AID 1020-24 (10-69)

93200019 (2)

AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.)

A.I.D. Reference Center Room 1656 NS

PD-AAK-247-B1

PROJECT AUTHORIZATION

1. PROJECT NUMBER	3. COUNTRY	4. AUTHORIZATION NUMBER
921-13-140-019	INTERREGIONAL PRR/TCD	0005

2. PROJECT TITLE: Development of Agricultural Cooperatives Global Contract with Agricultural Cooperative Development International, Inc. (ACDI)

5. AUTHORIZATION DATE: April 6, 1970

6. PROP DATED: 12/15/69

7. LIFE OF PROJECT

a. Number of Years of Funding: Continuing b. Estimated Duration of Physical Work: 9

Starting FY 19 63 Terminal FY 19 Continuing After Last Year of Funding (in Months): Continuing

8. FUNDING BY FISCAL YEAR (in U.S. $ or $ equivalent)

	DOLLARS (Thousands)		P.L. 480	LOCAL CURRENCY Exchange Rate: $1 =			
				U.S. OWNED		HOST COUNTRY	
	GRANT	LOAN	CCC + FREIGHT	GRANT	LOAN	JOINTLY PROGRAMMED	OTHER
Prior through Actual FY -69	885						
Operational FY -70	163						
Budget FY -71	120						
B + 1 FY -72	120						
B + 2 FY -73	120						
B + 3 FY -74	120						
All Subsequent FY's	Continuing						
TOTAL							

9. DESCRIBE SPECIAL FUNDING CONDITIONS OR RECOMMENDATIONS FOR IMPLEMENTATION, AND LIST KINDS AND QUANTITIES OF ANY P.L. 480 COMMODITIES

PRR and predecessors have funded this project through FY 1969 except for an estimated $26,290 in kind contribution from member cooperatives. Estimated in kind contributions for FY 1970 is $45,000.

10. CONDITIONS OF APPROVAL OF PROJECT

(Use continuation sheet if necessary)

11. Approved in substance for the life of the project as described in the PROP, subject to the conditions cited in Block 10 above, and the availability of funds. Detailed planning with cooperating country and drafting of implementation documents is authorized.

This authorization is contingent upon timely completion of the self-help and other conditions listed in the PROP or attached thereto.

This authorization will be reviewed at such time as the objectives, scope and nature of the project and/or the magnitudes and scheduling of any inputs or outputs deviate so significantly from the project as originally authorized as to warrant submission of a new or revised PROP.

A.I.D. APPROVAL	1/ CLEARANCES	DATE
SIGNATURE	EA/TECH, Don Davis	1/13/70
	NESA/TECH, O.L.Mirma	1/13/70
	VN/DP, L.W.Doran	1/16/70
	PRR/TCD, H.H.Crowley	1/12/70
	ARA/TA/ECD, J.Dublin	1/26/70
	ARA/TA/ECD, R.V. Bernhart	1/29/70
	ARA/LD/REG, Dr.A.H.Byrnes	1/30/70
	AFR/DP, Howard Rower	3/20/70
	AFR/TD, F. Jones (by Phone)	3/2[illegible]/70

DAA/PRR 4-6-70

TITLE DATE

1/ Signed clearances are on file in PRR/PCS except J.Jones cleared by phone.

A.I.D.
Reference Center
Room 1656 NS

NON-CAPITAL PROJECT PAPER (PROP)

Global Project — Project No. 921-13-140-019

Submission Date: 12/15/69 — Original Submission

Project Title: Development of Agricultural Cooperatives
Global Contract with Agricultural Cooperative
Development International, Inc. (ACDI)

U.S. Obligation Span: FY 1963 through continuous
Merger of International Cooperative Development
Association, Inc. (ICDA) and Farmers Union
International Assistance Corporation (FUIAC)

Physical Implementation Span: FY 1963 continuous

Gross life-of-project financial requirements:

U.S. dollars:	FY 1963 through FY 1969	
	Cumulative obligation	$ 885,000
	FY 1970 (estimated)	163,000
	FY 1971 (estimated)	120,000
	Total	$1,168,000

U.S. owned local currency: None

Cooperating country cash contributions: None

	Voluntary services of	
Other donors:	Member cooperative FY 1969	$ 26,290
	Member cooperative (est.) FY 1970	45,000
	Total other donors	$ 71,290

A. Summary

For many years some form of assistance to cooperative development had been included in the foreign assistance program. The FAA of 1961, however, declared that it be the policy of the U.S. to encourage the development of cooperatives. This was further emphasized in the Title IX legislation of 1966.

ICA and A.I.D. responded rapidly to the policy declaration in 1961 and 62, reviewed past activities and outlined a course of action which included the wide use of U.S. cooperatives to assist in cooperative development.

A survey of all Missions indicated that assistance was required in the area of: development of agriculture cooperatives involved in supply, credit, production and marketing and in distribution of farm supplies.

After reviewing U.S. cooperative organizations and resources the Farmers Union International Assistance Cooperative (FUIAC) as established by the National Farmers Union (NFU) was selected to provide assistance in this area. In addition, the International Cooperative Development Association (ICDA) was established to moblize U.S. technical and financial support for the overall cooperative development program.

In 1963 A.I.D. entered into a basic agreement with each organization. Under the terms of this agreement A.I.D. entered into a contract (Task Order No. 1) with each organization to establish and maintain a central office and staff in Washington for the purpose of advising and assisting in developing cooperative projects in Regions and Missions. Once these projects were underway these central office staffs became responsible for the overall administration and supervision of the projects.

Over the years the work of the two organization became similar. In November 1968 they were merged to form the Agriculture Cooperative Development International, Inc. (ACDI). During 1969 ACDI supervised and administered nine agriculture projects in eight countries in five Regions.

Since this project is primarily designed to develop, administer and supervise Regional and Mission projects and programs, it does not in itself have easily definable targets, results and outputs. Basically, it provides a supporting service for each of the Regional and Mission projects which in themselves have defined targets, results and outputs. The nature and volume of these projects varies from year to year and is dependent upon Regions and Missions expanding existing programs or starting new projects for which they seek the services of ACDI.

This project is centrally funded on an annual basis and is supervised by a project manager in the Office of Private Resources. Central office staff services are made available to the Regions and Missions as requested. Regions and Missions enter directly into Task Orders with ACDI to provide specific services to Regional and Country projects.

SECTION A
Table 1

NON-CAPITAL PROJECT FUNDING
(Obligations in $000)

Project Title: Cooperative Development Contract with ACDI

PROP Date 12/[illegible]
Original X
Revision
Project No. 921-13-140-01[illegible]

	AP	L/G	Total	Cont 1/	AID	PASA	Cont
Prior through Act. FY 69 2/	TC	G	885	885			885
Oper. FY 70	TC	G	163	163			163
Budget FY 71	TC	G	120	120			120
Total Life	TC	G	1,168	1,168			1,168

1/ Memorandum (non-add) column

2/ ACDI and predecessors

B. Setting

1. Background

a. Legislation. The FAA of 1961, Section 601. (a) stated that: ".....it is declared to be the policy of the United States..... to encourage the development and use of cooperatives, credit unions and savings and loan associations.....". In 1966 the FAA was amended to include Title IX, Section 281. (a) which stated that: "....emphasis shall be placed on assuring maximum participation in the task of economic development on the part of the people of developing countries, through the encouragement of democratic private and local government institutions." The House Committee Report stated that: "This goal can best be achieved through the fostering of cooperatives, labor unions, trade and related associations, community action groups and other organizations.....; through broader and more effective utilization of the experience and resources of existing private and voluntary organizations.....".

b. ICA and A.I.D. Response. On June 23, 1961 the Director of ICA announced that "greater emphasis on development and assistance to cooperatives in underdeveloped countries will be among the major objectives of the administration's new foreign aid program". He proposed a new cooperative program in which ".....ICA will seek to utilize its own and the experience and resources of all interested government and private agencies in programs for underdeveloped areas where the cooperative approach can contribute effectively to the self-help objectives of this country's foreign aid efforts". To accomplish this he initiated a worldwide review of ICA's assistance program ".....To evaluate ICA's cooperative activities of the past, to develop a policy statement for guidance to field missions regarding encouragement to the cooperative approach, and to outline a specific action program for greater emphasis on cooperatives within the new A.I.D. program." A new office was created in Materials Resources Division to coordinate the new program.

The ICA worldwide review of cooperatives included in formation on and evaluations of all known cooperative development programs, past and present, and recommendations for future developments. A cable questionnaire (ICATO CIRC 37) was sent to all missions. Replies were assembled, reviewed and evaluated. Almost without exception, U.S. missions reported that governments of LDCs were depending on various types of cooperatives to make a substantial contribution to their economic growth. Types of cooperatives included were credit, marketing, processing, supply, production, industrial, consumer, housing, health, insurance, rural electrification, joint ownership of facilities and other services. Credit unions, savings and loan associations and mutual savings banks were included in this broad cooperative category.

An ICA Cooperative Review Committee was established composed of representatives of ICA staff and regional offices. Their purposes: to discuss and formulate scope, procedures and policy recommendations for overseas cooperative development. The Committee recognized that essential to achieving development goals was a dynamic increase in productivity and wealth of LDCs, a positive increase in living standards through more equitable distribution of income and more widespread ownership and enjoyment of wealth and that foreign aid programs should encourage people to help themselves. Use of cooperative techniques to attain these objectives was encouraged.

Statements of experience and recommendations from all ICA's regional offices and from all contributing agencies and organizations (ICA Cooperative Review: Background Papers) became the basis for several recommendations re cooperative development. The first was creation of a Special Advisory Committee on Cooperatives to the A.I.D. Administrator on utilization of cooperatives in the A.I.D. programs. This 13-member committee included representatives of all major nongovernment organizations interested in overseas development. This led to the involvement of nine U.S. Government agencies and interested private agencies such as CARE, CRS, CLUSA. CUNA, UAW, CWS, etc. This joint action initiated a new public-private partnership program for developing cooperatives and related self-help type programs. The U.S. cooperative movement, encouraged by this new interest, pledged to continue and expand its concern and activities in international cooperative development programs.

