

15N 27094

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PD-144-308

CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-347

PROJECT TITLE AGRICULTURAL MARKETING AND CREDIT ADMINISTRATION PROGRAM	1. PROJECT NUMBER 517-0136	3. MISSION/AID/W OFFICE U.S.A. I.D. /D.R.
	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) FY 80	
<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION		

1/21/81

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING		7. PERIOD COVERED BY EVALUATION	
First PRO-AG or Equivalent FY 79	B. Final Obligation Expected FY 81	C. Final Input Delivery FY 81	A. Total	\$ 100,000.0	From (month/yr.)	April/1979
			B. U.S.	\$ 100,000.0	To (month/yr.)	March/1980
					Date of Evaluation Review	December 1980

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., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
<p>1) In order to assure member benefits, FENAC is developing and investigating new production lines like coconut by-products.</p> <p>2) FENAC will study the convenience of purchasing a limited number of trucks to assure normal services to the members and to reduce costs of transportation.</p> <p>3) FENAC is developing capability and procedures to expand export activities to Europe and U.S.A. by establishing new foreign commercial relations. To support these plans of expansion, FENAC is looking new financial sources to increase operations.</p>	<p>Mr. Anibal Rodriguez</p> <p>(FENAC'S GENERAL SECRETARY)</p>	<p>April, 1981</p>

<p>9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS</p> <p><input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan e.g., CPI Network <input type="checkbox"/> Other (Specify) _____</p> <p><input type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T _____</p> <p><input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C _____</p> <p><input type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/P _____</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 checked="" type="checkbox"/> Change Implementation Plan</p> <p>C. <input type="checkbox"/> Discontinue Project</p>
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<p>11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Name and Titles)</p> <p>R. Rosario: US AID/DR/ARDO</p> <p>J.T. GLOETZNER: AIFLD/DR</p> <p>R. Rodriguez: CRD (EVAL.)</p> <p>CLEARANCES: Charles Blankstein, CRDO</p>	<p>12. Mission/AID/W Office Director Approval</p> <p>Signed: <i>Philip R. Schwaß</i></p> <p>Typed Name: Philip R. Schwaß</p> <p>Date: December 23, 1980</p>
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PROJECT EVALUATION SUMMARY (1st. YEAR 4/79 - 3/80)OPG 517-0136 USAID/DR - AIFLD/FENACAGRICULTURAL MARKETING ANDCREDIT ADMINISTRATION PROGRAM (3/80)

13. Summary: During the first year of implementation OPG 517-0136 (USAID/DR - AIFLD/FENAC) has achieved steady progress in its stated purpose to develop FENAC's administrative ability and operational capacity to provide essential agricultural services to segments of the lower-income rural population. Projected activities have been carried out in a timely fashion; a majority of established, measurable, benchmarks have been met or exceeded; progress has been demonstrated where expectations have not been met; project design has proven feasible to channel assistance to meet objectives; and although not dramatic upon implementation, the sum of the various activities has had a positive effect on the ability of FENAC to meet present commitments to its members, and to plan for expanded services in the future. The various units of the project have all been addressed during the fiscal year covered by this report. Despite delays in the hiring of professional employees, the disruption of all activities caused by two consecutive hurricanes in September, and setbacks in the rice market activities, a survey of operations during the first year is positive and promissory:

14. Evaluation Methodology: The evaluation was carried out at the end of the first operational year in order to measure progress towards final goals. The benchmarks were established and are contained in the Grant Agreement. Information was collected from quarterly reports, a review of FENAC's accounting books, field visits and interviews with FENAC leaders.

15. External Factors: The principal problem area has been with expectations in the rice marketing activities. It was originally hoped that the guaranteed price of the GODR would eliminate market fluctuations and thereby minimize risks, allowing the federation to capitalize what would normally be the profit of the intermediary. Increased production costs have, however, reduced the margin of gain considerably. This, coupled with the honest purchasing policy of FENAC from its members, plus the refusal of the GODR to raise the price of rice, have made it impossible for FENAC to capitalize from the operation. Although FENAC has not benefited directly from this service, the rice producing membership is receiving a price which is not imposed arbitrarily and not based unfairly on supposed moisture levels of their rice. Prior to the next rice harvest, AIFLD/FENAC will be designing a new system to service member rice producers which will reflect the realities of the situation.

For capitalization purposes FENAC will concentrate on other products such as coconut, "yautia", "ñame", "batata" and "ayama" and possibly "yuca". Export licenses have been issued to FENAC by GODR.

