

CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

(Form Symbol U 44)

1. PROJECT TITLE Jordan Valley Farmers Association (0186) Credit for Jordan Valley Farmers Association (0207)	2. PROJECT NUMBER 278-0186 278-0207	3. MISSION/AID/W OFFICE USAID/Jordan
	4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 80-4	

A. KEY PROJECT IMPLEMENTATION DATES A. First PRO-AG or Equivalent FY 77/78 B. Final Obligation Expected FY 78/78 C. Final Input Delivery FY 81/81	B. ESTIMATED PROJECT FUNDING A. Total \$ 4,982.0 * B. U.S. \$ 2,661.0 *	7. PERIOD COVERED BY EVALUATION From (month/yr.) October 1978 To (month/yr.) October 1980 Date of Evaluation Review December 14, 1980
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B. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will prevent detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
A. Amend project documents	USAID/J	Feb, 1981
B. Develop training program for JVFA staff	GOJ/JVFA	Jan, 1981
C. Define responsibilities of various GOJ agencies for development of Jordan Valley agriculture	GOJ	Mar, 1981
D. Modify Law 19 which established JVFA and regulates its activities	GOJ	Apr, 1981
E. Define responsibilities of JVFA Farm Management Dept	GOJ/JVFA	Mar, 1981
F. Develop U.S. agricultural orientation program for JVFA Director General	USAID/J & GOJ/JVFA	May, 1981
G. Provide services of farm management advisor subject to (E) above and availability of local staff	GOJ/USAID	Jun, 1981
H. Conduct special study of credit needs, loan criteria of alternative sources, and effectiveness of JVFA in meeting Valley farmers requirements	GOJ/USAID	Aug, 1981

* Project Funding, in thousand dollars, broken down as follows for the 2 projects covered in this evaluation:

	AID	GOJ	TOTAL
JVFA Prj 0186	1,161.0	347.0	1,508.0
JVFA Credit 0207	1,500.0	1,974.0	3,474.0
GRAND TOTAL	2,661.0	2,321.0	4,982.0

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

<input type="checkbox"/> Project Paper	<input checked="" type="checkbox"/> Implementation Plan & CPI Network	<input type="checkbox"/> Other (Specify) _____
<input checked="" type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T	_____
<input checked="" type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify) _____
<input checked="" type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

A. Continue Project Without Change

B. Change Project Design and/or
 Change Implementation Plan

C. Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

Dick Jones, Project Manager-Agriculture

Fund Qushair, Program Specialist, Agriculture

12. Mission/AID/W Office Director Approval

Signature: *C. Marshall*

Typed Name: C. Marshall

Date: 12/17/80

List of Abbreviations to Identify Government of Jordan and
Related Agencies

GOJ : Government of Jordan
JVFA : Jordan Valley Farmers Association
JVA : Jordan Valley Authority
JCO : Jordan Cooperative Organization
MOA : Ministry of Agriculture
FA/JOJ: Faculty of Agriculture, University of Jordan
AMO : Agricultural Marketing Organization

13. Summary

The JVFA was a fledgling organization with only 20 employees at the start of these projects. The nature of JVFA and its activities made USAID assistance a highrisk undertaking. At the outset of the projects, the JVFA experienced predictable difficulties, being assigned an overly ambitious program by GOJ without adequate resources or planned follow-through on cooperation by supporting Government agencies. Conflicts between an inexperienced Board of Directors and part-time management, along with an ill-prepared staff, all contributed to severe growing problems. USAID-funded host country contract consultants were caught up in this environment and largely unable to adjust. Although these consultants followed their terms of reference, they dealt more in theories applicable to a mature organization than to the realities they faced with a subsequent loss in confidence by GOJ and, to date, a limited adoption of their recommendations by JVFA.

However, JVFA is maturing and adjusting its program and policies more in line with farmer needs and the resources it has available. It has postponed some activities, others have been reassigned, and some abandoned. The loan and input supply schemes, both USAID supported, have received priority and are developing satisfactorily. The USAID-sponsored training component has been initiated to upgrade JVFA staff which now numbers about 60. Continued support to these activities is recommended. The farm management program is ill-defined and inadequately staffed. Further support of this activity is recommended as local staff become available.

14. Evaluation Methodology

The first two evaluations called for in the Project Grant Agreement were passed over due to the lateness in arrival (August 1978) of the USAID-funded host country contract consultants and the subsequent delay in their planned activities and program. In November 1979 USAID, in conjunction with the Jordan Valley Farmers Association (JVFA), initiated the first evaluation of the USAID-financed JVFA activities. The evaluation continued through December, and in March 1980, a draft report was prepared by the Mission. Since that evaluation, which was not finalized, significant changes have occurred within the JVFA and its relationship with agricultural-related host country organizations. Also, in July 1980, the last USAID-funded JVFA project contractor, and team leader, departed after preparing his final report. Thus, in September and October 1980, this up-date of the previous draft evaluation was conducted. It focuses primarily on the previously identified constraints and

problem areas, the impact of subsequent changes, and recommendations for future action.