Both the Review Committee and the Special Advisory Committee recommended that A.I.D. play a definite role in cooperative development in LDCs by providing technical assistance, financial assistance and coordinating regional, mission and host government interest in development programs. Technical assistance included feasibility surveys, evaluations of existing programs, pilot projects and consultative service to governments and cooperative organizations. Financial assistance included loans and grants by A.I.D. and other U.S. and multilateral agencies and private investors (and combinations of these sources), utilizing local currencies including PL 480 funds, and encouraging mobilization and use of local capital for production and development in LDCs.

Subsequently policy guidelines on cooperative development programs were issued in Manual Orders 1621.1 and 1626.11.

2. Need

Food production is one of the most pressing economic problems facing LDCs. Greater food production must depend upon an improved agriculture including extension service, rural credit, research and development, fertilizers, improved seed, marketing, storage, and processing.

Lack of agricultural credit alone can defeat improved food production in most LDCs. Agriculture credit for most LDCs is wholly inadequate. In some countries only 10% (estimate) of the farmers receive the credit they need and can properly use from institutional sources. Some are kept waiting until the planting season is over; others do without entirely

and thus lose an entire year of productivity. Credit secured from other sources is usually limited and expensive and increases overall cost of production.

Low income farmers urgently need better credit, marketing and storage, grading and packing, transportation or shipping, reduced production costs and so on. Low income farmers in LDCs face near unsurmountable handicaps; they pay the other man's price for production supplies they must buy and take the other man's price for what they produce to sell.

Farmers in the U.S., Canada, Europe, Japan, Taiwan and other countries have met and overcome similar problems by working together through farmer cooperatives. In some cases farmers have gone directly into cooperative processing, marketing, distribution or credit activities in order to break bottlenecks, improve product quality, cut costs or provide special services; in other cases they have indirectly influenced the business community to provide quality goods by united action through farm associations.

Farming is both a science and a business and is conditioned by both disciplines. It is also subject to the hazards of soil, climate, and pestilence. The adage that those who cannot succeed at other work can successfully till the soil is very misleading. Missions of low income, often illiterate, people are working on the land - mostly on a subsistence basis - and complicate the problems of improving agriculture and food production. The complexities of agriculture production require inputs of leadership and special skills as well as operating capital and farm equipment. Efficient farmer cooperatives, the farmers own off-the-farm operations, can assist farmers with many of the problems of production, marketing, distribution, storage and certain farm services.

C. Strategy

1. General. Prior to 1962 considerable work had been done in cooperative development. However, there had not been a concerted effort to plan and carry out specific cooperative development programs utilizing the experience and skills of the U.S. cooperatives. The strategy was twofold: to identify those areas of cooperative development which A.I.D. Missions and Regions felt fitted in with their overall development strategy and programs; and to identify and secure the services of the U.S. cooperative organizations best qualified to provide the services required in planning and implementing specific Regional and Mission programs.

2. Use of Technical Assistance in Cooperative Development. With the assistance of the ICA Cooperative Review Committee and the Special Committee on Cooperatives, A.I.D. determined that technical assistance was needed in the area of agriculture marketing, supplies, credit and training for local leaders.

Technical assistance is a prerequisite for starting effective farmer cooperative systems in LDCs, or for reorganizing existing agriculture cooperative programs that need upgrading. Under provisions of A.I.D.'s contract with ACDI, well qualified U.S. cooperative technicians are assigned to given programs in LDCs in order to assure that new cooperatives are started properly and management trained to direct the organizations or system efficiently. Without provision for and agreement on adequate technical assistance no A.I.D. assisted cooperative development programs should be undertaken.

3. U.S. Resources. To provide technical assistance in this area A.I.D. determined that Agricultural Cooperative Development International, Inc. (ACDI) was the best qualified organization. ACDI officials and those of its predecessor have had extensive experience and expertise in the above fields. ACDI organizations could also call upon U.S. member cooperatives for technicians as needed.

The original contract was signed with the National Farmers Union (#255) April 1, 1963. NFU had been active in overseas development programs since World War II and had overseas operating experience. In 1967 the Farmers Union International Assistance Corporation Contract #1489 was set up to better coordinate its overseas development programs. The International Cooperative Development Association a development corporation (Global Contract #683) was organized in 1964 at the encouragement of A.I.D. Its directors come from and represented the major agriculture cooperative of the U.S. ACDI was designed to more directly involve them in overseas development. In practice, however, these organizations tended to parallel each other in service projects. This led to their merger into ACDI, effective November 15, 1968 (Global Contract AID/csd 2219).

4. Central Office Services. To provide specialized services in planning, staffing, organizing and implementing specific Regional and Mission programs, A.I.D. contracted with ACDI to support a central office staff to coordinate all international development activities. This staff provides the following services:

a. Acts as a channel between U.S. cooperatives and the Agency for International Development for the flow of information, technical knowledge, and operating experience in the production and distribution, processing and marketing of agricultural products, administration of agricultural credit programs, and other activities that strengthen the agricultural sector of developing economies.

b. Confers with A.I.D. on inquiries and proposals submitted for agricultural cooperatives; advises Missions of the potential of development programs; conducts surveys to determine need for assistance and makes plans for projects and project implementation.

c. The contractors home or central office staff also coordinates technical assistance provided under Task Orders for design and construction of cooperative facilities, for leadership, for management and on-the-job training, for capital formation, and for procurement of equipment as required.

d. Through its Board of Director-representatives, ACDI maintains continuous contact with U.S. cooperatives and through them has popleline access to competent cooperative technicians for its development programs in developing countries.

D. Planned Targets, Results and Outputs

1. Planned Targets. The primary purpose of this project is to provide and maintain a centralized office and source of specialized personnel for use by A.I.D. in planning and carrying out cooperative development programs. Overall targets, results and outputs cannot be quantified since they are determined by the nature and volume of the Regional and Mission programs.

2. Progress to Date. This project was started in 1962. It started with a small central office staff which gradually developed specific programs with Regions and Missions. Prior to CY 1968 numerous Task Orders were started and completed. However, this PROP is only concerned with those programs in operation in CY 1968 and new programs started after the beginning of that year.

Table 2 lists all of the programs completed, continuing and started from CY 1968 forward. This table gives an overall picture of the scope of the activities of the contract organization. It shows the gross annual activity of the contractor and the relationship between the central office staffing and costs (Global Task Order No. 1) to the Regional and Mission activity. This, however, only illustrates and quantifies the inputs. The results and outputs must be measured by the performance and accomplishments in each specific Region or Mission program.

3. Future Projection. Table 2 projects the ongoing programs into CY 1970 and CY 1971. Only those programs which are firmly committed are included. This does not provide for possible early termination of services, extension or expansion of services or new programs. Any projection or target setting would be highly speculative and subject to a variety of variables. However, the trend in activity and funding of services provided indicates continued high level development activities with good results.

E. Course of Action

1. Contract System

a. Basic Agreement. The project operates under a Basic Agreement between A.I.D. and the contractor. The original Basic Agreement AID/csd-638 was executed on June 30, 1964. (Preceding the current ACDI contract, were contracts with National Farmers Union, No. 255, signed April 1, 1963,

Farmers Union International Assistance Corporation (FUIAC), No. 1489, signed January 10, 1967, and International Cooperative Development Association, Inc. (ICDA), No. 653, signed June 30, 1964. FUIAC was merged with ICDA to form ACDI.) A new Basic Agreement AID/csd-2219 was executed on November 15, 1968 and terminates on November 14, 1973. This agreement provides the basic framework and regulations under which a specific contract (Task Order) can be executed and operated.

b. Task Order No. 1, executed with ACDI on November 15, 1968, is the central servicing contract which provides for the central office and staff of the contractor to administer and supervise all services to A.I.D. through Regional and Mission contracts (Task Orders). It is centrally funded annually and managed by the Office of Private Resources. Contract negotiations and agreements are handled by the Office of Procurement, Contract Services Division.

c. Regional and Mission Task Orders are executed between A.I.D. and the contractor to provide specific services in connection with and support of specific activities. These are executed, funded and managed by the Regions and Missions. Contract negotiations and agreements are handled by each Regional Contract Office.

2. Contract Organization. Task Order No. 1 provides for the support of a central office staff authorized during FY 1969 is composed of:

Project Director
Assistant Project Director
Controller
Reports, Recruitment, Publications Specialist
Secretaries (2)
Clerks (2)

3. Annual Review of Operations. Each year prior to the extension of Taks Order No. 1 the overall operations of the contract organization are reviewed. Adjustments are made in the central staffing, budgets and services, as necessary, to maintain a reasonable relationship to the overall Task Order business supervised and administered under the Task Order No. 1.

4. Contract Services

a. Management. The contractor's services and operations are supervised by a project manager in the Technical Cooperation Division of the Office of Private Resources. He is the channel through which the services are coordi ated and made available to staff offices, Regions and Missions. He monitors the contractor's operations, services, performance, reports, travel, and program and budget planning.

b. Services to Regions and Missions. The project manager works directly with the appropriate Regional Technical Office and Desks. Upon request and approval the contractor's services are made available to the Regions and Missions. Generally these services provide advice and assistance, make preliminary studies and investigations, assist in project planning and

Task Order drafting and identify and recruit specialized technical assistanct as necessary. In addition the contractor's central office is responsible for the staffing, administration, support, reporting and backstopping for all Regional and Mission Task Orders.

