

A.I.D. 7309353(3)
 REF-98721

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PROJECT APPRAISAL REPORT (PAR) Reference

1. PROJECT NO. 730-11-199-363.01	2. PAR FOR PERIOD: June 1971 TO March 1972	3. COUNTRY Vietnam	4. PAR SERIAL NO. 730-72-008
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AGRICULTURE TECHNICAL SUPPORT (Agricultural Economics) 124

6. PROJECT DURATION: Began FY <u>71</u> Ends FY <u>76</u>	7. DATE LATEST PROP -	8. DATE LATEST PIP -	9. DATE PRIOR PAR -
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ <u>454,118</u>	b. Current FY Estimated Budget: \$ <u>402,825</u>	c. Estimated Budget to completion After Current FY: \$ <u>2,000,000</u>
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
1. Foreign Development Program/PASA	VN(AJ) 58-67 ✓
2. Economic Research Service USDA/PASA	FE-6-67

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		
X			1. The USAID will study and provide recommendations for coordination with appropriate GVN authorities regarding policy with respect to English language training for participant candidates. (Action: ADPROG/PART)	July 1, 1972
X			2. Special emphasis is required to expedite current actions to release US in-country excess property for Directorate of Economics and Statistics regarding pre-fab buildings, vehicles, and office furniture. (Action: ADFA and ADCCA/LOG)	July 1, 1972

Clearances:

ADFA, J.B. Davis _____
 ADPROG/PE, W.S. Lefes _____

D. REPLANNING REQUIRES REVISED OR NEW: <input type="checkbox"/> PROP <input type="checkbox"/> PIP <input checked="" type="checkbox"/> FRO AG <input checked="" type="checkbox"/> PIO/T <input checked="" type="checkbox"/> PIO/C <input checked="" type="checkbox"/> PIO/P				E. DATE OF MISSION REVIEW April 6, 1972
PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE Dr. Ernest Nesius, Ass't Dir/Ag Econ		MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE John R. Mossler, Director		

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. 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
1. Foreign Develop. Program (PASA)						X						X
2. Economic Research Service (USDA)						X						X
3.												

Comment on key factors determining rating

1. Timely recruiting of superior staff and consultants requested from time to time by USAID. PASA backstopping performance in support of consultants and team members was outstanding.

2. Adherence to plan of work, performance in completing supply and demand model, and preparation of analyses beyond the minimal called for in PASA agreement was outstanding.

4. PARTICIPANT TRAINING		X												X
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Comment on key factors determining rating

List of training opportunities cleared with Min of Agr in November 1971. Nominations submitted to Min of Agr, are pending clearance. Names of nominees have been on Minister's desk since February. Minister tends to be over cautious regarding outside pressures to nominate unqualified candidates. Minister appears interested in nominating only qualified candidates.

5. COMMODITIES		X										X	
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Comment on key factors determining rating

Calculators purchased under this project are in use and appropriately maintained in the Ministry of Agriculture.

Request for new vehicles disapproved, has adverse effect on project.

Multilith machine ordered; shipment delayed by US dock strike.

6. COOPERATING COUNTRY	a. PERSONNEL					X								X
	b. OTHER					X								X

Comment on key factors determining rating

1. Personnel assigned to AESS show willingness to work and have capacity to learn; however, inadequate pay and allowances forces most to take other parttime work.

2. Budget for AESS inadequate in CY 1971 at VN\$6.5 million. Budget for CY 1972 increased to VN\$9 million. The AAC budget increased from VN\$4.5 million in CY 1971 to VN\$ 17.5 million in CY 1972.

7. OTHER DONORS	N/A													
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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

