

CLASSIFICATION  
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

<p>1. PROJECT TITLE</p> <p style="text-align: center;">Appropriate Rural Technology</p>	<p>2. PROJECT NUMBER</p> <p style="text-align: center;">527-0162</p>	<p>3. MISSION/AID/W OFFICE</p> <p style="text-align: center;">USAID/Peru</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)</p> <p style="text-align: center;"><input checked="" type="checkbox"/> REGULAR EVALUATION    <input type="checkbox"/> SPECIAL EVALUATION</p>									
<p>5. KEY PROJECT IMPLEMENTATION DATES</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">A. First PRO-AG or Equivalent FY _____</td> <td style="width: 33%;">B. Final Obligation Expected FY _____</td> <td style="width: 33%;">C. Final Input Delivery FY _____</td> </tr> </table>	A. First PRO-AG or Equivalent FY _____	B. Final Obligation Expected FY _____	C. Final Input Delivery FY _____	<p>6. ESTIMATED PROJECT FUNDING</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">A. Total \$</td> <td style="width: 50%; text-align: right;">1,976,000</td> </tr> <tr> <td>B. U.S. \$</td> <td style="text-align: right;">1,276,000</td> </tr> </table>	A. Total \$	1,976,000	B. U.S. \$	1,276,000	<p>7. PERIOD COVERED BY EVALUATION</p> <p>From (month/yr.) <u>6/78</u></p> <p>To (month/yr.) <u>11/80</u></p> <p>Date of Evaluation Review _____</p>
A. First PRO-AG or Equivalent FY _____	B. Final Obligation Expected FY _____	C. Final Input Delivery FY _____							
A. Total \$	1,976,000								
B. U.S. \$	1,276,000								

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

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., program, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
<p>Given the slow progress of the Project, the lack of interest in its original objectives, the cumbersome approval process at ITINTEC, the lack of planned "institutionalization" of the project, the ineffective use of Project vehicles, the limited time devoted to the Project by key TAAR personnel and the current separation of others, the evaluation committee recommends that the Project be suspended pending review of either terminating it or changing the implementation agency.</p>	<p>Douglas Chiriboga</p>	<p>ASAP</p>

<p>9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS</p> <table style="width: 100%; border: none;"> <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>_____</td> </tr> <tr> <td><input type="checkbox"/> Logical Framework</td> <td><input type="checkbox"/> PIO/C</td> <td><input type="checkbox"/> Other (Specify) _____</td> </tr> <tr> <td><input checked="" 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"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____	<input checked="" type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____	<p>10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT</p> <p>A. <input type="checkbox"/> Continue Project Without Change</p> <p>B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan</p> <p>C. <input checked="" type="checkbox"/> Discontinue Project</p>
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify) _____											
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<input checked="" 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="text-align: center;">Edward L. Kadunc, Capital Development Officer, Evaluator Douglas Chiriboga, USAID Project Manager (See Sec. 14 for Peruvian Counterparts)</p>	<p>12. Mission/AID/W Office Director Approval</p> <p>Signature: </p> <p>Typled Name: <b>Howard Lusk Acting Director</b></p> <p>Date: <u>January 16, 1981</u></p>
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PROJECT EVALUATION SUMMARY

Appropriate Rural Technology  
Project No. 527-0162

13. Summary

The Grant Project was signed on June 30, 1978, for a total A.I.D. life of project funding of \$1,276,000 to be implemented over a 4 year period. Actual implementation began in August, 1978, with contracting of Project personnel. The long-term technical advisor was contracted in March 1979. On May 30, 1979, ITINTEC provided A.I.D. with a revised Project implementation plan based on a more realistic design of critical steps and an up-dating of the implementation schedule. They also requested a corresponding one year extension in the PACD to March 31, 1983. The Mission concurred in the request to reprogram the funds and issued Project Amendment No. 1 dated 9/28/79, reprogramming the funds. However, the PACD, was not extended. Discussions with the Project Manager, long-term advisor, ITINTEC officials and Project personnel identified the following problem areas affecting the Project: ITINTEC as the implementing agency, ITINTEC administrative approval procedures, and the problems involved in reaching the target group with the appropriate technology outputs.

The Evaluation Committee has reviewed the appropriate Project documentation and conducted a review of the revised implementation plan with ITINTEC officials. The following findings were made by the Committee:

a. Review of the measures required for achievement of the Project Goal and Purpose indicates that the Project is not moving towards attainment of these, nor is there a reasonable expectation that by the end of the Project they will be attained.

b. The A.I.D. required inputs have been provided, but progress is seriously delayed in meeting any of the intermediate or final output levels established in the revised Project Implementation Plan done by ITINTEC. To date the Project shows serious implementation delays in relation to the schedule established in Amendment No. 1 in all substantive components of the Project. As examples: only four of the nine pre-feasibility studies programmed have been carried out; no feasibility studies have been initiated, although one was to have been completed and four others begun as of this date; neither of the two Prototype Tests and Development Activities, of the five programmed, have taken place; the proposed study for Technology Dissemination was rejected by ITINTEC's Board; and, no training has taken place.

c. There are major institutional, technical and human resource problems which, except for a radical change in the perception of this Project by ITINTEC, preclude successful completion of the Project. The Committee does not believe that ITINTEC will make this change.

d. The Project Manager and Advisor, as a result of their experience on the Project to date, believe that a serious obstacle to a Project of this type is the inadequate level of innovation and dissemination of technologies at the community level.