Table No. 2
Global Activity

NON-CAPITAL PROJECT FUNDING
(Expenditures & Obligations)
Project Title: Cooperative Development - Contract with ACDI

PROP Date 12/15/69
Original X
Revision No.
Project No. 921-13-140-019

Task Order	Location Description	Prior[1] FY 1968	CY 1968[1] Man/Mos	CY 1968[1] Est Cost	CY 1969[2] Man/Mos	CY 1969[2] Est Cost	CY 1970 Man/Mos	CY 1970 Est Cost	CY 1971 Man/Mos	CY 1971 Est Cost
3	Colombia	ICDA	24	$ 44,000	9	$ 15,250				
	Co-op Mktng	xxx	xxx	xxx	xxx	xxx				
8	Jamaica	ICDA	12	24,000	6	16,000	6	$ 16,000		
	Co-op Dev.	xxx	xxx	xxx	xxx	xxx	xxx	xxx		
2 & 4	Honduras	ICDA	84	84,000	117	147,500	220	445,324	199	$402,645
	Credit, Federation & other Training	xxx	xxx	xxx	xxx	xxx	xxx	ooo	ooo	ooo
23	LA Reg. Training	FUIAC	12	51,700						
	Participants	xxx	xxx	xxx						
6	Uganda	FUIAC	68	163,650	54	124,700	72	166,200	72	166,200
	Mktng, Credit & Ledership Tr.	xxx	xxx	xxx	xxx	xxx	xxx	ooo	ooo	ooo
10	Nepal	FUIAC	24	36,266	25	50,000	24	75,000	24	75,000
	Supply & Mkt. Dev.	xxx	xxx	xxx	xxx	xxx	xxx	xxx	ooo	ooo
5	Philippines	FUIAC	12	23,922	12	25,000	12	27,000	12	27,000
	Co-op & Cr. Dev.	xxx	xxx	xxx	xxx	xxx	xxx	ooo	ooo	ooo
9	Thailand	FUIAC	12	29,184	12	25,000	24	53,000	24	53,000
	Farmer Assoc. Dev.	xxx	xxx	xxx	xxx	xxx	ooo	ooo	ooo	ooo
6	Vietnam	FUIAC	48	116,660	55	144,000	60	152,000	60	152,000
	Systems & Record Dev.	xxx	xxx	xxx	xxx	xxx	ooo	ooo	ooo	ooo
	(Subtotals)		(296)	(573,382	(290)	(547,450)	(418)	(1,034,524)	(391)	(875,845)
1	Global - Support Services		138	185,504	96	159,000	96	140,000[3]	96	120,000[3]
		xxx	xxx	xxx	xxx	xxx	ooo	ooo	ooo	ooo
	TOTALS		434	$758,886	386	$706,450	514	$1,174,524	487	$995,845

1/ Combined operations of FUIAC and ICDA.
2/ Fully merged operations of ACDI.
3/ Reducing cost based on assumption that central office costs shared

Legend: xxx Contract in force
ooo Planned extension

T 1 2 3 4 5 TC 1 2 3 NC

9320019

AID 1025-1 (7-71) (FACE SHEET)

NONCAPITAL PROJECT PAPER (PROP) PD-AAK-247-C1

(3)

I. PROJECT IDENTIFICATION

1. PROJECT TITLE

Agricultural Cooperative Development International (ACDI)

APPENDIX ATTACHED: ☒ YES ☐ NO

2. PROJECT NO. (M.O. 1095.2) 932-13-140-019

3. RECIPIENT (specify)

☐ COUNTRY Global

☐ REGIONAL ☒ INTERREGIONAL

4. LIFE OF PROJECT

BEGINS FY 1963

ENDS FY 1975

5. SUBMISSION

☐ ORIGINAL

☒ REV. NO. DATE 12/5/72

CONTR./PASA NO. 2219 T.O.#1

II. FUNDING ($000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL $	C. PERSONNEL (1) $	C. PERSONNEL (2) MM	D. PARTICIPANTS (1) $	D. PARTICIPANTS (2) MM	E. COMMODITIES $	F. OTHER COSTS $	G. PASA/CONTR. (1) $	G. PASA/CONTR. (2) MM	H. LOCAL EXCHANGE CURRENCY RATE $ US ___ (U.S. OWNED) (1) U.S. GRANT LOAN	(2) COOP COUNTRY (A) JOINT	(2) COOP COUNTRY (B) BUDGET
1. PRIOR THRU ACTUAL FY 72	1,407											
2. OPRN FY 73	209,700											
3. BUDGET FY 74	-											
4. BUDGET +1 FY 75	-											
5. BUDGET +2 FY												
6. BUDGET +3 FY												
7. ALL SUBQ. FY												
8. GRAND TOTAL												

9. OTHER DONOR CONTRIBUTIONS

(A) NAME OF DONOR	(B) KIND OF GOODS/SERVICES	(C) AMOUNT
ACDI Member Cooperatives	Approximately $25,000 annually for non-AID ACDI endeavors	$25,000 annually

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER Gordon Roth	3/13/73	TITLE PHA/PVC	DATE 12/5/72
2. CLEARANCE OFFICER John A. Ulinski, Jr.		TITLE Act.Director PHA/PVC	DATE 12/5/72

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

The budget for Task Order No. 1 is the total requirement. As shown it does not reflect the application of a user-charge formula, still under discussion.

Erwin Wendt 29710

PHA/ODA 1078

PHA-G-1082

2. CLEARANCES

BUR/OFF.	SIGNATURE	DATE	BUR/OFF.	SIGNATURE	DATE
PPC	For R.Todol	3/13/73			
PHA/DCD	G.Bryson	3-26-73			

3. APPROVAL (AS OF OFFICE DIRECTOR)

SIGNATURE

DATE 3/27/73

TITLE Jerold A. Kieffer, AA/PHA

4. APPROVAL A/AID (See M.O. 1025.1 V C)

SIGNATURE

DATE

ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT

SUMMARY:

A.I.D.'s broadly defined objective for supporting ACDI is to develop cooperatives in LDCs that will help increase the net spendable income of small and medium farmers. PHA/PVC seeks to do this by having ACDI, under Task Order No. 1, AID/csd-2219, recruit technicians who can establish or upgrade agricultural cooperatives and provide effective backstopping of selected technicians. Thus, ACDI's projects have come to be looked upon as a means of extending A.I.D.'s efforts to respond to LDC need for economic development by providing middle-level technical assistance through cooperative development activities.

ACDI receives all of its support except for extra-curricular activities from A.I.D. So did its two predecessors, the Farmers Union International Assistance Corporation (FUIAC), organized in 1963, and International Cooperative Development Association (ICDA) organized in 1964. ACDI came into being in 1968 when the two organizations merged.

A.I.D. funds ACDI's activities in two ways: PHA/PVC supports ACDI's home office expenses, promotions and backstopping of overseas projects under Task Order No. 1; missions and regional offices support projects in the LDCs through individual contracts. A.I.D.'s funding from all sources has been around $1 million for a number of years. ACDI's current budget is $187,900 under Task Order No. 1, and $1,010,000 for overseas projects, making the total $1,198,000. The Task Order No. 1 budget

request for FY 1973, beginning December 15, 1972, is $209,700; $20,200 more than was granted in FY 1972.

ACDI's headquarter (Task Order No. 1) targets outputs and results are not easily definable because it primarily supports the development, administration and supervision of regional and mission projects.

Furthermore, the value of ACDI's Task Order No. 1 to A.I.D. rides on how extensively A.I.D. Missions and Regions use its services, and whether what LDC's want is consistent with A.I.D.'s goals in agricultural development. On the basis of past performance, ACDI has demonstrated that it can provide LDCs with important cooperative development resources promptly and at a reasonable cost to the U.S. government, and also bring about a more meaningful involvement between cooperatives in the U.S. and overseas.

A. THE PROJECT GOAL

1. Goal Statement - The broader objective is to increase the net spendable income of the small and medium scale farmers in the LDCs.

2. Measurement of Goal Achievement - Measurable income benefits to co-op members and community resulting from the presence of co-ops, e.g.,

(a) Changes in income attributable to increased efficiency and/or innovations in production and marketing practices promoted by co-ops.

(b) Savings attributable to the lower cost of credit through co-ops and/or changes in area credit rates.

3. Assumptions of Goal Achievement

(a) ACDI questionnaire to field will obtain data for each goal level indicator; also

(b) ACDI questionnaire will be used to refine and quantify goal level indicators.

B. PROJECT PURPOSE

1. Purpose Statement - Services needed by small and medium scale farmers provided by business-like cooperative type enterprises in A.I.D.-specified LDCs.

2. Conditions Expected at the end of the Project

(a) Measurable improvement in:

(1) Type and volume of services provided in overseas projects.

(2) Total number of farmers served in overseas projects.

(3) Farmers served categorized by type of service in overseas projects.

(4) Evidence of viability of co-ops as economic enterprises, measured by growth of net savings, and member equity, e.g., savings reinvested.

3. Basic Assumptions

(a) IVC will coordinate activities of other co-op contractors and expedite collaboration on projects.

(b) Favorable environment for co-op development exists in LDCs.

C. OUTPUTS - TASK ORDER NO. 1

1. Outputs

(a) New agricultural co-op projects.

(b) ACDI-managed projects receive competent counsel:

(1) Long-term assignments:

(i) Up-to-date, realistic, plans for ACDI-managed co-op projects, i.e., Mission task orders.

(ii) ACDI staff overseas effectively carry out assignments.

(2) ACDI representatives effectively complete short-term assignments.

(c) Non-A.I.D. projects in LDCs are consistent with counsel and experience of ACDI and PVC.

(d) Trainees return to LDCs qualified to fill responsible roles in their cooperatives.

(e) U.S. agricultural cooperatives provide technical expertise (manpower) and non-governmental funds for LDC cooperative activities.

2. Recommended Output Indicators*

(a) Number of new ACDI projects initiated.

(b) Number of ACDI projects out of the total up-to-date, realistic plans agreed by USAID, ACDI, appropriate AID/W Bureau and PHA/PVC.

---

* How meaningful the response would be to all or any part of such a detailed list of indicators, depends in part, of course, on how much importance USAIDs attach to such an exercise, the priority they give it in terms of manpower and time, and whether the data can be gathered with any degree of accuracy.

(c) Number of ACDI field staff out of total who perform satisfactorily.

(d) Number of assignments out of total number of short-term assignments completed to USAID satisfaction.

(e) Number of activities initiated or redirected during reporting year.

(f) Number of activities which became self-sustaining during the year.

(g) Number of activities which bring direct benefit to the LDC small and medium scale farmers during reporting year.

(h) Number of trainees out of total processed by ACDI who indicate training assistance contributed to their skill level.

(i) Number of LDC cooperative trainees from ACDI projects who perform satisfactorily when on the job after training.

(j) Amount of money contributed by U.S. cooperatives to cooperative development in LDCs.

(k) Number of man-months of service contributed by U.S. co-ops to LDC co-op development.

3. Basic Assumptions

(a) USAID Task Orders finance the development of viable cooperatives.