The initial (1979) in-depth review and evaluation of the JVFA was based upon a series of meetings involving the JVFA staff and consultants, the Jordan Valley Authority (JVA) and USAID. Numerous meetings were conducted over a period of several weeks. Additionally, each department of the JVFA prepared a short paper regarding its accomplishments, shortcomings and needs. These papers were reviewed at a senior staff meeting in which the JVFA senior staff, the contract advisors and USAID participated. The resulting evaluation report indicated project status as of January 1980, identification of problem areas and an assessment of possible means and probability of overcoming the more pressing problems.

This evaluation builds upon and extends the earlier one by nearly one year and another operating season by JVFA. In-depth interviews were conducted by Mission staff with the new full-time Director General, JVFA (and current data obtained from the Credit and Supply Departments); the new Board Chairman, JVFA; the new Director General, Agriculture Credit Corporation (and former part-time Director General, JVFA); and the Senior Vice President, JVA. Additional in-sights were provided by review of the JVFA consultant team leader's final report, in-house discussions with USAID officers and field observations in the Valley. The primary objectives of this evaluation were:

- 1) to document JVFA's status and reach a better understanding of current problems,
- 2) to develop recommendations on means to overcome or minimize the impact of these problems,
- 3) to review JVFA's current needs and recommend how USAID might best proceed.

15. External Factors

The JVFA was established under Law 19 which was adopted in 1974 -- nearly seven (7) years ago and in a quite different social and economic environment. At that time, war and uncertainty had left the Valley nearly deserted and meaningful infrastructure practically non-existent. The population was primarily small farmers using traditional, highly labor-intensive farming methods with little or no concept of modern agriculture technology. The economy of the Valley in 1974 was quasi - subsistence agriculture. The JVA was assigned the responsibility by the Government of Jordan (GOJ) to bring about the Valley's social and economic development.

GOJ's-JVA's subsequent efforts to develop the Valley (involving considerable U.S. financed assistance) have met with notable success. Schools, hospitals and clinics, housing, highways and communication facilities are rapidly expanding as is the economic infrastructure. The changes in agriculture have been equally or more dramatic. Land is being distributed by the GOJ, and irrigation canals continue to be extended and modernized, including a pressurized distribution system suitable for sprinkler or drip irrigation. Using 1975 as a base index (100), the Amman wholesale index for vegetable prices in 1979 was 241 and that for fruits, another major Valley crop, was 215 -- both far exceeding the general price index of 137. Farmers are using this increased income to purchase plastic tunnels and greenhouses, install drip irrigation systems (often in combination with plastic mulch), and purchase fertilizers, better seeds, and pesticides. Foreign labor and outside investment capital are also increasingly significant input factors and are contributing to further absentee ownership of Valley farms. To be sure, traditional farming still exists, but the character of the Valley is quickly becoming that of a capital intensive, high technology, modern agriculture with proven potential for yielding very high returns. JVFA, its policies and programs, must adapt to this new environment to become the viable farmers' institution envisioned seven (7) years ago.

The JVFA was created by law to: (1) enable farmers to participate in the development of agriculture in the Jordan Valley through having a voice in the formulation of agricultural programs, (2) increase their participation in the development of the national economy, (3) ensure an equitable return from the production and sale of their crops, and (4) increase food production through more efficient utilization of available land and water in the Valley.

JVFA cannot achieve its objectives unless it is a strong, viable organization truly serving the needs of the Valley agriculture. This means it must meet the needs of all farmers: large and small, owners and tenants, rich and not so rich. Considering the magnitude and rapidity of change, to continue emphasizing the smaller farmer and the tenant/sharecropper in its policies and programs will place JVFA at a distinct disadvantage to commercial input suppliers and alternative credit sources. There are significant economies of scale to be realized in purchasing, handling, and selling larger units of inputs and in servicing larger loans. JVFA should take advantage of these opportunities to spread its risk and to improve its financial position.

Notwithstanding the priority and importance given by the GOJ to the development of the Jordan Valley as evidenced in its heavy investment in that area, the GOJ has not given priority to, in fact has failed to make, the policy and other decisions that are a prerequisite for effecting necessary changes in the JVFA programs and activities to enable timely program implementation, not to mention total agriculture of the Jordan Valley. Needed to be taken are decisions affecting such important areas as: marketing, farm management, roles of various institutions and agencies whose responsibilities and activities overlap, JVFA membership and access to supply and services by non-JVFA members.

16. Inputs

278-1086: Jordan Valley Farmers Association Project

The Project originally called for a U.S. contribution of (A) 5.5 person-years by 3 consultants to advise JVFA in the specific areas of (1) overall management/planning, (2) agricultural credit, and (3) farm management guidance and information; (B) 14 months of participant training, (C) 19 months of short-term consultant services, and (D) a small amount for commodities, including three vehicles to support the advisors. The consultant contract was later amended to include an additional advisor in supply procurement for 12 months.

The inputs as planned in the Log Frame have been provided in large measure although with some of the usual delays. However, the consultants, since departed, were not as effective as planned and the participant training, now underway, has lagged behind schedule.

JVFA and JVA have requested, and the evaluation team concurs, that the remaining project funds be used by JVFA to finance (A) a supply advisor for two years to further upgrade an expanding Supply Department, (B) a credit advisor for six months to provide staff training and technical advice in all areas of the Credit Department, (C) a training component for selected staff based on a forthcoming two-year training plan, (D) if technically possible, a telex machine for private and quick communication with U.S. and other suppliers, and (E) three vehicles for use by the Supply Department to better serve more Valley farmers.