16. Inputs: At present there are no specific problems in this area.

17. Outputs: See topic 19 which presents in tabular form the evaluation benchmarks established in the Grant Agreement with their performance levels.

In general, of the 25 benchmarks, 18 were exceeded, met or partially achieved. 4 were not achieved, 3 were not evaluated.

18. Purpose: Develop the Administrative and operational capability of FENAC to the end of providing to marginal member farmers essential and currently unavailable Agricultural Services.

PROJECTED EOPS (3/82)

(PRESENT STATUS (3/80))

1) General Administration:

a. The Manager and his professional staff will be in place and fully competent to discharge their respective responsibilities.

a. Completed.

b. The Federation will have established an acceptable "track record", with regard to its loan payments, and it will be recognized as a good credit risk by national and international credit institutions.

b. In process. See Attachment #I.

c. The Manager and staff will have developed the capacity to plan, budget, and execute all service and educational programs, without direct supervision from the supporting agencies, USAID/DR and AIFLD.

c. In process.

2) Production and Credit System Reorganization:

a. Credit and Supervisory Committees will be organized and functioning in all "charter member" associations and in an additional 50 associations currently in promotion.

a. Courses to begin in fifth quarter.

b. All presently affiliated associations will have "graduated" from the Credito Supervisado Program (CS) to group lines of credit from the Banco Agricola.

b. All graduations are projected for third year; as of 3/80, none.

c. Another 50 associations will be receiving supervised group credit from the CS program.

c. 37 new associations now receiving group credit.

3) Marketing Services:

a. The Federation will have established itself as the sole marketing agent for the 42 chartered associations, and it will be extending these services on an individual-by-individual basis to an additional 50 associations.

a. 20-25 associations presently marketing through FENAC.

b. The Federation will have established a minimum of two regional marketing centers, one in Sanchez and the other in La Vega.

c. FENAC will have negotiated financing for and begun construction on a combination rice mill-coconut processing factory.

b. Sanchez center to be completed 4/5/80. La Vega center to be completed 7/81.

c. Coconut processing factory to begin operation by 4/15/80. Rice mill pending further study.

4) Executive Committee and Para-Technicians (Activistas) Training Program:

a. The Executive Committee (EC) will be capable of reading and interpreting financial statements.

b. The EC will be competent to evaluate major loans or investments and assets, in a broad sense, their impact on the economic welfare of the Federation and its affiliates.

c. The EC will be knowledgeable as to what constitutes a sound system of financial controls and as to when such controls are being violated.

d. The EC will be able to recognize financial mismanagement or malfeasance and know which corrective measures are available and appropriate.

e. The EC will be capable of setting board policy objectives in all operational areas.

f. Four presently employed and six newly hired "activistas" will be qualified to accept responsibilities in the areas of agricultural technical assistance, credit analysis, financial management, project planning and promotion and education of new groups.

a to e. The following courses have been held covering these topics:

1) Marketing Program Controls and Accounting (3 days).

2) 6 weeks Cooperative Management Course; George Meany Center (2 participants).

3) Planning Yearly Activities (1 week).

4) Credit Supervision (2 weeks).

5)

6) Various planning and financial sessions.

f. One new activist employed. Training courses underway.

19. GOAL/SUBGOAL

First Year (4/79 - 3/80)

EVALUATION BENCH MARKS: OPG 517-0136 (USAID/DR - AIFLD)

<u>GOAL:</u> Fifteen Percent (15.7) Increase in Average Gross Income from Agriculture and Related Activities.	BASE 2/79	<u>1ST YEAR TARGET</u> (ORIGINAL 2/79)	<u>1ST YEAR TARGET</u> ADJUSTED 10/79	<u>PERFORMANCE</u> 3/80	<u>*PERFORMANCE/</u> TARGET
	1200	(1260)	(1260)	Not Evaluated	(*1)
<u>OBJECTIVES:</u>					
<u>I. Production Credit Program</u>					
A. Percent Loans Received Late	85%	(75%)	75%	60%	1.25
B. Average Trips Required to Negotiate Loans	5.3	(4.0)	4.0	3	1.33
C. Average Cost of Negotiating Loans	\$11	(10)	\$10	8.00	1.25
D. Percent Members Using Institutional Credit	45%	(60%)	55%	80%	1.45
E. Number of Associations Receiving Group Loans from Banco Agrícola	18	(25)	50	55	1.10
F. Number of Associations with Unsupervised Lines of Credit	0	(10)	5	-0-	-0-
G. Total Loan Volume (Adjusted)					Not pertinent in last year
I.1 Production Credit Volume (\$000)	500	(600)	800	1000/accumulated 460 year	

COMMENTS: 1) Survey will be conducted during 5th quarter of OPG-April/June 1980
 2) Benchmark ambiguous - not known whether accumulated or year only in to be measured. This will be clarified during 2nd year.