(b) ACDI and PVC concur with USAIDs and Regional AID/W Bureaus on assessments that Mission funded cooperative activities will result in the achievement of Task Order No. 1 purpose.

(c) ACDI orientation and training assistance is supplemented by other U.S. institutions.

D. INPUTS

1. Directed to Activities in LDCs:

(a) Feasibility studies and new project plan preparation.

(b) Recruiting, orientation, placement, support and supervision of ACDI representative.

(c) Participation in international conferences and task force activities.

(d) Training assistance to LDC cooperative leaders.

(e) Development support of LDC co-ops among U.S. agricultural co-ops.

2. Funding - Amounts and Sources:

(a) A.I.D. Task Order No. 1 funding $209,700 requested for FY 1973 commencing December 15, 1972..

(b) Budget Schedule:

Salaries	$140,500
Fringe Benefits	26,700
Consultants	8,500
Travel	12,400
Other Direct Costs	21,600
Total:	$209,700

(c) Basic Assumptions:

(1) Task Order funding through ACDI will continue.

(2) ACDI field representatives need and USAIDs want home office support.

(3) Budget request is based on the program as planned. ACDI members will continue to encourage co-op development abroad.

E. RATIONALE

ACDI is a private, non-profit organization, incorporated in the District of Columbia in 1968. A.I.D. encouraged its creation by merging two predecessor organizations.

While ACDI depends on A.I.D. for survival, nevertheless, it has a strong sense of autonomy, purpose and accomplishment. It has a value to A.I.D. over and above providing competent and needed service. It is a focal point for U.S. agricultural cooperative resources, skills and managerial talent. ACDI makes them easily available for cooperative development overseas.

ACDI and its predecessors have had 14 years of experience. They have had projects in 15 countries in Asia, Africa and Latin America. Their experiences range from building simple agricultural and credit cooperatives at the grassroots to supervising national and regional cooperative federations and being consultants to agricultural and cooperative ministries in the LDCs.

A.I.D.'s cooperative activity surged from almost zero in 1962 to a level that has not changed much in 10 years. A.I.D. has spent between $4 million and $5 million on contracts for overseas cooperative projects. ACDI's share in CY 1972, exclusive of Task Order No. 1, was $1,010,000. A.I.D.'s cooperative activities remain concentrated in Latin America, with some pickup in Asia.

ACDI has matured with experience. Its performance, except in one or two instances, has been satisfactory. Horizons have also expanded for ACDI's members. Most of them are members of large U.S. regional cooperatives, three of which are big-business, enough to enjoy the status symbol of being listed among Fortune Magazine's 500 largest U.S. corporations. These influential people are becoming increasingly active in overseas meetings and ACDI's projects. Contributions from cooperatives have improved as a result.

An example of this is the $1 million contributed by U.S. cooperatives as seed money to launch the multinational fertilizer cooperative in India that is costing approximately $119 million. Most of the $1 million was contributed by organizations which are members of ACDI. ACDI members have also contributed in a small way ($25,000 spent in CY 1972) for ACDI special non-A.I.D. endeavors, which may lock in with A.I.D. objectives.

Three ad-hoc committees now have an independent status, and involve the World Bank, USDA, FAO, International Federation of Agricultural Producers, International Cooperative Alliance and others. They are now

in the preliminary steps of making studies of how to (1) develop a viable credit system for small farmers, (2) encourage more trade between U.S. and overseas cooperatives, and (3) measure worldwide fertilizer needs and utilize cooperatives to distribute it to small farmers. Assuming sufficient interest to obtain multi-funding for two years, one or all of these ventures could develop meaningful action programs.

ACDI was responsible for a sub-regional conference on agricultural and credit cooperatives in Guatemala City. It was supported by ACDI's own funds and a grant from A.I.D./LA. This meeting could be the pattern for others that would encourage a cross-fertilization of ideas and trade among mid-level government and cooperative people.

Considering the alternatives, continued support of ACDI by A.I.D. is in A.I.D.'s own interest. This is based on the assumptions that A.I.D. continues to support projects aimed at improving the capabilities and income of small and medium scale farmers, and to encourage rural, labor-intensive activities, and the Missions are aware of how the capabilities of U.S. cooperatives can be used to help achieve these ends.

F. COURSE OF ACTION

Approval of $209,700 for Task Order No. 1, AID/csd-2219, in FY 1973, will enable ACDI to backstop existing A.I.D. projects, prepare proposals for Mission- and Regional-funded projects, develop new uses for short-term consulting services. The 1972 PAR output projections for FY 1973 indicate

the specific magnitudes of project related activity ACDI Task Order No. 1 staff expects to be undertaking.

This request is separate from grant requests that ACDI proposes to make to PVC from time to time for special projects, and is for 12 months commencing December 15, 1972.

The New Actions developed in the Project Appraisal Report in 1972 and discussed in July at the Review Meeting reflect the PVC "brokerage" role, i.e., PVC will serve as a broker -

- between ACDI and the Regions in assisting to identify potential cooperative projects;
- in providing guidance in project initiation that meets PHA/PVC policy requirements;
- representating the position, in A.I.D., that cooperative development is one potentially effective means of getting at LDC agricultural problems;
- making PVC staff available for in-country consultation, as needed;
- initiating efforts to bring about joint ACDI/Mission project evaluations in the field; and
- undertaking efforts to ensure a substantial ACDI role in the supervision of participant training programs initiated by ACDI field projects.

G. LIFE OF PROGRAM

This PROP covers a period of three years, FY-73 through FY-75. PAR reviews will be conducted annually; output targets developed each year will serve as the basis for the annual budget submissions. A new PROP will be required for FY 1976.

PROJECT TITLE: AGRICULTURAL COOPERATIVE DEVELOPMENT

INTERNATIONAL - HEADQUARTERS OPERATIONS
(TOP ORDER #1)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal: The broader objective to which this project contributes. Increase in net spendable income of LDC small and medium scale farmers.	Measures of Goal Achievement: For each Mission, T.O. as appropriate: Income benefits to coop members and community resulting from presence of coops, e.g.: a. Changes in income attributable to increased efficiency and/or innovations in production and marketing practices promoted by coops; b. Savings attributable to the cost of credit through coops and/or changes in area credit rates;	ACDI has developed and sent out a field questionnaire designed to retrieve basic data on each goal level indicator. The questionnaire returns will also be used to refine and quantify ACDI's goal level indicators. (The results of the questionnaire will be made available to AID.)	Assumptions for achieving goal: General development of agriculture [illegible] to LDC governments encourages development of small and medium farmer agriculture.
Project Purpose: Services needed by small and medium scale farmers provided by business-like cooperative type enterprises in AID-specified LDCs.	Conditions that will indicate purpose is being achieved: For each Mission Task Order, as applicable: 1. Type and volume of services provided. 2. Total number of farmers served. 3. Farmers served categorized by type of service. 4. Evidence of viability of coops as economic enterprises as measured by growth of net savings, and member equity e.g., savings reinvested.	ACDI has developed and sent out a field questionnaire designed to retrieve basic data on each purpose level indicator. The results of the questionnaire returns will also be used to refine and quantify ACDI's purpose level indicators. (Questionnaire data will be available to AID.)	Assumptions for achieving purpose: CDS coordinates activities of other coop contractors and expedites collaboration on projects. Favorable environment for coop development in LDCs.
Outputs: TASK ORDER ONE OUTPUTS 1. New agricultural cooperative projects. 2. ACDI-managed projects receive competent counsel: a) Long term assignments: 1. Up-to-date, realistic, plans for ACDI-managed cooperative projects (i.e., Mission task orders). 2. ACDI staff overseas effectively carry out assignments. b) ACDI representatives effectively complete short term assignments. 3. Non-AID LDC cooperative projects are consistent with counsel and experience of ACDI and CDS. 4. LDC trainees return competent for their roles relative to LDC cooperatives. 5. U.S. agricultural cooperatives provide technical expertise (manpower) and non-governmental funds for LDC cooperative activities.	Magnitude of Outputs: 1.1 ____ new projects initiated. 1.2 ____ man-months level of effort during first full year of each new project. 2.a.1 ____ ACDI-managed projects out of total of ____ have up-to-date, realistic plans agreed by USAID, ACDI, appropriate AID/W Bureau and CDS. 2.a.2 ____ ACDI field staff out of total of ____ perform satisfactorily. 2.b.1 ____ assignments, out of total of ____ short term assignments completed to USAID satisfaction. 3.a ____ activities initiated or redirected during reporting year. 3.b ____ activities which become self-sustaining operations during reporting year. 3.c ____ activities which bring direct benefit to LDC small and medium scale farmers during reporting year. 4.1 ____ trainees, out of total of ____ indicate ACDI training assistance contributed to their skill level. 4.2 ____ LDC cooperative trainees from ACDI projects perform satisfactorily upon return. 5.1 $___ contributed by U.S. coops to LDC coop development (e.g., through ACDI expansion fund.) 5.2 ____ man-months contributed by U.S. coops to LDC coop activity (e.g. overseas consulting training of foreign nationals in U.S.	New task orders for AID projects - ACDI files. ACDI staff assessments Mission Evaluations (PARs) CDS project manager. ACDI and USAID Ratings ACDI reports to CDS No data is presently collected which would verify contribution of ACDI; Number of trainees is available from ACDI records. ACDI field staff feedback. ACDI records. ACDI records.	Assumptions for providing outputs: Using task orders to develop the development of viable cooperative type enterprises. ACDI and CDS confer with USAIDs and Regional AID/W Bureaus assure that Mission funded cooperative activities will result in the achievement of Task Order #1 purpose. ACDI orientation and training assistance supplemented by other U.S. institutions. USDA will respond to training problems identified through ACDI T.O. # 1.
Inputs: TASK ORDER ONE INPUTS ACTIVITIES	Implementation Target (Type and Quantity) 1972 $ | $	ACDI quarterly and annual reports.	Assumptions for providing inputs: T.O. # 1 funding through CDS will continue. Technicians contracted on OPEX arrangements will receive necessary ACDI home office support. ACDI field representatives need and USAIDs want home office support.
1. Feasibility studies and new project plan preparation.	19 | 36.0		
2. Recruiting, orientation, placement, support and supervision of ACDI representative.	36 | 67.2		
3. Participation in international conferences and task force activities.	22 | 40.7		
4. Training assistance to LDC coop leaders.	10 | 19.7		
5. Develop support for LDC coops among U.S. agricultural cooperatives.	13 | 24.3		
TOTALS:	100 | 187.9		

Page 7 of the PROP contains the FY-73 PVO proposed budget levels.