278-0207: Credit for Jordan Valley Farmers Association Project

Inputs planned and/or intended for this project included: (A) a seasonal loan revolving fund to consist of AID loan proceeds

of \$ 1.5 million, a GOJ contribution of JD 576,000 (\$ 1,974,000) as well as the sales proceeds (\$ 112,500) from 500 tons of FAO-donated fertilizers; (B) the services of an agricultural credit advisor and training for the credit staff to be provided under project No. 278-0186; (C) JVFA personnel, administrative and operating funds, supplies, services in the supplies and marketing areas; and (D) Ministry of Agriculture (MOA) extension personnel.

The above inputs have largely been provided but the project suffered from inadequacy in some essential areas. For example, the MOA extension agents have not participated in the project as expected. Also, there was a shortage in the number of staff assigned to the JVFA Credit and Finance Departments and the personnel appointed did not have sufficient experience or training.

The evaluation team recommends that further advisory services of a U.S. credit consultant for at least 6 months be provided under 278-0186. The consultant will assist in upgrading the Credit Department, improving its performance and raising its efficiency and advise GOJ and USAID on the desirability of a study to re-evaluate the total credit needs of the farmers in the Jordan Valley with particular emphasis on production credit requirements. If thought to be desirable, such a study might well be conducted by GOJ.

17. Outputs

A. 278-0207

1. Narrative Summary: The JVFA Credit Department processes and manages seasonal production loans to small farmer members totalling \$ 1.5 million and continues to revolve repayments for similar loans.

Verifiable Indicators: JD 500,000 worth of seasonal production loans averaging JD 800 and continued roll-over each year.

Assessment of Progress: In the two crop seasons of 1978/1979 and 1979/1980 JVFA made 767 loans totalling JD 391,569 and averaging JD 512. This year, through September 1980 there were over 550 loans made approximating a total of JD 400,000, for an average of about JD 730. This brings the cumulative total of JVFA loans from program inception through September 1980 to 1317 in the amount of JD 791,569. This is a satisfactory record with regard to total volume,

however, judgement in the Mission is that loans have been too small, with the result that farmers must borrow from other sources to meet their total production credit needs. The total volume, although increasing, currently meets only a small portion of the credit needs in the Valley. Limitations on the size of loans to individual borrowers were stated in Annex 1 to the Project Agreement to be approximately JD 800. Implementation Letter No. 1 limited project loans to any borrower in any crop season to an equivalent of US \$5,000. While the evaluation team has judged the size of project loans to be too small, the JVFA has followed limitations set in project documentation. USAID will encourage JVFA to increase the size of loans in its future lending.

B. 278-0186

1. Narrative Summary: Organization and long range planning system established.

Verifiable Indicators: Thorough review and recommendations covering all aspects of JVFA, including equity issues in membership and operations. Plan prepared and accepted. Development of data collection system which contributes to Association planning; continuing evaluation to enable JVFA to change and improve.

Assesment of Progress: The Frederiksen-Kamine contract consultants developed statements of policies and procedures for a very wide range of JVFA activities along with supporting forms, diagrams, and suggested means of implementation. Unfortunately, it appears few of the recommendations have been implemented to date. The environment within which the advisors were operating -- a new organization, a new and largely untrained staff, a largely farmer-dominated Board of Directors with basically no organization experience, and a part-time Director General -- was not conducive to developing and implementing an effective long-range operation and management planning system. However, some promising changes have taken place. The Board is gaining experience and some better qualified members were recently elected, a man with significant organization experience has just been elected Chairman of the Board, and a new, full-time Director General has been appointed. The evaluation team considers these to be positive developments and assumes that they will continue in the same direction. The new Director General has followed up on work done earlier by a Board select-committee on by-laws and regulations. Working with legal advisors he has prepared, received JVA approval, and forwarded to the Prime Minister draft by-laws concerning personnel, finance, and supply. Currently Law 19 which established Jordan Valley Farmers Association, is being

reviewed and recommendations are being developed for its modification to enhance JVFA's operating ability. Although the evaluation team was not privileged to see the contents of the recommended by-laws or possible changes in Law 19, JVFA and JVA officials indicated some very positive steps were involved. In the absence of more definitive information, the evaluation team assumes that proposed changes in Law 19 will contribute positively to achievement of project objectives and the further development of the JVFA.

The management information system envisioned in the project has not materialized to date. The JVFA management is moving at a measured pace and activating new programs and taking on additional responsibilities only when resources are available. Their current priorities are implementing the credit and input supply schemes.

Undoubtedly the USAID-funded consultants have had, and will continue to have, an impact on JVFA operations as attested by the changes currently under consideration. But specific recommendations for planning depend in large measure on, and must await, a knowledge of and evaluation of these changes. However, it is clear that the envisioned farm management - management information system needs to receive more attention in support of the planning and credit functions and the proper role of the Farm Management Department determined vis-a-vis the research and extension activities of JVA, MOA, and the Faculty of Agriculture, University of Jordan (FA/UOJ).

Narrative Summary: Credit Systems.

Verifiable Indicators: Plan prepared and accepted. Credit policies established and record keeping procedures instituted.

