be cheaper, per kilometer, than with more capital intensive techniques. (At least, with institutions unaccustomed to administering such programs.)

23. SPECIAL COMMENTS or REMARKS (For AID/W projects, assess likelihood that results of project will be utilized in LDC's).

N/A

CHRISTOPHER

4. EVALUATION METHODOLOGY - Describe the methods used for this evaluation, i.e. was it a regular or special evaluation? was it in accordance with the Evaluation Plan in the PP with respect to timing, study design, scope, methodology and issues? What kind of data were used and how were they collected and analyzed? Identify agencies and key individuals participating and contributing.

The collection and analysis of data contained in monthly reports of the various vocational centers, and reports of project coordinators. Also, examination of PIO/T's, disbursement requests and inter-university committee records.

- 5 Documents to be revised to reflect decisions noted page 1 (other side:)

Project Paper (PP)  Logical Framework  CPI Network  Financial Plan

PIO/T  PIO/C  PIO/P  Project Agreement  Other

This evaluation brought out ideas for a new project -- a Project Identification Document (PID) will follow.

3. **SUMMARY** - Summarize in about 200 words the current project situation, mentioning progress in relation to design, prospects of achieving purpose, major problems encountered, etc.

The education component of the Ag. Sector Loan consists of two separate parts -- vocational and professional education/training. Through June, 1976, a total of 1,824 small farmers had received training. A total of 2,000 had been initially targeted, but there were unforeseen, brief delays in placing the training centers in operation.

A total of 30 professionals from 3 national institutions have been selected for graduate study at U.S. and third country universities. The long lead time required for the selection of these individuals, gaining their admittance to appropriate institutions, provision for their training in English before traveling to the U.S., plus the 12-24 months required for completion of their work has led to the extension of this component of the loan to 6/30/1979.

It is still very early to judge the impact of the education programs at the purpose and goal levels. The final loan evaluation contemplates a sample survey of recipients of vocational training which would permit estimation of impact upon employment, income, production and productivity. Professional training will be evaluated on the basis of returned participants occupying positions for which they were trained. Measuring longer term impact of such training will have to await an ex-post evaluation.

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Evaluation findings about EXTERNAL FACTORS - Identify and discuss major changes in project setting which have an impact on the project. Examine continuing validity of assumptions.

A number of unexpected changes in the Secretary of Agricultural position resulted in delays in the implementation/execution of the education programs.

Evaluation findings about GOAL/SUBGOAL - For the reader's convenience, quote the approved sector or other goal, (and subgoal, where relevant) to which the project contributes. Then describe status by citing evidence available to date from specified indicators and by mentioning progress of other projects (whether or not U.S.) which contribute to same goal. Discuss causes--can progress toward goal be attributed to project, why shortfalls?

The Sector Goal was to increase the productivity, production income and employment of small farmers. Given the fact that education is by nature an activity with small initial returns in relation to cost outlays, where the payoff to society accumulates only slowly over a period of decades, progress toward the project goal during the project life will unquestionably be minimal. Since vocational training inherently has a more immediate return than professional training, the SEA/USAID staff will attempt to measure its effect through a sample survey for the final loan evaluation. The absence of program specific baseline data, however, will result in a wide margin of error in the data obtained from the survey that will limit the results to, at best, tentative estimates.

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8. Evaluation findings about PURPOSE - Quote the approved project purpose. Cite progress toward each End-of-Project Status (EOPS) condition. When can achievement be expected? Discuss causes of progress or shortfalls.

The stated project purpose was "To implement and support major policy changes in the Agricultural Sector ... and to raising the level of the total available resources allocated to the sector..." The education component of the loan supports this objective by increasing sector investment in human capital. Such investment should result in both the reallocation of existing productive resources toward more efficient and productive combinations and in additional resources being allocated to the agricultural sector. Measurement of progress toward achievement of this objective will be attempted in the end of project evaluation. cf. 13.

19. Evaluation findings about OUTPUTS and INPUTS - Note any particular success or difficulties. Comment on significant management experiences of host contractor, and donor organizations. Describe any necessary changes in schedule or in type and quantity of resources or outputs needed to achieve project purpose.

The SEA experienced delays in implementation owing to difficulties in coordinating various types of training within its different divisions. Some administrative reorganization was necessary. All loan activities are now coordinated through a central office.

Vocational training experienced some initial delays in equipping some of the various regional centers.

Through June, 1976 a total of 1,824 small farmers had received vocational training. The initial target had been 2,000.

The SEA continued discussion of the professional education element some time after the signing of the loan Agreement. Its proposal was not submitted until August, 1975 and implementation did not start before January 1976.

A total of 41 professionals will receive advanced training.

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1. Evaluation findings about UNPLANNED EFFECTS - Has project had any unexpected results or impact, such as changes in social structure, environment, technical or economic situation? Are these effects advantageous or not? Do they require any change in plans?

N/A

CHANGES in DESIGN or EXECUTION - Explain the rationale for any proposed modification in project design or execution which now appear advisable as a result of the preceding findings (items 16 to 20 above) and which were reflected in one or more of the action decisions listed on page 1 or noted in Item 15 on page 2.

N/A

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22. LESSONS LEARNED - What advice can you give a colleague about development strategy-- e.g., how to tackle a similar development problem or to manage a similar project in another country? What can be suggested for follow-on in this country? Similarly, do you have any suggestions about evaluation methodology?

The per pupil cost of vocational training were higher than anticipated.

Programs in professional education require substantial forethought and definition of terms and rigorous design.

23. SPECIAL COMMENTS or REMARKS (For AID/W projects, assess likelihood that results of project will be utilized in LDC's).

N/A

CHRISTOPHER

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