(4) file (extra)

AID 1025-1 (7-71) (FACE SHEET)

NONCAPITAL PROJECT PAPER (PROP) AD-AAK-247-D1

PAGE 1 of ___ PAGES

I. PROJECT IDENTIFICATION

1. PROJECT TITLE

Agriculture Cooperative Development International

Development Program Grant (ACDI)

APPENDIX ATTACHED: [X] YES [ ] NO

2. PROJECT NO. (M.O. 1095.2) 932-13-140-002

3. RECIPIENT (specify)

[ ] COUNTRY

[ ] REGIONAL [ ] INTERREGIONAL World Wide

4. LIFE OF PROJECT

BEGINS FY 1975

ENDS FY 1977

5. SUBMISSION

[X] ORIGINAL 2/15/75 DATE

[ ] REV. NO. ___ DATE

CONTR./PASA NO.

II. FUNDING ($000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL $	C. PERSONNEL (1) $	C. PERSONNEL (2) MM	D. PARTICIPANTS (1) $	D. PARTICIPANTS (2) MM	E. COMMODITIES $	F. OTHER COSTS $	G. PASA/CONTR. (1) $	G. PASA/CONTR. (2) MM	H. LOCAL EXCHANGE CURRENCY RATE: 1 US = ___ (U.S. OWNED) (1) U.S. GRANT LOAN	(2) COOP COUNTRY (A) JOINT	(2) COOP COUNTRY (B) BUDGET
1. PRIOR THRU ACTUAL FY												
2. OPRN FY 75	220											
3. BUDGET FY 76	245											
4. BUDGET +1 FY 77	220											
5. BUDGET +2 FY												
6. BUDGET +3 FY												
7. ALL SUBQ. FY												
8. GRAND TOTAL	685											

9. OTHER DONOR CONTRIBUTIONS

(A) NAME OF DONOR	(B) KIND OF GOODS/SERVICES	(C) AMOUNT
ACDI	Cash	$140,000

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER: PHA/PVC/OPHS, CEShook — TITLE: Associate Director, PHA/PVC — DATE:

2. CLEARANCE OFFICER: PHA/PVC, John A. Ulinski, Jr. — TITLE: Director (Acting) — DATE:

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

2. CLEARANCES

BUREAU	SIGNATURE	DATE	BUREAU	SIGNATURE	DATE
PPC/DPR	A. Handly		FA/TD	D. Steinberg	
AFR/DR	D. Wilson		NESA/TECH	E. D. Marks	
LA/WHSD	M. Zak		AA/PHA	A. Furman	

3. APPROVAL OF CONDITIONS ABOVE

SIGNATURE: AA/PHA H. S. Crowley — DATE:

TITLE:

4. APPROVAL OF PROJECT AUTHORIZATION

SIGNATURE: — DATE:

TITLE:

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1. Summary

The Agricultural Cooperative Development International (ACDI) operates a world wide program of assistance to farmer cooperatives in developing countries. ACDI is composed of more than 38 member cooperatives, farm credit systems, and farm insurance members and is primarily oriented toward developing agricultural cooperatives and credit systems for small farmers in L.D.C.'s. This PROP contemplates a grant for up to three years. The success of the grant purpose will be evaluated at the end of the three year period and a decision made by A.I.D. if a further extension is warranted. The purpose of the grant is to enable ACDI to expand its' capabilities in the areas of management, program and project design analysis and evaluation and to institute some new program initiatives. This grant will allow ACDI to increase its effectiveness in assisting the small and medium scale farmer in the lower ranges of the poorest majority with needed services through the cooperative system.

ACDI has operated under a Task Order #1 contract since 1966 which has allowed the organization to amass several years of experience in international development activities. The Development Program Grant (DPG) will enable ACDI to strengthen and expeand its institutional capacity and more readily serve requirements of L.D.C.'s in their need for cooperative program and project development.

Project Title [illegible]
Project No. [illegible]
Project Number [illegible]

LOGICAL FRAMEWORK MATRIX – PROP WORKSHEET

Summary	Objectively Verifiable Indicators	Important Assumptions
Statement of Goal To increase the income of small and medium scale farmers by establishing and strengthening viable cooperative type enterprises in specified countries. **The Project Purpose** A. Statement of Purpose In line with the new objectives of the Foreign Assistance Act, enhance the institutional capacity of ACDI, both technical and financial in planning, designing, managing and evaluating cooperative type enterprises for small and medium scale farmers in selected L.D.C.'s. **Project Outputs** Outputs 1) Acquisition of additional professional staff by ACDI. 2) Improved program development criteria and evaluation system designed, approved and in place. 3) Evaluation complete of all six ongoing projects currently underway. 4) Project design and implementation. 5) Demonstration studies in institutional development to benefit small farmer agriculture. 6) Workshops in three regions of the world to bring cooperative leaders together and explore the methods available to bringfarmers of the poorest majority into cooperatives.	**Measures of Goal Achievement** 1) Self sustaining cooperatives established. 2) Agricultural production of small farmers increases. 3) Per-capita income increases. 4) Savings of rural farmers increase at increasing rate. **Conditions Expected at End of Project** 1) Minimum of $100,000 total, core costs provided by ACDI by end of FY 77, from "fee" charges on approved projects. 2) Eleven new projects designed, implemented and managed by end of FY 77. 3) Number and membership fo assisted L.D.C. cooperatives increases. **Output Indicators** 1) Hiring of Senior staff executive plus secretarial assistance who will be responsible for project design, and evaluation criteria and procedures. 2) ACDI will submit to A.I.D., for review a comprehensive evaluation system by 6-30-75. 3) Evaluations complete by 12-31-75, using approved system above. 4) Eleven new project proposals designed, approved and under implementation by end of project period, 6-30-78. 5) Three such studies will have been completed by end of project. 12-31-77. Illustrative countries and studies are: Kenya, how to involve marginal and poorest subsistence farmers in existing cooperatives in selected regions. Philippines, credit institutions for new landowners through Co-op type credit systems. Institutionalization of organization and operation of cooperative banks and associations in L.D.C.'s world wide. Trade, develop procedures and programs which might increase trade between U.S. cooperatives and cooperatives in developing countries also to increase trade and exchange among cooperatives in developing countries. 6) Three such workshops one each in Central America, West Africa and North Africa completed by end of project. 12-31-77.	**Basic Assumptions of Goal Achievement** 1) L.D.C. government legislation and policies encourage development of cooperatives and their democratic processes. 2) Farmers given sufficient incentives to significantly increase production. 3) Support from other projects and inputs will create sufficient conditions for increased production and income. 4) Increasing world agriculture market demand. **Basic Assumptions of Purpose Achievement** 1) Funding agencies willing to pay small fee to ACDI for "Core costs" in addition to project costs. 2) That there is demand in the LDC's for ACDI's services beyond ACDI's present response capabilities. **Basic Assumptions** 1) That ACDI will be able to locate and attract qualified staff to implement the desired outputs. 2) That ACDI under new management will have the administrative capacity to organize and carry out the above described program.

LOGICAL FRAMEWORK MATRIX – PROP WORKSHEET

Project Title
Project No.
Project Manager

Summary	Objectively Verifiable Indicators	Important Assumptions
Project Inputs A. Statement of ProjectInputs These consist of: $670,000 from A.I.D., plus that portion of $140,000 of ACDI's own funds that will be related to this program; the time and energies of the ACDI present and new staff. Budget See attachment for detailed project budget. A.I.D. obligations are scheduled as follows: FY 1975 = $220,000 FY 1976 = $250,000 FY 1977 = $200,000		Basic Assumptions In addition to assumptions regarding provision of inputs discussed elsewhere, the basic assumption is that ACDI will continue to receive core support for its' central office operation from A.I.D. (core support) which provides administrative and technical backstop support for the above planned program.

1) The Project Goal

A. Statement of Goal

Increase net income of small and medium scale farmers presently engaged in marginal and subsistance farming, through business like cooperative type enterprises in specified countries.

B. Measures of Sub-Goal Achievement

1) Self sustaining cooperatives established.
2) Agricultural production of small farmers increases.
3) Per-capita income increases.
4) Savings of rural farmers increase at increasing rate.

C. Basic Assumptions of Goal Achievement

1) L.D.C. governments desire and allow democratic processes of cooperatives.
2) Farmers given sufficient incentives to significanly increase production.
3) Support from other agriculture projects and inputs.
4) Increasing world agriculture market demand.
5) Legislation established in L.D.C.'s which allows for growth of cooperatives.

2) The Project Purpose

A. Statement of Purpose

In line with the new objectives of the Foreign Assistance Act, enhance the institutional capacity of ACDI, both technical and financial in planning, designing, managing and evaluating cooperative type enterprises for small and

medium scale farmers in selected L.D.C.'s.

B. Conditions Expected at End of Project

1) Minimum of $100,000 total, core costs provided by ACDI by end of FY 77, from "fee" charges on approved projects.

2) Eleven new projects designed, implemented and managed by end of FY 77.

3) Number and membership of L.D.C. cooperatives increases.

C. Basic Assumptions of Purpose Achievement

1) Funding agencies willing to pay small fee to ACDI for "Core costs" in addition to project costs.

3) Project Outputs

A. Statement of Outputs

Outputs	Output Indicators
1) Acquisition of additional professional staff by ACDI.	1) Hiring of Senior staff executiv plus secretarial assistance who will be responsible for project design, and evaluation criteria and procedures.
2) Improved program development criteria and evaluation system designed, approved and in place	2) ACDI will submit to A.I.D., fo review a comprehensive evaluation system by 6-30-75.
3) Evaluation complete of all six ongoing projects currently underway	3) Evaluations complete by 12-31-75, using approved system abov
4) Project design and implementation.	4) Eleven new project proposals designed, approved and under implementation by end of project period, 6-30-78.