Assessment of Progress: An initial credit system, based primarily on rules and procedures adopted by the Agricultural Credit Corporation (ACC) was developed and put into operation. Forms for loan applications and farm plans as well as record keeping procedures were designed and are being used. A revolving fund of more than \$ 3.5 million was established and a contra account system developed to maintain the integrity of loan funds. Forms have also been developed, with USAID assistance, for a cash flow statement and age distribution of delinquencies and maturities of JVFA loans. These two forms have been accepted by the Director General, JVFA who indicated they will be introduced into the system. Development and institutionalization of effective linkages with the Farm Management and Marketing Departments have lagged; however, linkage with the Supply Department was established and maintained.

The supervised credit - crop collateral system envisioned for JVFA has been hampered in both the crop production and marketing sectors. The MCA extension agents did not and still do not play the critical role planned for them. The lack of extension agent involvement obviated project plans for the individual farm production - supervised credit scheme. Also seriously affecting project activities has been the absence of the planned marketing centers which were a basic component of the credit program. The marketing centers were to provide the mechanism for farmers using future crop production as loan collateral and loan settlement at harvest time. Delays in the development of the marketing center system have contributed to reducing farmer loan eligibility because of there being no workable crop collateral mechanism and to a higher than expected loan delinquency rate due to the absence of the planned crop sales - loan collection facilities. However, the major GOJ marketing center, El Arda, should begin full-scale commercial operations in December, 1980, the second center under construction at Wadi El Yabis in 1981, and the third and final center at South Shuneh in 1982 or early 1983.

3. Narrative Summary: Farm Management.

Verifiable Indicators: Plan developed and accepted for (1) providing guidance to individual farmers and (2) collecting and analyzing crop and other farm data.

Assesment of Progress: Formally, a plan was accepted in 1979. The earlier draft evaluation indicated that the plan was not well thought out and consequently not implemented. The current evaluation team has no basis for changing that judgement. Although the Farm Management Department has been established and a Director appointed, it appeared during evaluation team discussions at JVFA that the Department's functions were not well defined and that it was understaffed and inadequately trained. The proper role for JVFA in the area of farm management remains to be determined.

JVFA is working with 48 cooperating farmers in demonstration activities relating to: (a) the use of fertilizers, improved seeds, and pesticides, (b) disease and parasite control, and (c) farming methods, up to and including harvesting practices. JVFA plans to also use the information developed for costs/returns analyses of alternative practices. This program is in its infancy but looks promising. To ensure its

further development, the Director General, J.V.F.A. urged the evaluation team to consider two (2) man years of U.S. farm management advisory support to assist the Department in developing an appropriate farm management plan and training the JVFA staff in various aspects of project design and data collection and analyses. The evaluation team strongly supports this request and further suggests that JVFA provide adequate manpower for training and develop an agreement with Ministry of Agriculture, which JVFA and Ministry of Agriculture are currently discussing, to utilize MOA extension agents in the Valley. JVFA has offered to supplement these agents salaries by JD 10 per month as an incentive for their assistance in developing and monitoring individual farm plans and credit requirements. Although the evaluation team strongly supports additional U.S. farm management assistance, we recommend the loan and input supply schemes continue to receive top priority until they are fully operational.

4. Narrative Summary: Trained Staff.

Verifiable Indicators: Training programs and/or seminars carried out by advisors and key JVFA staff members in specific areas of their expertise. Seven or more JVFA staff members (and perhaps farmer leaders) provided participant training.

Assessment of Progress: Funds were authorized in the project for 14 man-months of participant training. Active use is at last now being made of the technical programs for foreign agriculturalists courses offered by the U.S. Department of Agriculture. One staff member recently completed a 4-week course in small-farmer credit distribution and administration and two others are currently enrolled in a 6-week course in the establishment and management of agricultural cooperative organizations.

An earlier, short-term training program was drafted by JVFA but is now being revised and extended to better meet their longer-term needs. The revised program should be available to USAID by December 1980. JVFA has three branch offices in the Valley and plan to open three more. In all likelihood at least two of the new managers will require some overseas training.

Additionally, the new Director General has requested 6-8 weeks in the U.S. to observe and discuss small-farmer credit systems; cooperative organizations; input-supply systems; citrus and vegetable production methods; and produce harvesting, assembly, grading, packing, storage and distribution systems. Such a program can likely be developed through the USDA and the evaluation team supports his request. The program of training for the Director General should be timed to coincide with the U.S. harvest period.

The project also called for on-the-job training to be carried out by the FK contractors and key JVFA staff members. This planned activity was a near total failure. Key JVFA staff was inadequately prepared and did not have the time to conduct in-depth training programs or seminars. The contractors fell short, receiving a rating of only 20% in the category "Local Staff Training and Utilization" in JVA's final contractor performance evaluation.

5. Narrative Summary: Specific Studies.

Verifiable Indicators: Studies carried out following a determination by U.S. advisors and their counterparts that they are necessary or useful to augment the project. Short-term consultants will undoubtedly be involved.

Assessment to Progress: A very significant and timely special study was conducted relating to marketing practices and marketing policy for fresh fruits and vegetables in Jordan. The study was undertaken in FY 1980 by the Chemonics International Consulting Division, Washington, D.C. under contract to JVA. The consultants assessed the current Jordanian marketing system and developed specific recommendations in such key areas as product quality and standardization, container standardization, import and export policies, market information systems and the role of JVFA in developing GCJ produce marketing centers in the Valley. The consultants also studied the potential for producer contracts and the role of GOJ national food and agriculture policies and programs. While the study was well done, JVA does not now plan to hold the follow-on seminar to discuss the report recommendations.