*Performance Target - 1(Achieved); (+) 1 (Exceeded); (-) 1 (Partially Achieved)

	BASE 2/79	1ST YEAR TARGET (ORIGINAL 2/79)	1ST YEAR TARGET ADJUSTED 10/79	PERFORMANCE	PERFORMANCE/ TARGET
II. <u>Marketing System:</u>					
A. Volume Marketed through FENAC (\$000)	\$65.70	(\$500)	\$230	210	.91
B. Recuperated Losses Jan-April '79	---	---	---	recuperated	1
C. Membership Capitalization (Federation Level)	-0-	---	\$10,000	\$9393	.94

	BASE 2/79	1ST YEAR TARGET (ORIGINAL 2/79)	1ST YEAR TARGET ADJUSTED 10/79	PERFORMANCE	PERFORMANCE/ TARGET
III. Organizational Activities: (Expansion of On-Going Program)					
A. Number of Dues Paying Members	1000-1600	(2000)	2000		
B. Number of Associations in Existing Areas	58(9/79)	---	78	77	.99
C. Number of Associations in New Areas	-0-	---	28	24	.86
D. Number of "Activistas"	4	(6)	5	4	.80
E. Number of Agricultural Promoters	20-25	(75)	40	50	1.25
F. Number of Female Activista	-0-	(0)	1	0	0

	BASE 2/79	1st Yr. Target (Original 10/79)	1st. Yr. Target Adjusted 10/79	PERFORMANCE	PERFORMANCE/ TARGET
IV. <u>Training Program</u>					
A. Members Capable of Managing Funds and Receipts in Marketing and Farm Supply Centers	-0-	-0-	10	10	1
B. Leaders Capable of Exercising Control and Supervision over Professional Employees	-0-	-0-	5	5	1
C. Leaders Capable of Reading and Interpreting Financial Statements	-0-	-0-	6	4	.67
D. National Leaders Capable of Supervising Work of Activista	1	(-0-)	7	3	.43
E. Activista Capable of Supervising Work of Administrators of Marketing and Farm Supply Centers	-0-	(2)	1	0	0
F. National Leaders Capable of Evaluation Investment and other Economic Opportunities	-0-		10	5	.5

	BASE 2/79	1ST YEAR TARGET (ORIGINAL 2/79)	1ST YEAR TARGET ADJUSTED 10/79	PERFORMANCE	PERFORMANCE/TARGET
V. <u>General Administration:</u>					
A. Loans for Working Capital Received from State or Commercial Banks	-0-	(-)	50	0	0
B. Management Functions Performed without outside assistance	-0-	(Balance Sheet) (Income State- ment) (General Book- keeping)	Balance Sheet Income State- ment General Book- keeping	achieved	1

20. Beneficiaries: The immediate beneficiaries of this project are the more than 5,000 Dominican farmers and family members associated with FENAC, with an estimated equal number currently in promotion. The average FENAC member cultivates 2.0 hectares and derives an income of approximately \$1,200 per year from agriculture and related activities. While these statistics suggest that Federation members are not the poorest of the poor, FENAC has exhibited a marked proclivity for reaching out to the less advantaged farmers, as demonstrated by its work with potential Agrarian Reform beneficiaries, and the significant number of members, who have no access to land except on a share-cropping basis. On the other hand, from the perspective of economic viability, FENAC as a federation possesses the agricultural diversity and productive capacity to allow it to exploit traditional economic opportunities in the areas of collective purchases of inputs, and joint marketing ventures.

21. UNPLANNED EFFECTS: None

22. See external factors #15

23. Special Comments - or Remarks: The GODR rice control policy is adversely affecting the marketing activity of this project with an almost fixed maximum price policy and constantly increasing production costs, makes it unfeasible to carry out a sound marketing program. The alternative is to place all efforts and resources in the marketing of other more profitable crops.

ATTACHMENT #1

1. b. Presently FENAC has three loans which it is repaying on time. All three are from AIFLD and are as follows:
 - a. \$50,000.00 - Working capital loan for marketing component.
 - b. \$8,000.00 - Construction of Sanchez marketing center and Copra oven.
 - c. \$18,000.00 - Development of 3 Goat Farms - (Las Rosas, Punta Gorda, Limon).