N/A

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		FY 73	FY 74	
			TO DATE	TO END			
1. Ministry of Agriculture assigns 45 trained provincial statistical agents.	PLANNED	23	23	23	12	10	45
	ACTUAL PERFORM- ANCE	23	23				
	REPLANNED						
2. Directorate of Economic and Statistical Services assigns 50 professional staff to Saigon office. 1/	PLANNED	17	17	17	15	15	50
	ACTUAL PERFORM- ANCE	17	17				
	REPLANNED						
3. Trained staff at PhD level assigned to Dir. of Econ and Statistical Services. (Two return in FY 73, 5 in FY 76)	PLANNED	-	-	-	2	-	7
	ACTUAL PERFORM- ANCE	-	-				
	REPLANNED						
4. Trained staff at M.S. level assigned to Directorate (Ag Econ). (Six return in FY 75, twelve in FY 76) (Cont'd Pg 3, No. 6)	PLANNED	-	-	-	1	3	22
	ACTUAL PERFORM- ANCE	-	-				
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT:						
1. Provide recommendations and prepare analytic papers to Min of Agr to upgrade AESS.	1.0 Held discussion with Min of Agr officials on implementation of recommendations.						
	1.1 Prepared a paper on "a Program for Agricultural Economics and Statistics."						
	1.2 Recommendations submitted to Min Agr spring 1971.						
	1.3 Min Agr submitted plan to Prime Minister, spring 1971.						
	1.4 Prepared "talking paper" for USAID Director for discussion with Prime Minister, Dec 1971.						
	1.5 Memo prepared for USAID Director to continue talks with Prime Minister - Jan 1972.						
	1.6 Prime Minister requested Min Agr for reorganization plan for MLRAFAID - Feb 1972.						
1/ National Agriculture Center curriculum will include Agriculture Economics as a major field of concentration beginning in the summer of 1972. Six to eight candidates scheduled for this course in their junior year (1972 school year) are earmarked for employment by the Directorate of Economics and Statistical Services.							

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2. Min of Agri issues decree altering the status of AESS and providing it with increased responsibility and authority.	2.0 Decree approved by the Prime Minister Mar 1972.			
3. Computerized provincial market price series.	3.0 Completed			
4. Publish bi-weekly computerized market price series.	4.0 Expected by June 1972.			
5. Established procedures in AESS to conduct rice stock surveys quarterly.	5.0 Agreement reached with AESS to adopt such procedures. 5.1 AESS completes first quarterly survey November 1971.			
6. Developed methodology for training AESS staff in establishing a basic data system.	6.0 Completed rice utilization tables in cooperation with AESS chief and his staff. 6.1 ERS team members provided 12 man hours in teaching AESS staff to construct livestock and poultry production index.			
7. Stimulated AESS to develop methodology for taking a census of agriculture in Vietnam.	7.1 Sample hamlets selected. 7.2 Households listed. 7.3 Schedule developed. 7.4 No progress. 7.5 No progress - Scheduled CY 73.			
8. Established district reporting system for 44 provinces. 8.1 Identification and selection of enumerators.	8. Directorate General of Agriculture cadre located at district level suggested as enumerators. Details on their selection and training have not been worked out as yet.			

B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS

COMMENTS

9. Established data and reference center for the Min of Agr within AESS consisting of about 500 volumes, 2,000 technical publications, etc.

9.0 PIO/C submitted for the purchase of 120 basic books on agriculture economics. About 12 volumes and 200 technical publications on hand, but not cataloged as yet.

10. On-going analyses of economic problems to provide methodological skills for AESS staff and to add to the technical information requirements for decision making.

10.0 Study underway in two sample villages on impact of high yielding varieties of rice on village economics. (Conducted in cooperation with IRRI as one of 7 country studies in SE Asia.)
10.1 Peanut production cost study completed. Report not released.
10.2. Developed a schedule (questionnaire) with AESS for making cost of production studies.
10.3 Completed cost of production data for corn, TN rice and sorghum. Reports not released.
10.4 Completed paper on economics of fertilizer use on rice at varying exchange rates.
10.5 Preliminary work is underway to amount study on consumer preferences for agricultural products.

11. Provide economic models, methodology, training and basic data base for an upgraded AESS.

11.1 Established technical basis for delineating economic regions in Vietnam.

11.0 Study on estimate of current and effective demand in Vietnam and in farm markets for major agriculture commodities in progress. Completion date estimated June 1972.
11.1 Study underway by USDA/ERS and GVN. Estimated completion date, December 1972.
11.2 ERS/USDA completed an economic critique of the REDPLAN.
11.3 Discussed results of critique with Minister and central staff.
11.4 Results: CY 1972 policy by GVN places emphasis on production by regions of agriculture products, marketing activities, foreign exchange earnings and greater attention to economics in planning.
11.5 Marketing study on poultry, meat, eggs, duck eggs, duck meat and swine completed. Preliminary report released.
11.6 Marketing study for sugar, oilseeds, and fruits and vegetables - est. completion date April 1972. Preliminary report released.
11.7 Conducted 6 seminars for 60 staff on techniques and results of study.

B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS

COMMENTS

12. Min of Agr promulgates policy to provincial agents to develop production plans in accordance with economic regions concept.