Thus, the Committee recommends that the Project be suspended pending a final determination as to whether it should be cancelled or the implementation agency changed.

#### 14. Evaluation Methodology

The Amended Project Agreement calls for four annual evaluations, the first to take place in March 1980, to coincide with the completion of the feasibility studies. In view of slow implementation, the first evaluation was delayed until May 1980, even though the feasibility studies had not been completed. In order to carry out the evaluation, the Evaluation Committee held a meeting with the following Project personnel and reviewed the progress of the Project in relation to the objectives of the revised Project implementation plan:

- Eng. Carlos Villa García  
Director of Technology (Project Manager)
- Eng. José Luis Begasso  
Chief, Division of Agro Industry  
(current Project Manager)
- Project Personnel  
Eng. Luis Rivera  
Eco. Lilian Balbin  
Anthr. María Soledad de la Cadena
- Additional Project Personnel not present  
Libr. María Luisa Thornberry  
Dr. Robert Stickney, Technical Advisor

#### 15. External Factors

ITINTEC, the Instituto for Industrial Technology, Investigation and Technical Standards, receives its budget from legally mandated contributions from private industry and is a semi-autonomous agency of the Ministry of Industry. The Director General, who is responsible to a Board of Directors composed of representatives of the private sector and the ministry, has three technical directorates which report to him. These are: Industrial Patents, Standards, and Technology. The Project is managed by the Division

of Technology, in a specially created Project Office denominated TAAR, Appropriate Rural Technology Office. Of the five professional personnel for the Office to be funded under the Project, one position, that of the rural development specialist, remains vacant. The GOP designated former Project Manager, former Chief of the Agro-Industry Division, now occupies the Directorate of Technology. His successor, who was formally designated as the Project Manager in June, runs the Project on a part time basis, as is, he is also chief of the Agro-Industry Division. (Shortly after his designation he departed on a 3 month training program in Argentine).

Additionally although ITINTEC has hired four of the five individuals called for in the Project Agreement, these four GOP personnel (the fifth is the Long-Term Technical Advisor hired by A.I.D.) have been hired under a temporary contracting authority because ITINTEC is under a hiring freeze mandated by the GOP austerity program. Thus, the employees involved have no guarantee of job security, none of the normal social benefits and are forced to renegotiate a contract each six months. This causes instability and low morale within the office, and does not accomplish the Project objective of institutionalizing these activities within a permanent ITINTEC office. Additionally, training funds provided for this personnel cannot be utilized, since according to GOP regulations, they are not available for the training of non-permanent personnel. No doubt, in part, as a result of these problems, the economist and anthropologist will be leaving before the end of the year.

A.I.D. has required that all feasibility studies which are over \$20,000 be contracted. This was done to allow sufficient monitoring of what was expected to be a few larger contracts. It was envisioned, however, that most of the studies would fall below this amount and would not be formally contracted. In actual fact, almost all of the studies exceed this amount necessitating a formal contract review by A.I.D. and ITINTEC, and Board of Directors approval, with the attendant problems already mentioned. Additionally, since most of the potential contractors are located in Lima, and the studies are executed outside of Lima, costs are higher and mobilization procedures are more complicated than those originally envisioned.

ITINTEC was chosen as the implementing agency for the Project at a time when the former Board and the former Director General were interested in a Project of this type. The current Board of Directors does not appear to share this interest, given the many operational problems which have afflicted the Project over the last year. Their interests seem to be more in line with ITINTEC's organizational goals and funding orientation, which is industrial technology R + D and the Project has suffered from this clear lack of organizational commitment.

16. Inputs

No problems. Attached is a list of AID and counterpart contributions.