It appears a special credit study also may be desirable to provide more complete and current information to GOJ on farmer credit requirements, alternative credit sources, and reasons for preferences among different sources. Farmers seem unable or unwilling to obtain their entire credit needs from a single source, and credit policies and procedures seem confusing and often duplicative among competing sources such as JVFA, ACC, and the Jordan Cooperative Organization (JCO) in addition to private sources. Such a study seems desirable and could be conducted by JVA, FA/UOJ, MCA, or possibly other Jordanian institutions or organizations. USAID could also support such a study upon request.

6. Narrative Summary: Farm Supply System.

Verifiable Indicators: Improved procedures regarding purchasing, storage and distribution phased into ongoing supply program. List of pertinent input suppliers developed and maintained.

Assessment of Progress: The steady improvement of the Supply Department has been one of the most successful aspects of the project. Although a Supply Department consultant was not included in the original Frederiksen-Kamine contract, the contract was amended and the position added in June 1978. The Supply Department began sales of fertilizers, pesticides and improved seeds in August 1978 and during 1978/79 sold JD 196,000 of inputs at considerably below the previously existing price levels of private commercial outlets. The first 8 months' sales of 1980 (JD 224,000) have already exceeded the previous 17 month total.

The Supply Department consultant's tour was relatively short but much was accomplished in staffing and equipping the Department and developing procedures and forms to facilitate input procurement, product mix, storage, inventory control, distribution and promotion and sales. The Department's procurement strategies are particularly well defined with substantial commercial contacts established for basic input supplies. Additionally, JVFA has secured some exclusive U.S. agency distributorships for not only the Jordan Valley but for all of Jordan as well, along with Lebanon, Syria, and Iraq for seeds, chemicals, micro-nutrients, and other basic agricultural inputs widely needed and used throughout the Middle East.

The evaluation team recommends a further 12-24 months of supply consultancy to fill the present void and regain the momentum previously developed. The supply function is critical to the overall success of JVFA and is highly related to the success of its farm management and credit programs.

13. Purpose

A. 278-0207

Narrative Summary: To assist Jordan Valley farmers, particularly small farmers, in obtaining equitable seasonal production credits.

Verifiable Indicators:

1. Eligible JVFA members are receiving assistance in preparing farm plans.
2. Eligible members (especially small farm owners, tenants and sharecroppers) are receiving required production credit in cash and in kind.
3. Members are repaying loans as scheduled.

Assessment of Progress:

1. JVFA farmers requesting loans are receiving limited assistance in the preparation of "Farm Plans". However, such farm plans are submitted largely in a pro-forma manner in as much as they are a prerequisite to the loan. A critical review has revealed that the original concept of an individually tailored farm plan based on more efficient land and water use and a more rational production strategy has largely been abandoned. The intent was that the MOA extension agent would have a principal role in the development of the plan and that the farm income potential and farmer's ability to repay would be the basis for making the loan. This has not been implemented.
2. In its first year (1978) of lending, JVFA made 336 loans amounting to JD 155,312. Loans increased to 431 totaling JD 236,257 in 1979. This year through September 1980, over 550 loans were made, totaling some JD 400,000.

This brings the cumulative total of JVFA's credit activity from inception to 1317 loans and JD 791,569.

As the above data shows, the credit program expanded from the first year of lending to the second and to the third, matched also by an increase in the average size of loans. However, not all members appear to need or desire the loans offered and JVFA has not been fully staffed in the Credit Department. These two factors have limited the loans made to date but the likelihood is that an increased number and size of loans will be made in future years as the program matures and Valley agriculture continues to become more capital intensive.

Tenants, who represent some 60% of farmers in the Valley, are still seriously underrepresented in receiving JVFA loans. A small systematic survey conducted early in 1980 showed their participation at only about 10%. There seems to be evidence, however, that tenants participation rate has risen recently, and JVFA has become increasingly aware of A.I.D.'s concerns over this category of farmers. The small participatory rate of tenants in JVFA credit is believed to stem largely from difficulties in obtaining the necessary co-signatures of land owners to satisfy guarantee/security requirements. It is assumed that once the marketing center at El Arda is in operation and a mechanism developed whereby crops are accepted as collateral in lieu of co-signers, the participatory rate of tenants will significantly increase.

3. Following its initial lending season (1978/79) JVFA had an unreasonably high delinquency rate (60%), but through recent efforts the delinquency related to the outstanding balance has been reduced to 32% as of September 30, 1980.

B. 278-0186

Narrative Summary: Assist Jordan Valley Farmers Association establish policies and procedures and develop viable operating systems in specific areas of: 1) overall management/planning; 2) farm management guidance and information; 3) credit.

Verifiable Indicators:

1. Staffed Association operating in accordance with policies and procedures established.
2. Published operational policies and procedures for Association as a whole and for farm management guidance and credit operations in particular.
3. Regular collection and evaluation of broad range of social and economic data of importance to the Association and its members.
4. Credit system serving farmers.
5. Farm management guidance system serving farmers. Individual farm plans being prepared. Regular collection and evaluation of crop and other farm data from all 33 development areas.