12. Policy was promulgated October 18, 1971.

13. Recommendations to Min to permit increased private investment in essential agriculture related businesses.

13. Min of Agr agreed to permit private sector develop grain market.

14. Established economic statistical data to appraise international trade opportunities.

14.1 Prepare recommendations for Min of Agr for implementation of a program to export bananas.

14.1 Study completed, recommendations submitted to Min of Agr for approval and implementation.

14.2 Prepare recommendations for Min of Agr for implementation of a program to export onions.

Study tour planned for GVN officials to Taiwan and Japan to broaden perspective in Planning area. This is a part of RED plan recommendations.

14.3 Prepare recommendation for Min of Agr for implementation of a program to export fruits and vegetables.

14.2 Study completed, recommendations submitted to Min of Agr for approval and implementation.

14.3 Study underway. Estimated completion FY 73.

14.4 Prepare recommendations for Min of Agr for implementation of a program to increase export of rubber.

14.4 Initial study completed. Recommendations submitted to GVN and to rubber producer association. Data for updating study now in hand.

14.5 Prepare recommendations for Min of Agr for implementation of a program to export black pepper.

14.5 Study with Min Agr completed. Recommendations submitted to Min Agr for approval and implementation. Preliminary report completed.

14.6 Prepare recommendations for potential agriculture commodity markets in Singapore.

14.6 Preliminary survey completed. Recommendations submitted to GVN for approval and implementation.

15. Establish improved export and import regulations for agriculture commodities.

15.1 Provide recommendations for improved export/import regulations.

15.1 Provided recommendations to GVN in discussions.

**B. QUALITATIVE INDICATORS
FOR MAJOR OUTPUTS**

COMMENTS

15.2 Provide continuing recommendations for improved monetary and trade policies.

15.2 Provided recommendations to GVN for discussions.

16. Established marketing news service within AESS.

16.1 Provide recommendations to AESS to establish formal structure for a marketing news service.

16.1 Provided recommendations by consultant, July 1971.

16.2 GVN approves and implements recommendations to establish marketing news service.

16.2 Started and temporarily suspended. Consultant has returned March 1972.

16.3 Provide continuing recommendations for training.

16.3 Conducted on-the-job training for staff member. Visited markets, collected data and ordered for news media release.

17. Provide economic support services for the USAID's technical and capital assistance program.

17.0 Represents ADFA on USAID Private Enterprise Development Committee, and USAID Rice Policy Comm.

17.1 Drafted ADFA Country Field Submission for FY 1973.

17.2 Prepared and described agricultural projects of potential value for National Economic Development Fund.

17.3 Prepared papers for ADEA on corn import requirements.

17.4 Submitted sugar supply and utilization tables with recommendations for GVN and USAID action for Director.

17.5 Summarized in-country production and consumption of edible oils and fats and relation to imported soybean oil. Outlined requirements for in-country production to meet total requirements.

17.6 Submitted report to AID/W on the Oct 18, 1971 Min Agr Policy Planning meeting.

17.7 Accepted responsibility to develop report on US/DOD and ARVN utilization of processed and fresh foods. To be completed by late April.

(Cont'd)

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B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS

COMMENTS

17. (Cont'd from Page 3 No. 5)

17.8 Provided recommendation to Joint Economic Office on the supply and utilization of grain for food and feed thru 1975 based on estimated production and human and animal consumption.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS (Contd from Pg. 3)	TARGETS (Percentage/Rate/Amount)						
		CUMULATIVE PRIOR FY	CURRENT FY		FY 73	FY 74	END OF PROJECT
			TO DATE	TO END			
5. Trained staff on short term specialized courses in Taiwan and other countries. Technical leadership exposed to SE Asia conditions.	PLANNED	-	-	-	13	16	49
	ACTUAL PERFORMANCE	-	-				
	REPLANNED						
6. Trained staff on short term specialized courses in US. Section leaders in specific product areas. Intensive 2 month short course followed by OJT with U.S. processors and distributors.	PLANNED	-	-	-	7	7	20
	ACTUAL PERFORMANCE	-	-				
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged. 2. Same as in PBS YES NO

