

PROJECT APPRAISAL REPORT (PAR)

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A.I.D. 4390045-26  
 Reference Center PD 890-477-  
 Room 1656 SERIAL NO. 72-17  
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1. PROJECT NO. 439 11-190-065	2. PAR FOR PERIOD 12/01/70	3. COUNTRY Laos
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AGRICULTURE DEVELOPMENT, Agriculture Development Organization

6. PROJECT DURATION: Began FY <u>66</u> Ends FY <u>79</u>	7. DATE LATEST PROOP 5/13/70	8. DATE LATEST PIP	9. DATE PRIOR PAR 12/01/70
10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ <u>3,885,000</u>	b. Current FY Estimated Budget: \$ <u>394,000</u>	c. Estimated Budget to completion After Current FY: \$ <u>2,548,000</u>

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
<del>Credit Union National Association (CUNA)</del>	<del>AID-CSD-1526 (17)</del>

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

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		

PLEASE NOTE: This project has been proposed to Congress for financing with Supporting Assistance appropriations and therefore has been justified to the U.S. Congress as important to and in support of U.S. Foreign Policy objectives of a political and security nature. As such, its primary purposes are not developmental, but rather its input to the economy of Laos serves a larger purpose for which it is one of the many assistance tools. It therefore must be evaluated in this context and not purely as a technical assistance project whose primary purpose is economic and/or special development.

This is the fourth PAR prepared for this project and no new actions are requested as a result of this periodic appraisal at this time. However, the use of this PAR and the Project Logical Framework during the annual Director's Program Review may result in new actions or emphasis. Continuous monitoring will be maintained to determine most effective USAID assistance possible within mission and division limitations. Advice and assistance will normally be to help and encourage RLG to improve its own systems or services or to obtain assistance from other donors. Project action will be to provide timely and appropriate assistance as the opportunity arises. Examples of this assistance are:

- a) Improvements in management of ADO, namely better and written management procedures streamlining of functions and resulting reduction in personnel, elimination of slow-moving inventory, and identification and writing-off of bad debts.
- b) Provide assistance to development of savings and loan cooperatives, and provide planning help to poultry, swine and corn projects.

D. REPLANNING REQUIRED				E. DATE OF MISSION REVIEW	
REVISED OR NEW:	<input type="checkbox"/> PROP	<input type="checkbox"/> IMP	<input type="checkbox"/> NO A	<input checked="" type="checkbox"/> NO/C	<input type="checkbox"/> PD/P
PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE				DATE	
William E. Schaefer 2/10/72				Charles A. Mann 1/31/72	
				2/14/72	

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	1	2	3	4	5	6	7	LOW	MEDIUM			HIGH	
CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTEER AGENCY	1	2	3	4	5	6	7	1	2	3	4	5	
1. Credit Union National Association (too early to rate)													X
2.													
3.													

Comment on key factors determining rating

Contract signed Sept. 20, '72 and CUNA technician arrived Oct. 11, '71. Thong Sy, a Univ. of Hawaii graduate in economics assigned as National Lao Director and counterpart to CUNA advisor. Sisouphan, a graduate of a commercial college is assigned as Director of Education. A training seminar for 36 leaders was initiated in December 1971.

4. PARTICIPANT TRAINING	1	2	3	4	5	6	7	1	2	3	4	5
					X							X

Comment on key factors determining rating The participant training is relevant to the great need for administrative and management personnel. One returned participant is a university graduate and has assigned a key management role in the Savings & Loan Cooperative; 5 participants are taking commercial business training in Thailand and will return in early CY 72; 1 university graduate is in US for agric. credit training sponsored by FAO.

5. COMMODITIES	1	2	3	4	5	6	7	1	2	3	4	5
				X								X

Comment on key factors determining rating Commodity inputs such as fertilizers, pesticides, seed, and tools are very important to increase and diversify production. These are being distributed through a net work of merchants and sales agents. Commodities from foreign donors are also channeled through these out-lets. Warehousing problems, including oversupply (being overcome) have prevented the assignment of a higher rating.