5) Demonstration studies in institutional development to benefit small farmer agriculture.	5) Three such studies will have been completed by end of project 12-31-77. Illustrative countries and studi are: Kenya, how to involve marginal and poorest subsistence farmers in existing cooperatives in selected regions. Philippine credit institutions for new landowners through Co-op type credit systems. Institutionali-zation of organization and operation of cooperative banks a associations in L.D.C.'s world-wide. Trade, develop procedures and programs which might increas trade between U.S. cooperatives and cooperatives in developing countries also to increase trade and exchange among cooperatives in developing countries.
6) Workshops in three regions of the world to bring cooperative leaders together and explore the methods available to bring farmers of the poorest majority into cooperatives.	6) Three such workshops one each in Central America, West Africa and North Africa completed by end of project. 12-31-77.

B. Basic Assumptions

1) That ACDI will be able to locate and attract qualified staff to implement the desired outputs.

2) That ACDI under new management will have the administrative capacity to organize and carry out the above described program.

4) Project Inputs

A. Statement of Project Inputs

These consist of : $685,000 from A.I.D., plus that portion of $140,000 fo ACDI's own funds that will be related to this program; the time and energies of the ACDI present and new staff.

Budget

See attachment for detailed project budget. A.I.D. obligations are scheduled as follows:

FY 1975 = $220,000

FY 1976 = $250,000

FY 1977 = $220,000

C. Basic Assumptions

In addition to assumptions regarding provision of inputs discussed elsewhere, the basic assumption is that ACDI will continue to receive core support for its' central office operation from A.I.D. (core support) which provides administrative and technical backstop support for the above planned program.

3) Rationale

A. Economic and Social Justification

Included within the Agency's emphasis on food production and improved nutrition, non-formal education and human resource development, health and family planning, is a new relationship with the Private and Voluntary Organizations (PVO) involved with development assistance in the L.D.C.'s. This new relationship between the PVO's and A.I.D. has taken shape from the direction given to the Agency from Congress during the authorizing of the Foreign Assistance Act of 1973. Above all the new legislation emphasizes increased A.I.D. support to programs that directly reach and benefit the lowest-income majority in the L.D.C.'s. Since most persons in the L.D.C.'s depend on agriculture and live in rural areas,

this means giving particular priority to projects and programs increasing the productivity, income and welfare of persons in the rural sector.

Development of cooperatives is one important element of this new development strategy. While not universally applicable as an instrument for development, cooperatives have flourished in many places where it was determined to use an approach as close to the people as possible, and where committed to this purpose of serving the people.

Although cooperatives are not a panacea, few instruments can create orderly social change and economic improvement among large numbers of people as successfully as cooperatives can. This has been the case in the United States, where agricultural cooperatives have created a sense of participation among members, involving them in management and policy, providing training for leadership, and giving individuals the benefit of mass bargaining power and thus improving their income and position. Similarly in the L.D.C.'s, cooperatives are an important vehicle for these benefits, as well as for the introduction of improved technology and technical and management training to small farmers, and for the mobilization of domestic savings for productive investment.

B. Technical Justification

1) Past Experience with Cooperatives in the L.D.C.'s

How successful have U.S. Cooperatives and ACDI been in past L.D.C. development efforts, and what performance limitations can be remedied through the proposed DPG?

A.I.D.'s Spring Review on Small Farm Credit in June of 1973 took up one segment of cooperatives operation in the L.D.C.'s. An appraisal was made of how cooperatives fared along with other alternatives, when they were a vehicle for small farm credit. On balance they came out as well as their alternatives, with a plus for motivating people to organize. This was the conclusion made by Mr. E. B. Rice, PPC/EPA Director of the Spring Review, in his abstract of the Small Farmer Credit Papers published June 19, 1973:

> "With respect to institutional alternatives, the conclusion is that none of the major delivery mechanisms - cooperatives, credit unions, commercial banks, rural banks, supervised credit agencies, etc. - is demonstrably superior. They share the same problems - default, low production impact, drift toward a large farm clientele. Nevertheless, the effort to group farmers at some point in the delivery process seems essential to correct the major institutional problem - the high cost of individual loans. That gives the nod to coops and credit unions, but these suffer from serious management and political weaknesses that government will have to help eliminate."

Working with A.I.D. over the past 12 years, the cooperatives have participated with varying degrees of success in the international development effort, as borne out by the 1973 Spring Review. Some of the early A.I.D. experiments appear to have suffered from an overreliance on the ideological assumption that the very creation of a cooperative would solve all the problems of social organization, of credit, or marketing and distribution. From these

experiences, A.I.D. and the U.S. cooperatives have come to realize that if cooperatives are to be an institutional development instrument, there must be provision for a considerable period of sustained support, as was the case in the United States when agricultural cooperatives got their biggest thrust during the 1930's. In some of the agricultural credit programs, where cooperatives have been provided with adequate resources, they have shown an ability to inject credit in ways to assure some modest successes. The Credit Union movement in Latin America has also had a considerable degree of success which has been expanded and strengthened by public and private U.S. assistance. In Asia the Rural Electrification Cooperative program of the Republic of the Philippines has been and continues to be an outstanding success and is due largely to the timely and knowledgeable inputs of funds and technical assistance from both public and private U.S. sources. The major role the U.S. cooperatives have played in the $120.0 million India Fertilizer Cooperative has also been a tremendous boost to the idea of joint projects for U.S. cooperatives and cooperatives in the LDCs. In Africa, ACDI's program in Uganda from 1963-73 is considered to have been one of the most successful PVO programs in Africa; and the African Conferation of Savings and Credit Association (ACOSCA),assisted by CUNA, has shown considerable progress.

The caliber of the cooperative leadership that manifests this spirit of participation in the development process has been insufficiently recognized. These men represent and direct organizations with hundreds of thousands of members, which have accumulated hundreds of millions of dollars in resources. The cooperative movement in the U.S. owns and operates major petroleum and fertilizer complexes, processes and markets a multitude of farm commodities, and furnishes farm supplies and credits.

The cooperative insurance services in the U.S. are among the largest in the U.S. and their agricultural credit system is the most extensive and complete in the world.

2. ACDI's Experience and Capabilities

Agricultural Cooperative Development International (ACDI) is a non-profit, educational, consulting and technical business organization created by leading cooperative organizations of the United States. Its purpose is to respond to the needs of cooperatives and governments in the developing countries for assistance in management, planning, operations, organization information and member involvement.

ACDI is made up of thirty-eight major U.S. regional and international cooperatives and national membership organizations. Each organization is represented on the board of directors, which serves not only for policy guidance but also for technical resources and as liaison with U.S. agricultural cooperatives, and to assist in recruiting capable cooperative technicians to staff long-term and short-term projects in client countries.

These large farmer-owned agri-businesses provide a ready resource for specific project requirements. In addition, this broad base provides a vehicle for direct cooperative assistance to overseas counterpart organizations. They contribute services and funds in support of the overseas cooperative development work of ACDI and other related programs. These include such sponsored efforts as Cooperative Fertilizers International (India project) and the Volunteer Development Corps which furnishes short-term technicians on a volunteer basis for specialized services as requested by cooperatives in receiving countries.

It is the purpose of ACDI to provide assistance to the developing countries through services provided to local cooperatives or directl, to government organizations. ACDI responds to requests from A.I.D. Missions and developing country governments to review problems and programs in the cooperative field and to undertake, when needed, project analysis or development. If the situation calls for technical assistance either short or long-term, ACDI recruits competent technicians from selected, successful U.S. cooperatives operating in the commodity or service field being assisted.

Special regional workshops are organized for cooperative leaders, technical personnel and involved government officials, to deal with special aspects of cooperative organizations. ACDI also helps to plan itineraries and contracts with appropriate U.S. cooperative organizations for foreign visitors studying specialized aspects of cooperative operations.

ACDI has complied a significant record of performance since commencing activity in the LDCs in 1963. Their major fields of activity are broad and comprehensive, dealing with most all aspects of agriculture cooperative development efforts of the countries requesting their help. Some of the major fields of activity they have assisted with include:

1. Agricultural credit
2. Banking - (rural)
3. Capital formation (loan negotiations)
4. Engineering, Construction, Operation and Maintenance
5. Marketing
6. Processing
7. Farm supplies processing, procurement, distribution advisory service
8. Training (within LDCs and within the United States)

9. Policy planning, both with and for local governments and local cooperatives.

Technical assistance programs have been carried out to assist developing countries throughout the world. Presently, ACDI has programs in Paraguay and Guatemala in Latin America; the Philippines in Asia; Kenya and Tanzania in Africa.

Paraguay - ACDI has two advisors in Paraguay, providing assistance in developing a strong national federation of supply and marketing cooperatives (UNIPACO). PeaceCorps volunteers are assisting in grassroots training programs among local cooperatives. Strong markets for soybeans and cotton enabled the federation to negotiate very favorable prices for members, and to obtain financial loans to improve marketing operations and to expand facilities. There are 20 affiliated cooperatives, 17 farmer-marketing groups, and 20 non-member groups, with good possibilities of further growth and consolidation into viable cooperatives.

Guatemala - Five of six proposed regional marketing and supply cooperatives, conceived during the planning staff four years ago, are now operating in Guatemala's Western Highlands regions, serving approximately 5,000 members. The cooperatives provide essential services for modernized agriculture in a neglected area where such service institutions were non-existent or scarce. Operations have been turned over to a staff o professionally trained Guatemalans, and the ACDI staff now functions in an advisory capacity rather than having responsibility for directing operations.

The Philippines - ACDI's assistance to the Government of the Philippines is concentrated on the Nueva Ecija Land Reform Integrated Development Program (NELRIDP), a pilot project to test and perfect what the government hopes will be a workable system for providing production credit,

input supply and marketing services to small farmers in that region. So far, 2,500 farmers have been organized into Farmer Barrio Cooperatives in the area. They need a strong marketing cooperative, and ACDI is also engaged in the reorganization program with the Grains Marketing Cooperative of the Philippines (GRAMACOP), in the hope that the cooperative can fulfill the role originally envisioned for it.

Kenya - ACDI's four supervisory technicians serve the government's Agricultural Finance Corporation. The main thrust of their effort is to assist in expanding farm credit, mostly to small farmers, and to institute sound operational procedures in making loans and the recovery process. ACDI also completed an evaluation study on the advisability of and procedures for developing a Central Cooperative Supply Union to serve the small and middle farmers.