Assessment of Progress:

1. The JVFA is fully staffed in all pertinent senior positions except the Deputy Director General. Establishment of the planned Agri-business Department and Marketing Department has been temporarily postponed. Recruiting is underway for managers of two of the three new branch offices (the third manager is in place). JVFA began with a staff of 20 and has now expanded to around 60 employees but it faces stiff competition for trained or experienced personnel. JVFA staff recruitment and retention are influenced by living/work conditions in the Valley. Facilities in the Valley for Government of Jordan staff have been improved by added construction of housing and should ease this problem.
2. By-laws and operating procedures are being developed (see: Outputs, 17 (B-1)). Operating policies were developed for the Credit Department and are being modified as the Department expands and matures. Significant questions remain on the roles of the Board, the Credit Committee; and the Director General in loan approvals; farmers needs for credit in the Valley and the role of JVFA (see Outputs, 17 (6)); and the role and ability of the Farm Management Department to develop individual farm plans in support of the credit program.

3. The role of JVFA's Farm Management Department needs to be better defined (see Outputs, 17 (B-3)). It does not have the staff for "regular collection and evaluation of a broad range of social and economic data". The evaluation team believes that a data collection program of this sort should not have been included in the project paper for JVFA and more logically is the responsibility of JVA, the agency responsible for the social and economic development of the Valley, or the Department of Statistics. Should regular surveys of a strictly agricultural nature be desirable, the evaluation team suggests JVFA and MOA might jointly conduct such limited surveys after consultation with JVA and the Department of Statistics and coordination with surveys they have planned or underway.
4. JVFA's credit program is established and growing. The number of farmers participating, the total amount of loans, and the average size of loan has increased annually (see Outputs, 17 (A)). Problems do remain (see Outputs 17 (B-2)) but JVFA seems committed to resolving them. Additional staff training and further U.S. advisory assistance are recommended in support of the credit program.
5. The development of individual farm plans and establishment of a farm management guidance system are highly desirable objectives but ones for which JVFA is currently ill-prepared. If JVFA can provide personnel, possibly through cooperation with MOA, then the evaluation team recommends U.S. advisory assistance in developing a farm management program and staff training (see Outputs, 17 (B-3)).

19. Goal/Subgoal

273-0207 & 273-0186

Goal: Increase Agricultural yields and production;
Improve farmers' income.

Sub-goal: Create a viable, effective Farmer Association providing benefit equitably to Jordan Valley Farmers.

Verifiable Indicators:

1. Trend of rising crop yields and increasing production.
Trend of increasing GDP in Jordan Valley.
2. All segments of JVFA in operation.
3. As equity test, credit operations, inputs, marketing functions, etc. are benefiting small farmers (holders of 40 dunums or less and tenant farmers).

Status:

1. Increased Yields, Production and Farm Income: It is too soon to expect JVFA's operation to have had a significant or even measurable impact on yields, production and farm income. The credit and input supply schemes are implemented and making progress and there is every economic reason to believe that increased availability of these two resources to farmers, and at lower than previously existing cost, should positively influence these factors.

However, the level of coordinated GOJ support for agriculture assumed in the project has not been forthcoming and this is having a negative impact on projected or anticipated results. Considerable confusion remains as to the roles and responsibilities of the JVA, JVFA, JCO, ACC, MOA, FA/UOJ, and the Agricultural Marketing Organization (AMO) regarding agriculture in the Valley. JVFA is in competition with JCO and ACC in the credit field and the entire research-extension-demonstration area contains voids, duplications, and unknowns among JVA, JVFA, MOA, and FA/UOJ. GOJ action is sorely needed to sort out which agency is in charge of which activities and under what terms.

Similarly, the GOJ has not come forth with the "appropriate policies incorporating incentives to farmers and supporting institutions" that was assumed in the project. GOJ has continued its policy of subsidizing food prices and imports to consumers rather than providing meaningful production incentives to local farmers. Such GOJ measures as controlling retail prices of fruits and vegetables, crops so important to Valley agriculture, and occasional export embargoes actually are disincentives to production. The traditional, inefficient, marketing system

remains intact but with reasonable hope that the completed center at El Arda and two additional planned centers will impact positively on the current system. However, a report with very good recommendations on marketing policy for fresh fruits and vegetables was presented to JVA in May 1980 by Chemonics International Consulting Division but there has been no positive government response or follow-up action. Thus, it seems the GOJ has given little organized attention to agriculture and relied more on the private sector in the Valley while moving ahead very effectively in developing the Valley's other social and economic sectors and infrastructure.

2. All JVFA Activities in Operation: All envisioned segments of JVFA activities are not in operation and not likely to be in the near future. The credit and input supply schemes are off to a promising start and the training aspect of the project has been initiated. USAID in the Project Paper (Broad Scope of Proposed Activities) correctly expressed concern about the numerous activities conceived for JVFA and the requirements they would impose on a new organization with its limited and largely ill-prepared staff.

The marketing function, particularly, is behind schedule in spite of considerable non-U.S. donor assistance in infrastructure, the El Arda marketing Center (Netherlands) being the most notable. A two-month test run was conducted at El Arda in 1979/80 and commercial operation is planned for 1980/81. The British are furnishing the services of a marketing advisor. Two additional marketing centers, one under construction in the northern Valley and one planned for the southern Valley, are donor financed. However, JVFA does not have the resources to operate these centers or provide the supporting services. Consequently, JVA has been assigned this task by GOJ, at least temporarily, in support of JVFA's designated responsibilities. The responsibility of AMO, if any, in the marketing activity has not been identified.