To develop the Ministry of Agriculture's capability to handle the economic affairs in agriculture as they relate to government intervention to support the national goals.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
<p>1.0 A data gathering system with recognized ability to supervise enumerators, summarize data, analyze facts and publish results.</p> <p><u>Indicators:</u></p> <p>1.1 Timely statistical summaries which include acreage, production yield, prices, quality classes, locations, facilities and other physical items related to agriculture per se, including its organizations and characteristics of rural people.</p> <p>1.2 A district reporting system for most provinces operating with reasonable effectiveness.</p> <p>1.3 An established and operational data and reference center for the Ministry of Agriculture.</p>	<p>1.1 Partial statistical summaries are published bi-monthly (prices) by provinces.</p> <p>1.2 Reporting of paddy and rice prices in 16 Delta provinces bi-weekly is functional; monthly reporting of other crops is functional in most provinces.</p> <p>1.3 A basic set of reference material has been ordered to reinforce locally published materials.</p> <p align="right">(Cont'd)</p>

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To increase agricultural production efficiency, achieve surplus production in commodities with favorable economic advantage and equitably distributed farm income with expansion in exports of agriculture commodities.

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.

This project plays a major supportive role to the production activities of joint USAID/GVN projects. The project's major thrust is to develop GVN capability to achieve its agricultural goal. The project design provides for a comprehensive approach to institution building for the Directorate of Economics and Statistical Services. The support role this Directorate plays in agricultural planning today augers well for its impact in the future.

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

2. Evidence to date of progress toward these conditions:

1.4 A reputation within GVN of confidence and reliability for statistical output.

1.4 AESS is recognized as unbiased; confidence and reliability goals still to be attained.

2. An analysis function with a demonstratable ability to examine factual evidence and recommend alternative choices to the Minister for policy decisions.

Indicators:

2.1 Possesses needed knowledge of price differentials, pricing policies, regulations, grades and standards, and methods for improving economic systems.

2.1 Training in progress and scheduled.

2.2 No progress to date except price data.

2.2 Has established forms of the behavior to various economic factors of clientele served by the Min.

2.3 AESS has an established reputation for lack of bias.

2.3 Analytical results presented objectively and unbiased to decision makers.

2.4 AESS is principal supplier of staff papers for Min Agr.

2.4 Recommendations made to decision makers on major policy issues.

2.5 Training scheduled.

2.5 Ability to make economic analyses of situations, issues, investment and input/output problems.

3. A planning function capable of appraising short and long-run priorities for allocation of available resources of Min Agr in support of agriculture and nation development.

Indicators:

3.1 Capability to appraise the response of agriculture to economic phenomena.

3.1 No progress

(Cont'd)

(cont'd)

3.2 Capability of preparing recommendations for organizations regional production goals and plans and programs which reflect product specialization where comparative advantage is better or equal to other economic regionals in Vietnam.

3.2 Functions in this capacity now but with limited effectiveness.

3.3 Capability of preparing recommendations which reflect a mindfullness of the welfare goals and aspirations of rural people.

3.3. No progress.

3.4 Capability of preparing plans to increase private investment in essential agriculture related businesses.

3.4 No capability but training scheduled.

3.5 A capable staff of economists that recommend annually the changes in production, marketing systems and exports priorities.

3.5 Training scheduled at graduate level.

4. An effective market evaluation unit capable of conducting marketing studies, analyzing the findings and disseminating the information to clientel germane to particular problems.

Indicators:

4.1 Adequacy of appraisals and projection of demand and outlook in short and long run.

4.1 Short run appraisals all adequate but long run deficient.

4.2 Capability to interpret and make recommendations based on consumer preferences.

4.2 No work in this field to date.

4.3 Evidence of analytical interpretation of market developments.

4.3 Limited progress.

4.4. Limited except for price and production data.

4.4 Capability to produce programs of economic intelligence to selected clientele groups.

4.5 No experience yet.

4.5 Capability to prepare realistic recommendations for use of agriculture products for industrial development.

5. Established capability to appraise international trade opportunities and recommend actions for exports of agriculture products.

Indicators:

5.1 Knowledge of standards, trade policies, and quality requirements at selected external market.

5.2 Capability to make recommendations for improvement of export and import regulations, monetary relationships and trade constraints.

5.3 Capability to recommend policy considering the international competitive relationships and potential markets for Vietnamese agriculture products.

5.4 Capability to determine market margins and incentives for potential exports.

5.1 Acquiring this knowledge through training and study.

5.2 Has prepared papers on corn, rice and fertilisers, capability inadequate.

5.3 Has recommended policy which was accepted in five year REDF goals. However, policy recommendations are generally without economic analysis basis.

5.4 Capability being developed through OJT and academic training.