Tanzania - ACDI provides five technicians to the Government of Tanzania in the operations and administration of its National Milling Corporation, an apex organization in food production and the livestock industries development authority. The program involves accounting, marketing policy guidance, storage, and general economic analysis. The countryside is highly organized on a cooperative basis. The National Milling Corporation provides supervisory services and the inputs to increase production and facilitate more favorable marketing conditions for producers. The World Bank has loaned $18.5 million for livestock development and USAID has launched a livestock marketing and development project.

Special Services - ACDI provides short-term technical assistance to USAIDs. It is now completing two projects, one in Ghana with COPAC (Commission on Promoting Agricultral Cooperatives) to advise the government of Ghana

on the country's potential for cooperative development, and a second in Niger, an economic study of food and cooperative development, the two most recent being regional gatherings in Ghana and Guatemala. Its staff and directors serve on committees concerned with such subjects as fertilizer production, procurement of petroleum products, resource conservation, credit for small farmers, and international cooperative trade. ACDI's consultants served the Asian Conference on Agricultural Credit and Cooperatives in Tokyo, Japan, October 10-19, 1973, and earlier conferences and workshops on the same subject in the Philippines and Korea.

3. Limitations for Remedy through a DPG

Despite this record of experience and performance, certain limitations in the U.S. cooperatives' outlook and in the nature of the AID-cooperatives relationship have kept the cooperatives' developmental contribution from being as great as it might otherwise be. A.I.D. has funded the five major cooperative contractors through a Basic Ordering Agreement (BOA), under which PHA finances home office expenses through Task Order #1 under this BOA, and Regional Bureaus and USAIDs buy services through subsequent Task Orders. This system of "buying" services has cast the cooperatives in the role of hired hands, called in to survey and implement projects or programs initially identified and designed for the most part by USAIDs and/or host governments. The cooperatives have been given little flexibility or support to themselves identify or design projects, particularly involving working directly with private-sector cooperative organizations in the LDCs outside the parameters of AID-host government programs. There has often been excessive AID interference in the implementation of approved projects,

a tendency encouraged by the contractual as opposed to a grantee relationship. The cooperatives have had little incentive to develop good evaluation systems, since evaluation has generally been performed by A.I.D. There has been little opportunity under this relationship for the cooperatives to conduct operational research or to provide workshops or other educational exposure, outside the narrow project context, for key LDC personnel in the role of cooperatives in agricultural and rural development.

The need, then, is for a new relationship that provides the cooperatives with the necessary flexibility and enhanced capabilities to break out of this mold, and to meet the higher standards of program design, management and evaluation that are concomitant with increased autonomy in the use of A.I.D. funds.

The DPG concept, as described under the new Agency guidelines issued August 8, 1974, was conceived of in large part with the cooperatives situation as described above, in mind. This PROP calls for moving from a relationship in which ACDI was responsive to specific A.I.D. requests to one in which it can take greater initiatives and enter into a "partnership" with A.I.D. ACDI will not simply be a head-hunter for A.I.D.-designed projects, but will participate in project development at an early stage. A manifestation of this new relationship is the shift from a contract to a grant as the funding instrument.

Specifically, the DPG proposed herein would enable ACDI to do planning, exploration and development work in those countries shown in attachment #1_____. The DPG will enable the grantee to acquire increased capability in program development, design and evaluation. Any projects funded as a result of the DPG assistance would require funding from sources other than this grant. Activities to be undertaken under this grant are described in the course of action section below.

If ACDI is to be able to function in a responsible way under the new freedom anticipated for them, and be of greater assistance to A.I.D. Missions and host countries, then they must have the added resources and capability this DPG will provide:

1. Better management tools in the form of an approved project design format, implementation schedule and an evaluation system.
2. Additional personnel to develop and implement the above.
3. Funds for scheduled pre-project development costs including travel, per diem and support costs.

4. Provisions for scheduled workshops in countries listed in the work plan.

5. Special development studies in credit, agriculture production, marketing, fertilizer use and demand.

C. FINANCIAL JUSTIFICATION

Since 1966, the amount of country program funding by Missions to ACDI has averaged just over $800,000 per year. In 1974, ACDI central services functioned at a level of $213,000, which supported the total operation of eight country programs ($666,000) and included a diversity of relations with an additional number of countries in program planning, consultation, and communications on program substance.

The DPG proposed by this PROP does not contemplate that A.I.D. will terminate or reduce significantly the core costs currently granted to ACDI except as some small fee, 3-5%, may be paid from project costs to ACDI for home office support. This small sum will go toward reducing the total cost to A.I.D. of its central funded grant to ACDI for core costs.

The DPG will, however, have a specific impact on the project planning, design and evaluation capability of ACDI. The DPG will serve to accomplish a specific purpose and will terminate after having accomplished this purpose. Continuing costs to ACDI in the way of staff, office space, travel,consultants, etc. will be considered in the core budget when the DPG is terminated.

Since the U. S. cooperatives are businessess even though not for profit and are not benevolent or charitable organizations with the same constituency of donors

as other categories of PVOs, it cannot be expected that ACDI or the other cooperatives will contribute as high a percentage of program costs as do these other PVOs, though ACDI's membership does indeed make some contribution. ACDI should be able, however, through the resources provided by the DPG, to design and evaluate programs and projects in such a way that donors such as the World Bank, IADB, Asian Development Bank, African Development Bank, UNDP and others, in addition to A.I.D,, will consider favorably the agricultural cooperative as a sound approach to rural development.

See Attachment 2 for the proposed DPG budget.

6. Course of Action

A. Implementation Plan

1. Activities Under the DPG

There are five (5) major activities involved in implementing this project (1) Project Design and Evaluation; (2) Project Identification and Initiation; (3) Special Studies; (4) Conducting a series of workshops in Africa, Asia, the Middle East and Latin America; and (5) Organizing a Technical Resources Group of volunteer Cooperative executives for consultation and advice to ACDI.

These five activities are not to be considered as individual subprojects but are mutually inter-locking and interdependent elements of the total program. They are discussed separately below:

a) Project Design and Evaluation

Sound programs for agricultural cooperative development which have the potential for a substantial contribution to upgrading production and income of farmers are often overlooked or rejected because no one was available to adequately describe, project, evaluate, and implement the necessary review process.

This activity consists mainly of selecting and preparing qualified staff (one senior executive plus secretarial help), to give ACDI the capability to develop and implement an adaquate project design and evaluation system for all current and new projects planned or undertaken by ACDI. This new capability will also allow ACDI to shape the direction it will take over the next few years in relation to development. Additionally this new capability will attempt to answer the questions: (1) What is the primary purpose of ACDI in the field of international development? (2) Should ACDI concentrate its efforts toward a single emphasis or should their emphasis be multiple? If multiple, what should they be? (3) How can ACDI conduct its operations to ensure that they will be able to continue serving the L.D.C.'s even if A.I.D. ceases to exist? (4) How can ACDI be certain that in the future sound cooperative development programs in the L.D.C.'s will be available for review by the major public donor agencies?

Within 90 days of the signing of the grant agreement ACDI will submit to A.I.D. for review project design criteria and procedures that they will use for projects to be developed as a result of this DPG. Also ACDI will submit within the same time frame a comprehensive evaluation system which A.I.D. will

approve and which will be applied to all ACDI projects, ongoing or new. With the system there will also be included for evaluation of ongoing projects.

b) Project Identification and Initiation

There exists in many areas of the developing world, an opportunity to respond to continuing requests for assistance in identifying the kinds of cooperative efforts which should be initiated in the interest of overall economic development and improvement in the economic position of the small farmers.

The requests have been from farmer organizations, pre-cooperatives, regional cooperatives in marketing/supply, and from national cooperative federations. There are five from Nigeria; two from Ghana; one from Liberia; one from Gambia; one from Cameroons; at this time. Likewise, looking to 1976, there have been requests for such project development assistance from Honduras, Dominican Republic, El Salvador, and Jamaica.

For the most part these projects would:

(1) Be made up of small farmers who have land and labor resources adequate to feed their families and provide a reasonable marketable surplus.

(2) Focus on food crops rather than export crops.

(3) Incorporate into their service program the training of members to use inputs, upgrade their cultural practices, and

market the surplus production.

(4) Advise Governments, AID Missions, Peace Corps, and other aid-giving agencies of needs and opportunities for cooperative developments among small farmers.

(5) Respond to present requests and be prepared to respond to new requests for assistance by programs such as cooperative farming that would respond to the needs of the most seriously dispossessed farmers of the identified requesting countries and regions.

A two-man team, centrally based to coastal West Africa, would be responsible for the initial development and implementation of this effort.

In 1977 there will be one additional project implemented in West Africa and three in Central America. Asia and the Middle East will each have one new project and for the year 24 problem-solving consultations.

For 1978 two new projects in Asia will come to the implementation stage and twelve problem-solving consultancies.

c) Special Studies

Certain aspects of institutional development in support of small farmer agriculture continue to confound the experts because no consistently satisfactory formula has been found:

1. Credit

The history of production credit to small farmers in developing countries is very uneven. The incidence of default, misuse of funds, excessive administrative costs, etc. far outweigh the successful experiences. The

A.I.D. Spring Review of 1973 compiled a massive record of this shortfall. We propose to carry out a definitive study in a controlled context (small farmer, single crop, domestic market, unsuccessful experience), in the Philippines.

The Philippines is presently facing the monumental task of providing input credits to up to a million new landowners in rice and corn production. A blue-ribbon committee (Small Farmer Credit Task Force) has, with the assistance of a consulting staff of credit/banking experts, proposed an operational analysis of the Philippines, seeking to identify guidelines and operational procedures which would ensure a workable farm credit system eventually funded and owned by the participatory farmers, themselves.

Receptive response has been indicated by the Rural Bank Department of the Central Bank of the Philippines, and the Department of Institutional Development for this assistance.

This exercise has a degree of replicability, but will require in-country variations looking toward similar assistance to Ethiopia in 1976, and to Colombia in 1977.

