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REPORT U-448

ISN-32031

PD-AAN-403

AID 1820-25(110-70)

PROJECT APPRAISAL REPORT (PAR)

PAGE 1

1. PROJECT NO. 518-11-10-091	2. PAR FOR PERIOD: 6/24/70 TO 4/30/71	3. COUNTRY Ecuador	4. PAR SERIAL NO. 71-3
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5. PROJECT TITLE
Agricultural Production

6. PROJECT DURATION: Began FY 62 Ends FY 75	7. DATE LATEST PROP 8/6/70	8. DATE LATEST PIP 9/22/70	9. DATE PRIOR PAR 6/24/70
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 2,828.0	b. Current FY Estimated Budget: \$ 322.0	c. Estimated Budget to completion After Current FY: \$ 858.0
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
University Contractors (4) Regionally Funded	AID/1a-646; AID/csd-2167; AID/csd-1442; AID/W 607
Personal Services Contractors (grantees) (5)	No contract No.
USAID/E Supporting Staff	

1. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
	X		Sign Agricultural Diversification \$7.2 million loan	ASAP
X			Review scope of work of one contractor to assure that it is consistent with achieving the objectives of the project	June 30, 1971

D. PLANNING REQUIRES
 REVISOR OR NEW: PROP PIP PRO AG PIO/T PIO/C PIO/P

E. DATE OF MISSION REVIEW
May 27, 1971

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE
 Richard L. Winters *Richard L. Winters*

MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE
 Robert J. Minges *Robert J. Minges* 6/10/71

II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		LOW		MEDIUM		HIGH	
	1	2	3	4	5	6	7	1	2	3	4	5	
1. University Contractors					X								X
2. 5 PSC (grantees)							X						X
3. USAID/E Supporting Staff						X							X

Comment on key factors determining rating
 1) The scopes of work of the University contractors are limited to specific portions of the project. Two of these contractors have permanent staff in Ecuador, while the other 2 provide short-term TDY consulting. The Mission has been very satisfied with the technical competence and services provided by these contractors. 2) Three of the 5 grantee contractors have just begun work. The other 2 are rated as outstanding in their efforts and competency in improving extension services connected with the loans, and initiating the activities of the Trust Fund. 3) USAID/E has provided considerable direct inputs into this project in the form of loan development, agricultural technical assistance, loan development, planning and implementation.

4. PARTICIPANT TRAINING													X	
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Comment on key factors determining rating
 There has been only one participant during this reporting period and he has not yet returned to Ecuador.

5. COMMODITIES				X									X	
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Comment on key factors determining rating
 The Mission has contributed vehicles, laboratory equipment and seed to this project. In the future nearly all commodities will come from loan, not grant funding. Commodities have been appropriate and have been well used.

6. COOPERATING COUNTRY	g. PERSONNEL						X							X
	h. OTHER						X							X

Comment on key factors determining rating
 In the past this project has been primarily oriented toward developing a capacity in the Ministry of Production (formerly Agriculture) to provide technical assistance and extension services. In the future the emphasis will be on developing a loan planning and monitoring capability within the Central Bank, although regionally-funded contracts will continue to work with the Ministry of Production. The technical and planning skills, the competence and continuity of counterpart personnel assigned to this project has been outstanding, although their effectiveness has been hampered by budget limitations. The main problem with the project has been the delayed signing of the \$7.2 million agricultural diversification loan, not with short-comings of host agencies.

7. OTHER DONORS					X									
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AID 1020-28(10-70) PAGE 3 PAR	PROJECT NO. 518-11-190-051	PAR FOR PERIOD: To 4/30/71	COUNTRY Ecuador	PAR SERIAL NO. 71-3
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II. 7. Continued: Comment on key factors determining rating of Other Donors

Direct contribution by other donors comes principally from FAO. FAO is making the greater contribution to laboratory facilities at the University of Guayaquil, which will be essential for improving crop production under the loans. The laboratories have been built and are being equipped. It is also just starting a program to build up the Agricultural Extension Service. The Agricultural Division have frequent contacts with their key personnel; coordination and cooperation is excellent.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMU- LATIVE PRIOR FY	CURRENT FY 71		FY 72	FY 73	
			TO DATE	TO END			
Central Bank Trust Fund professional staff trained and in place	PLANNED	0		10	30	40	40
	ACTUAL PERFORM- ANCE	0	10				
	REPLANNED						
Hectares planted in seed crops (cacao, edible oils, corn, cotton and rice)	PLANNED			7,000	10,000	15,000	26,200
	ACTUAL PERFORM- ANCE		6,300				
	REPLANNED						
% of needed plant materials being produced in country	PLANNED			25	25	75	100
	ACTUAL PERFORM- ANCE		25				
	REPLANNED						
Ministry of Production counterparts trained and in place	PLANNED		15	25	40	40	40
	ACTUAL PERFORM- ANCE		25				
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT: The Central Bank Trust Fund has been established and is staffed with a competent manager and staff. They have handled the CP's of the Land Sale guarantee loan well, but still have trouble with bureaucracy within the Bank. The PERT has been carefully worked out, and the availability of Ministry of Production counterparts is ahead of schedule.					
1. Functional Management system for implementing agricultural diversification and land sale guarantee loans.		COMMENT: Improvement is needed in the ability to supervise seed growers, inspect fields, analyze and grade seeds produced, and supervise the cleaning and processing of seed materials.					
2. Functional seed certification department within the Ministry of Production..							
3.		COMMENT:					

3

AID 1020-25 (10-70)	PROJECT NO.	PAR FOR PERIOD:	COUNTRY	PAR SERIAL NO.
PAGE 4 PAR	518-11-190-051	To 4/30/71	Ecuador	71-3

IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

To assist in the implementation of the agricultural diversification (\$7.2 million) and land sale guaranty (\$3.6 million) loans.

1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
<p>1. Loans disbursed and loan purposes achieved.</p> <p>2. A functional capability within the Ministry of Production to provide technical assistance and seed materials.</p> <p>3. The Central Bank able to implement these loans and able to design and implement new loans.</p>	<p>1. Agricultural Diversification loan is not yet signed. Good progress is being made toward meeting conditions precedent for the land sale guaranty loan. Both loans have been planned in detail.</p> <p>2. a) Ministry of Production already has much of the equipment needed for seed processing; b) has a small functioning organization for certified seed production; and c) has released one key staff member for participant training. Also the Ministry has begun to reorganize its extension service to make it more effective, and has initiated a program of evaluating this effectiveness.</p> <p>3. a) The Trust Fund is established and making progress toward developing operating regulations; b) it has nucleus staff on board; and c) it has personnel under training for designing new loan plans.</p>

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To expand the production of selected agricultural crops and improve foreign exchange
 To promote a more equitable distribution of income
 To increase the participation of low income groups in the political, social and economic life of the country.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

Implementation of the two loans, as above stated under Statement of Purpose, will result in significant contributions to the programming goals. A full exposition is found in the Capital Assistance Papers for each of the two loans, cited for reference as follows: AID-DLC/P-912 Agricultural Development and Diversification; AID-DLC/P-854 Land Sale Guaranty.

4