JVFA's original plan for an Agri-business Department has been wisely postponed. The box factory (s) to support the marketing centers will likely be built with Dutch assistance but will not be operated, at least initially, by JVFA. The earlier plans for an equipment repair and maintenance unit and farm service unit including a custom chemical spraying operation seem to have been postponed indefinitely. Plans for a JVFA seedling nursery have been abandoned.

Although these marketing and farmer service activities are extremely important to Valley agriculture, JVFA currently does not have the staff to implement and manage them. This situation is very unfortunate as they are activities that would place JVFA in continuing contact with farmers. But the realities of manpower constraints have been faced and these activities, at least for the near term, must be provided by other parties or deferred. It is the evaluation team's understanding (JVA-JVFA discussions are underway) that the Valley produce and citrus marketing system and possibly the box factory(s) will be managed and operated by JVA, with JVFA participation to the extent possible, until such time as JVFA is prepared to assume full operational responsibility. A major question remains, however, of JVA's ability to adequately carry out these additional responsibilities.

3. Meeting Needs of Small Farmers: As an equity test the Project Paper specified that JVFA's services such as credit, inputs, and marketing should benefit small farmers, tenants and sharecroppers. The Project Agreement and PIL's, however, defined the target group as landowners farming 40 dunums or less. The character of agriculture in the Valley has changed drastically since Law 19 was adopted in 1974 and project emphasis seems to relate more to Law 19 than to current realities (see External Factors, 15).

Discussions are underway in COJ to modify Law 19 (see Outputs, 17 (B-1)) and the evaluation team recommends USAID be supportive of this effort to facilitate achieving the project's goal: to increase agricultural yields, production and farm income in the Valley

using JVFA as the principal implementing vehicle. To be successful JVFA must spread its risk and costs by providing equal access to their services to all farmers. JVFA is following this policy to the extent Law 19 provides authority. Article 7 on Memberships is not clear but seems to limit JVFA memberships and hence services, to farmers cultivating at least 15 dunums. JVFA, however, is making loans to farmers with as little as 10 dunums. JVFA seems to be striving to meet its legal requirements and yet be flexible in keeping with the spirit of GOJ's agreement with USAID and the needs of all Valley farmers.

Equity of credit services for tenant and sharecroppers does, however, present a problem. Without land these farmers are required to follow a cumbersome procedure of obtaining a formal "lease" agreement to become JVFA members. Then they must obtain two co-signers who have collateral as security with at least one being a landowner. Landowners reportedly are extremely hesitant to provide leases because of their possible future implications for GOJ's land redistribution program. Co-signers are also often hesitant to become involved in a financial matter where the borrower has little or no collateral. The evaluation team believes JVFA rightly requires security for their loans and has no certain solution to the credit problem of many tenants and sharecroppers until the planned crop collateral program becomes active with the completion of the marketing centers. In the meantime farmers do have access to private sources of credit but certainly at rates higher than JVFA's. JCO is also a possible low-cost credit source depending upon the tenants needs and cooperative affiliation.

Gaining a voice in JVFA's policies also continues to be a problem for the smaller farmer. The grass-roots, one farmer-one vote system visualized in Law 19 is caught up in the reality of a tribal-elite environment. The Development Area Committees are practically non-functional and the duties and

authority of the extension agents as committee secretaries have not been clarified. Although there have been alleged efforts by one or more Board members to further their own commercial interest, the evaluation team was told that the current Board is far more responsible than the previous one and the proposed self-interest actions were voted down.

As JVFA matures and land redistribution continues, the elected members of the Development Area Councils, the General Assembly and the Board should become more responsive to the needs of all members. This will be a longer term, evolutionary development which will also be conditioned by other socio-economic developments in the Valley, including the changing role of imported labor and outside capital investors. Possible changes in membership requirements during the modification of Law 19 could also have a major impact on the voice of the smaller farmers. However, the evaluation team does not foresee a significant change in the current tribal-elite election process in the near future. As in any open democratic election, the better known, more influential candidates usually prevail.

20. Beneficiaries

The JVFA has been hampered by membership restrictions under Law 19, loan collateral regulations and a shortage of trained staff in addition to private and public competitive forces in the Valley. Admittedly JVFA has not reached the project-targeted majority of tenants and sharecroppers fully and by law cannot extend membership to landowners cultivating less than 15 dunams. However, during its short life, JVFA membership has continued to grow and currently stands at about 4,500 of an estimated 6,000 Valley farmers eligible for membership.

21. Uplanned Effects

None.

22. Lessons Learned

1. JVFA's problems in fulfilling its assigned mission and the less than satisfactory results of the USAID-financed host

country contractors are largely traceable to Law 19 and the extremely broad and ambitious program JVFA was assigned by GOJ. Article 12 states that the Association shall have the following functions:

- a. To provide loans and the agricultural inputs required by its members for agricultural production, including agricultural equipment, tools and materials such as tractors, machinery, spraying equipment, fertilizers, seeds and pesticides, to be provided in the quantity, quality and dates required.
- b. To undertake agricultural operations common to all or some of its members, such as pest and insect control, harvesting and transportation of crop to assembly and marketing centers, including their sorting, packaging and preparation for marketing according to the conditions and specifications laid down by competent government authorities.
- c. To sell and market the agricultural crops of its members in wholesale markets inside the Kingdom and marketing centers abroad.