6. COOPERATING COUNTRY	a. PERSONNEL							b. OTHER				
	1	2	3	4	5	6	7	1	2	3	4	5
				X								X
				X								X

Comment on key factors determining rating Laos lacks sufficient numbers of management and administrative personnel but there is gradual improvement resulting from proper assignment of returned participants and from on-the-job experience.

The RLG gives ADO good official backing but financial support is limited. An ADO Administrative Council for setting policy and management guidelines and procedures was established in CY 71 composed of key RLG officials in Finance, National Economy, Planning and Agriculture and corresponding senior USAID officials. In addition, the RLG's extension, irrigation and research programs contribute services and assistance to farmers in production and marketing activities.

7. OTHER DONORS	1	2	3	4	5	6	7	1	2	3	4	5
					X							X

(See Next Page for Comments on Other Donors)

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II. 7. Continued: Comment on key factors determining timing of Other Services

Japan - \$ 700,000 in farm tools and machinery plus 5 Japanese Overseas Volunteers to assist in sales and farmer training in equipment use.

England - \$ 70,000 in pumps for irrigation.

Australia - \$ 3,000 in small farm tractors.

These contributions, in total, are an important contribution to ADO as they increase farm efficiency; however some are too advanced for present state of Lao agricultural development.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS OF MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMULATIVE PRIOR FY	CURRENT FY		cumulative		END OF PROJECT
			TO DATE	TO END	FY 73	FY 74	
Participant Training	PLANNED	7	7	7	10	15	30
	ACTUAL PERFORMANCE						
	REPLANNED						
In-Country Training	PLANNED	162	198	198	258	318	518
	ACTUAL PERFORMANCE	162	198				
	REPLANNED						
Farmers Savings and Loan Cooperatives, number established	PLANNED	0	0	1	3	8	12
	ACTUAL PERFORMANCE	0	0				
	REPLANNED						
Production loans (\$)	PLANNED	130,000	150,000	250,000	400,000	575,000	indefinite
	ACTUAL PERFORMANCE	142,000	205,000				
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1. Acceptance of Savings & Loan Coops. by farmers		Too early to judge although initial response and interest is good.					
2. AIG support for ADO project purposes		COMMENT: See II.A.6. "Cooperating Country" on Page 2.					
3. Improved business policies and procedures in Lao agriculture production and marketing		COMMENT: An expansion of distribution of inputs is being carried out through a merchant network. Sales agents are provided incentives for increased sales. Markets are being identified and production directed to those outlets.					

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP?  YES  NO

Foster institutions at both national and local levels that are responsive to the farmers needs for production inputs and that provide a market yielding reasonable returns for the farmers production, with priority given to the formation of farmers savings and loan cooperatives that provide farmers and other producers with a credit service, mobilize rural savings, provide advisory services and help organize group actions and demands.

B. 1. Conditions which will exist when above purpose is achieved.

2. Evidence to date of progress toward these conditions.

Functioning cooperatives at national and local levels responsive to production input and financing needs of farmers.

Economic availability of farm production inputs.

Available and functioning markets providing incentive for increased and more varied farm production.

Initial steps taken but too early to evaluate.

Products are strategically located in the principal provinces through a sale agent and merchant network.

Farmers have out-lets for their rice production to ADO facilities located at provincial centers and to commercial mills. New projects in poultry and swine production are designed to meet a local market need. Corn production will be used in animal feed.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To contribute to the PROGRAM goal of developing the Lao economy by meeting the agriculture development SECTOR goals of self-sufficiency in the production of basic food stuffs and diversification of agriculture production.

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 attainment of ADO project purposes will directly contribute to making Laos self-sufficient in the production of basic food stuffs and diversify Lao agriculture. See IV.B.2 for evidence of progress to date.