17. Outputs

Magnitude of outputs:

- Permanent office established with at least 3 full time professionals.
- 12 pre-feasibility studies.
- 8 feasibility studies.
- 5 models developed.
- 4 proven technologies for dissemination.
- 8 man years of technology dissemination in four departments.

a. Of the activities programmed under the revised calendar, only the diagnostic studies of the four departments and four of the 10 pre-feasibility studies targeted for August 80, have been carried out. None of the 7 feasibility studies targeted for August 1980, nor the two Prototype Development Testing Activities targeted, nor, of course, the Technology Diffusion have begun. Many reasons are given for the delays, but the basic cause seems to be ITINTEC's industrial orientation granted that it is willing to consider the term in the smaller, more rural sense, but nevertheless the orientation is industrial. Thus, the Board of Directors, which must approve each pre-feasibility study (for reasons discussed above), is unable to understand the need or rationale for the type of projects proposed, and the review and approval process has become a major bottleneck.

b. Reaching the target group has proven to be an especially difficult problem. ITINTEC's natural organizational tendencies on the one hand make identifying projects appropriate to the target group difficult. On the other hand, the TAAR group has come up with what they believe are viable appropriate technologies for the "poorest of the poor", but these ideas have been blocked by the Director and Board for the reasons mentioned above.

18. Purpose

As stated in the PP, the purpose of the Project is: (i) to institutionalize a system within the GOP for improving technology used by rural inhabitants which identifies needs, generates solutions, and transfers the new knowledge; (ii) to test and adapt for specific conditions of the local area those proven rural technologies which meet the Project selection criteria; and (iii) to carry out a limited program of appropriate rural technology dissemination and determine which systems of dissemination are the most effective.

The EOP's are:

- Increase in R & D appropriate technology activities for rural sector by GOP institutions.
- Increased staff and budgets for GOP entities involved in appropriate technology activities.
- Development and field testing of 5 prototypes which lead to the rural dissemination stage.
- At least 4 distinct technologies or processes introduced, adopted or expanded among rural poor.

At this time it is difficult to see how the EOP's will be reached within a reasonable project implementation period given the external factors discussed above which seriously affect attainment of the project purpose.

19. Goal/Sub-Goal:

As stated in the PP, the goal of the Project is to increase productivity, incomes, and employment, and to improve nutrition among the rural poor. The project will contribute to this goal in the short term by filling technology gaps in carefully selected rural development problem areas and in the long-term by establishing an on-going system within the GOP for development and disseminating technologies based on Peru's own resources and national priorities. The project is in line with Section 107 of the Foreign Assistance Act, as amended in 1975, in that it will seek to:

- promote the development and dissemination of technologies appropriate for a developing country in the areas of agriculture, rural development, small business enterprise, and energy;
- identify and adapt from existing technologies those which have been developed and tested elsewhere;
- engage in the field testing of new technologies;
- establish and maintain information centers for the collection and dissemination of information on these technologies; and,
- support expansion and coordination of the developing countries efforts in this field.

There is no other Mission funded project which attempts to contribute to attainment of this goal through the establishment of a system for the development and dissemination of appropriate technologies. The Evaluation Committee believes that the goal and purpose statements reflect an

appropriate and realistic Project formulation. The lack of an adequate institutional setting for the Project, however, seriously limit any reasonable hopes for attainment of these.

20. Beneficiaries

The specific types of campesinos to benefit from this Project included, mini-fundistas working small individually owned family farms, members of Associative Enterprises (AEs) created by the Agrarian Reform, and the landless laborers. They will receive the benefits of (i) new on-farm technologies designed to increase production and income levels, and (ii) new off-farm technologies geared to increase value-added, improve living conditions and provide greater opportunities for non-farm employment.

As the implementation of the Project has been so seriously delayed, the intended beneficiaries of the Project have not been affected by the Project.

21. Unplanned Effects

None.

STATEMENT OF COMMITMENT AND EXPENSES AT 12/5/80

<u>Description</u>	<u>Committed</u>	<u>Expended</u>	<u>Balance</u>
<u>Technical Assistance</u>			
R.E. Stickney Contract	83,823	77,473	6,350
Available	<u>36,177</u>	-	<u>36,177</u>
	120,000	<u>77,473</u>	<u>42,527</u>
<u>Development of Institutional Capacity</u>			
Anthropologist	5,000	4,215	785
Subscriptions	5,000	2,183	2,817
Promotion and Coordination	5,000	-	5,000
Previous Examination	5,000	810	4,190
Technological Alternative Studies	45,000	30,107	14,893
Feasibility Studies	18,000	-	18,000
Prototype Test	1,000	-	1,000
Technology Dissemination	10,000	-	10,000
Contingency	<u>500</u>	-	<u>500</u>
	94,500	<u>37,315</u>	<u>57,185</u>
<u>Commodities</u>			
Machines, Instruments and Tools	20,000	-	20,000
Audio-visual Materials and Equipment	29,323	18,850	10,473
Vehicles (3)	<u>31,177</u>	<u>31,177</u>	-
	80,500	<u>50,027</u>	<u>30,473</u>
<u>Technical Training</u>	<u>5,000</u>	<u>2,517</u>	<u>2,483</u>
	300,000	167,332	132,668
	=====	=====	=====

A.I.D. Contribution:

Estimated Life of Project Amount: \$1,276,000

Grantee:

Agreed Counterpart Contribution: \$700,000