For a completely new organization, with a small and largely ill-prepared staff, the assigned functions have been overwhelming. The USAID project preparation team expressed concern about the very broad scope of activities conceived for the Association and hoped the Association would "move slowly and carefully over a period of years" in taking over their functions.

The lesson learned is that too much was expected of JVFA too quickly. And despite USAID's initial insight to the problem, the USAID-financed contractors seemed unable to adjust to the situation and continued to prepare plans, operating procedures and policies more in line with a mature, well-staffed organization. The divergence has resulted in a more limited applicability and adoption of their proposals than originally planned. Theory appears to have overshadowed practicality with a subsequent lack of confidence by JVFA in the advisors' abilities.

2. Select qualified contractors. In their final evaluation of the contractors' performance, GOJ gave the Frederiksen-Kamine staff high marks for adhering to the scope of work and timely

submission of required reports. However, on a scale of 0 to 100, the contractors were rated only 60 on their technical qualification, 50 on planning to achieve project purpose and their relationship with cooperating country nationals, 30 on the candor and usefulness of their reports, and a very low 20 on effective administration and management of commodities. GOJ further noted that the contractors appeared disorganized and did not work together as a team. A more thorough review of the proposed contract personnel's technical qualifications and previous experience and performance under a similar work environment might well have avoided the causes of this basically negative evaluation.

3. Be explicit. A somewhat general pair of project agreements left resource requirements and some critical relationships undefined. As the JVFA operation got underway and the consultants arrived, it became clear that GOJ was not prepared or not able to put forth the needed inputs or effectively make some tough and probably unanticipated decisions required to have JVFA develop and operate as envisioned.

It would have been far better to have had a clearer mutual understanding on the requirements of the total JVFA program, those particular facets in which USAID was participating and the intended beneficiaries, and the specific authorities and responsibilities of various GOJ agencies supporting JVFA activities before undertaking the projects. USAID developed a critical path analysis of the program intended for JVFA in mid-1979, about a year after project implementation. The analysis surfaced a number of issues and clearly indicated that the intended program was overly ambitious. Although the results have been very useful to USAID and GOJ in redirecting and rephrasing JVFA activities, it would have been more useful had the analysis been done earlier and as a mutual effort.

23. Special Comments or Remarks

- A. The level of GOJ support for agriculture assumed in the project has not been forthcoming and this is having a negative impact on projected or anticipated results. Considerable confusion remains as to the roles and responsibilities of the JVA, JVFA, AMO, JCO, ACC, MOA and FA/UOJ regarding agriculture in the Valley. JVFA is in competition with JCO and ACC in the

credit field and the entire research-extension-demonstration area contains voids, duplications, and unknowns among JVA, JVFA, MOA and FA/UOJ. GOJ action is sorely needed to sort out which agency is in charge of which activities and under what terms or relationships.

- B. JVFA cannot achieve its objectives unless it is a strong, stable organization truly serving the needs of Valley agriculture. This means it must meet the needs of all farmers -- large and small, owners and tenants, rich and not so rich. Considering the magnitude and rapidity of change, to continue emphasizing the smaller farmer and the tenant/sharecropper in its policies and programs will place JVFA at a distinct disadvantage to commercial input suppliers and alternative credit sources.

C. Recommendation Highlights

1. The remaining project funds be used by JVFA to finance (a) a supply advisor for two years to further upgrade an expanding Supply Department, (b) a credit advisor for at least six months to provide staff training and technical advice in all areas of the Credit Department, (c) a training component for selected staff based on a forthcoming two-year training plan, (d) a telex machine, if technically feasible, for private and quick communication with the U.S. and other suppliers, and (e) three vehicles for use by the Supply Department to better serve more Valley farmers.
2. Although JVFA's credit program is growing, it appears a special study may be desirable to provide more complete and current information on farmer credit requirements, JVFA and competing credit sources, loan criteria and policies, and how the USAID-JVFA reimbursable agreement supports or hinders an efficient and effective credit program to Valley farmers. Such a study could be conducted by the suggested credit consultant or by GOJ agencies such as JVA, MOA, or FA/UOJ.
3. The role of JVFA's Farm Management Department needs to be better defined vis-a-vis the research and extension activities of JVA, MOA, and the FA/UOJ. The development of individual farm plans and establishment of a farm guidance system are central to JVFA's planned program and highly desirable objectives but ones for which it

is currently ill-prepared. USAID/J strongly supports additional U.S. farm management assistance but JVFA must first provide personnel for training (possibly through cooperation with MOA). In the meantime, it is recommended that the credit and input supply schemes receive top USAID priority until they are fully operational.

4. The Farm Management Department does not have the staff for "regular collection and evaluation of a broad range of economic and social data". A data collection program of this sort is more logically the responsibility of JVA or the Department of Statistics. Should regular or limited surveys of a strictly agricultural nature be proposed, it is suggested that JVFA and MOA may jointly conduct the surveys, after consultation with JVA and the Department of Statistics and coordination with surveys they have planned or are underway.