The added resource person (Farm Credit and Banking) for expanded capability of ACDI to meet the critical demands of the Congressional directives will serve as anchor-man on the proposed two-man team.

2. Trade

The development planners unanimously agree that there must be an element of international trade in agricultural commodities, if the developing countries are to exploit their natural economic advantage, increase foreign exchange

earnings, and maximize G.N.P. ACDI proposes to aggressively pursue the program of maximizing international trade between cooperatives and on behalf of cooperatives, to the extent that farmer interests will be served.

A.U.S. inter-agency/non-governmental committee, chaired by Dr. Godwin of the Farmer Cooperative Service, USDA, has been searching for three years for procedures and programs which might (1) increase trade between U.S. cooperatives and cooperatives in developing countries; and (2) increase trade and exchanges among cooperatives in the developing countries.

The committee has unanimously recommended that ACDI initiate an examination of mutual advantages between the countries and their cooperatives of West Africa and the United States. Special attention would be given to the possibilities of exchanging critical materials - such as phosphate for U.S. food and agricultural technical assistance.

The analysis would include countries in the Sahel.

3. Production

It is recognized that cooperative members must have a sufficient land, labor, and capital base, if the organization is to assist them to rise above the purely subsistence level. However, perhaps as many as forty per cent of the rural poor of the developing countries have no such resource base, and therefore, may be shut out of the benefits of cooperatives.

One approach to the problem has been to settle such dispossessed farmers on cooperative farms where, along with a small plot for personal production, they join together to farm land made available by the State - a land reform project, or expropriation.

The history of such efforts is not encouraging, but for lack of a better alternative, ACDI proposes to respond to requests now in hand - mostly in Nigeria - to assist these groups on an experimental basis with organization, management, production methods, accounting and marketing to attempt to identify the factors that make such a venture feasible.

Drawing upon the wide range of talent available to ACDI through its membership, several special studies will be undertaken, which will be the basis for replicable institutional building in support of small farmer agriculture development, from among the topics described above or such other topics as may be submitted to and approved by A.I.D. Two such special studies in each of the three years for a total of six are contemplated.

4) Workshops. ACDI will sponsor a series of training workshops designed to acquaint high level cooperative managers and principal government cooperative officers with new ideas on agriculture management and cooperatives. Resource organizations and key people will be brought together and the role of cooperatives will be examined in bringing subsistence farmers into the economy.

During the past two years, ACDI has had experience in conducting two workshops for high-level cooperative managers and principal government cooperative officers. Except for a general review of participant reaction and informal followup with participants, evaluation is difficult. However, we are convinced

that such workshops among peers have several values:

(1) Leaders are exposed to new ideas on agriculture, management and cooperatives.

(2) A cross-fertilization takes place which is stimulating and educational.

(3) Cooperative leaders have an opportunity to get acquainted with resource organizations and people who might be used as needed.

(4) A general contagious enthusiasm emerges which helps morale and motivation.

ACDI plans the following workshops through 1977:

1975 - A followup Central American Workshop on management based on the 1973 experience.

An Asian Fertilizer Cooperative based on the mandate given at the 1973 Tokyo Conference.

A Central American Workshop based on the co-op financed TVA fertilizer study.

1976 - An advanced West African Seminar on Cooperative Management with special focus on farm supply distribution.

A Middle East Management and Planning Workshop similar to the 1974 West African session.

A Middle East Fertilizer Conference with special reference to the possibilities of international production or procurement.

1977 - A North African Management and Planning Workshop for cooperative leaders and principal government cooperative officers (similar to West Africa, 1974).

A North African Fertilizer Conference to explore cooperative production and/or procurement of fertilizer materials.

A South American Fertilizer Conference to review the results of the feasibility studies which resulted from the TVA/CO-op study.

TECHNICAL RESOURCES GROUP

In support of ACDI central and overseas project personnel, and as an additional resource for A.I.D. and other development agencies and private organizations concerned with agricultural development in the developing world, a Technical Resources Group will be organized.

The Group would have approximately ten members recruited for volunteer consulting and advisory service from the ACDI membership. Technical expertise represented would include, but not be limited to: specialists in fertilizer and agronomy, feed manufacturing and animal nutrition, dairy and cattle, cereal production and marketing with special reference to genetic breakthroughs and world markets, food crop production, storage and marketing, agricultural engineering and agricultural credit. The standing committee would be free to co-opt other supplementary expertise as needed.

Individual members of the Group would be available for consultation by phone or mail, on individual requests for assistance in problem-solving in

the field. ACDI has carried on this kind of consultation informally for some years. For example:

An engineer on the staff of AGWAY is working on recommendations for grain-handling equipment and a bulk unloading system for cereal grains for the Port of Dar es Salaam. This was in response to a request from the A.I.D. Mission and our grain marketing team in Tanzania.

Recently, the Research Department of the Indiana Farm Bureau Cooperative Association furnished to our Paraguay project, complete drawings and specifications for a Prater eight-ton-an-hour feed mill.

Land O'Lakes responded to a request for alternate designs and approximate costs on a small fertilizer blender unit.

Procurement experts from Mississippi Chemical Corporation helped FECOAR and FEDACOAC (the credit union federation) in Guatemala, locate a source of some 14,000 tons of desperately needed fertilizer for which they had not been able to locate a source.

In addition to promoting the response to individual technical operations in the field, members of the core Group would meet twice a year with ACDI management to exchange information and discuss new developments in their respective fields that might have implications for or adaptation possibilities for the developing world. These semi-annual sessions could also be the occasion for A.I.D. officials to brief the Group on the general development situation, the priorities and programs being pursued

in agriculture, and the principal needs as they saw them for upgrading production in the developing world.

2. AID-ACDI Relationships

a) Approval of Projects Developed under the DPG

This PROP reflects the new relationship between the cooperatives and A.I.D. and suggests that within Agency priority interests,-food production and nutrition, health and family planning, informal education and manpower development, aimed at the poorest majority-the cooperatives and ACDI in particular will be involved at a very early stage in project development, and will have greater freedom in and responsibility for project design, implementation and evaluation.

This does not mean that ACDI will be free from normal Agency regulations concerning country visitations or project development. It does mean, however, a conscious effort on the part of Regional Bureaus and the Missions to involve ACDI (or other cooperatives) in the initial planning stages of country programs and a greater willingness to consider ACDI-initiated proposals even in those cases where the Mission program does not include a cooperative development element but where the host country (in the form of either the government or a local cooperative organization) and ACDI aspire to develop and design a project for later implementation, and where in the Mission view the proposed project meets A.I.D's PVO program guidelines of August, 1974.

b) Monitoring and Evaluation Responsibilities Within A.I.D.

As in the case with all PHA/PVC grant recipients, ACDI will be expected to operate in the field with no logistic or administrative support from

A.I.D. Mission or Embassies. This will be specified in the grant agreement.

The grant agreement will also specify that ACDI will consult as requested with A.I.D./W and with A.I.D. personnel in countries of operation, in addition to submitting reports every six months to PHA/PVC. This will permit A.I.D./W and A.I.D./Missions to monitor ACDI's program as closely as is deemed necessary, without however infringing to an inappropriate extent on ACDI's operating independence. No monitoring, reporting, or evaluation responsibility is expected of A.I.D. Missions for the DPG. A.I.D./W will seek field assessments to the extent Missions are able and willing to devote time to them, but responsibility for monitoring and evaluation will rest with A.I.D./W (PHA/PVC in collaboration with appropriate regional offices).

ACDI will continuously self-evaluate progress, and will report every six months to PHA/PVC on actual progress and achievement of the indicators listed in the logical framework. A.I.D. will monitor and evaluate progress continuously on the basis of these reports and regular consultations, and will conduct a PAR exercise annually. Independent evaluations will be conducted by A.I.D., either by direct-hire staff or with the assistance of a qualified contractor, within 12-24 months of commencement of this program, and as frequently thereafter as is considered necessary, though normally not more often than annually.

PHA/PVC/OPNS:CFShook:POSellar:jl:2/6/75:lf

PROJECT IDENTIFICATION & INITIATION

1975: 1. West Africa

a. 1 new project in Ghana out of five prospects (rice, poultry, food marketing, feed mill, and livestock);

b. 1 new project in Nigeria, Liberia, or Zambia;

c. 24 problem solving consultations.

1976: 1. West Africa

a. 1 new project in Ghana;

b. 2 new projects in Nigeria, Liberia, Gambia, or Cameroon;

c. 12 problem solving consultations.

2. Central America

a. 1 new project in Honduras, El Salvador, or DR;

b. 12 problem solving consultations.

1977: 1. West Africa

a. 1 new project in Nigeria or Sierra Leone;

2. Central America

a, 3 new projects in Central America;

b. 12 problem solving consultations.

3. Asia/Middle East

a. 1 new project;

b. 12 problem solving consultations.

1978: 1. Asia

a. 2 new projects resulting from work initiated in 1977 and followed up in 1978.

Prepared by: J.R.R.
Approved : 1-23-75

ATTACHMENT #2

Agricultural Cooperative Development International
1430 K. Street, N. W., Suite 1200
Washington, D. C. 20005

D.P.G.

Revised budget request (for 1975, 1976, 1977) see Aug. 9, 1974 proposal.

	1975	1976	1977
Improved Programming & Evaluation Function			
Salary P.E. Specialists - $24,300	$29,200	$32,400	$36,000
Typist - $9,000	10,800	11,340	11,900
Travel	5,000	5,000	5,100
	$45,000	$48,740	$53,000
Project Identification & Launching			
Consultant - 44 wks at 3625.	$27,500	$37,000	$30,000
Travel	12,500	15,000	12,000
Other	5,000	5,000	5,000
	$45,000	$57,000	$47,000
Special Demonstration Activities			
1. Philippines & Others	$41,200	$41,200	$33,000
2. Kenya & Others	20,000	20,000	20,000
3. West Africa, Mid-East Etc.	6,300	12,560	-
4. Ag. Credit & Banking	12,500	12,500	12,000
	$80,000	$86,260	$65,000
Workshops			
1. Cent. America	$20,000	$20,000	$20,000
2. Asia	25,000	25,000	25,000
	$45,000	$45,000	$45,000
Technical Resources Group			
Total	$ 5,000	$ 8,000	$10,000