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PROJECT APPRAISAL REPORT (PAR)

PD-AAH-210-A1

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1. PROJECT NO. 524-15-290-091	2. PAR FOR PERIOD: 5/13/71 TO 9/18/72	3. COUNTRY Nicaragua	4. PAR SERIAL NO. 73-2
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5. PROJECT TITLE

Industrial Development (and Export Promotion)

DUPLICATE

6. PROJECT DURATION: Began FY 1971 Ends FY 1973	7. DATE LATEST PROP 1/10/72	8. DATE LATEST PIP -	9. DATE PRIOR PAR -
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 410,000	b. Current FY Estimated Budget: \$ 200,000	c. Estimated Budget to completion After Current FY: \$
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.

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		

BEST AVAILABLE DOCUMENT

D. MI PLANNING REQUIRES REVISED OR NEW: <input type="checkbox"/> PROP <input type="checkbox"/> PIP <input type="checkbox"/> PRO AG <input type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input type="checkbox"/> PIO/P	E. DATE OF MISSION REVIEW 9/18/72
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PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE Allen Goldstein	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE William R. Haynes
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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUT-STANDING		LOW		MEDIUM		HIGH	
	1	2	3	4	5	6	7	1	2	3	4	5	
1. Ross and Associates					X								X
2. Fay Gilreath					X								X
3.													

Comment on key factors determining rating
The export promotion activity of this project relies heavily on technical assistance to selected industries to assist them in improving production both qualitative and quantitative as one means of increasing exports. The Export Center (Exportemos) has been particularly active in this area. Exports of furniture and wood products totalled C\$476,000 in the first six months of 1972 and assistance to the clothing industry has helped it raise its exports to C\$ 870,000.

4. PARTICIPANT TRAINING				X										
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Comment on key factors determining rating

This is not an important component of USAID assistance.

5. COMMODITIES					X								X	
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Comment on key factors determining rating

USAID funded commodities permitted Exportemos to begin its operations. It also acted as a catalyst in causing the Chamber of Industries to construct additional facilities for the Center.

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

Comment on key factors determining rating
The Export Center has excellent personnel and management and is receiving additional personnel support from the Central Bank. If only this aspect of the project was rated, it would be excellent. However, a second activity in this project is the program with the Chamber of Industries. This has fallen behind schedule, as the Chamber still has not given high priority to the program. This results from the Chamber's interest in a multitude of activities and diversion of its management efforts to current business difficulties resulting from the current Common Market situation.

7. OTHER DONORS				X									X	
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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

The Export Center has been receiving help from CIPE in Colombia, PRO MECA and the UNDP. It has become the focal point for export promotion activities generated and supported by other donors.

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 73		FY 74	FY _____	
			TO DATE	TO END			
Six to ten studies completed on selected issues relating to industrial policies and programs.	PLANNED			6	10		10
	ACTUAL PERFORMANCE		3				
	REPLANNED						
Production studies and technical advice provided to 4-6 industries to increase exports.	PLANNED			4	6		6
	ACTUAL PERFORMANCE		3				
	REPLANNED						
Assistance provided by the Chamber of Industries to 4-6 industries.	PLANNED			4	6		6
	ACTUAL PERFORMANCE		0				
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT:						
1. Greater participation in trade fairs conference and trade missions.	US assistance to the Export Center has acted as a catalyst in stimulating greater efforts in these areas. For example a recent Nicaraguan business mission to the Caribbean probably would not have been undertaken were it not for USAID support to the Center.						
2.	COMMENT:						
3.	COMMENT:						

IV. PROJECT PURPOSE

- a. To employ and train a staff within the Chamber of Industries (CADIN) to promote industrial development, assist in modernizing and rationalizing existing industry, expanding exports of non-traditional products and/or stimulate the development of new exports;
- b. Support the Export Promotion Center to provide T. A. to industries that have export potential. (The Center is the Secretariat of the Exec. Committee of Export Promotion formed by CADIN and the Central Bank).

<p>B. J. Conditions which will exist when the project is completed</p> <ol style="list-style-type: none"> a. CADIN will have a permanent self-financed staff consisting of six industrial specialists capable of performing continuous work to support Indust. Dev. in the areas of General Planning, Production, Marketing and Finance. b. CADIN and the Central Bank will be sharing the costs of maintaining the Executive Committee of Export Promotion and its Secretariat, providing two representatives each, and maintaining regularly scheduled meetings. 	<ol style="list-style-type: none"> 2. The staff has been hired and has prepared several reports including one on trade within the CACM and one on industry's share of trade. However, the staff have not yet directed its efforts to industry - specific studies. <p>The Chamber and the Bank both have been contributing assistance both in kind and cash. The Central Bank has agreed to finance the Center for the next five years. Specific details as to the level of support is not presently available.</p>
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V. PROGRAMMING GOAL

A. Statement of Programming Goal

Contribute to GON efforts in increasing and diversifying the productive capacity of the economy.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national effort? The Export Center is the only organization in Nicaragua which is dealing continually in export promotion. It cooperates with an Export Section in the Central Bank and with the Chamber, thus uniting the efforts of the private and public sectors. Its assistance to export promotion has been evident by an increase in exports of those products it specifically has assisted. Its impact on overall exports will, of course, be limited, as this depends on many exogenous factors. To the extent that the Center and the Chamber of Industries can begin to influence Government policies, a few of the factors can be favorably modified.