

PD-PAW-467

PROJECT APPRAISAL REPORT (PAR)

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1. PROJECT NO. 522-11-190-036.1	2. PAP FOR PERIOD: April, 1971 to EOP	3. COUNTRY HONDURAS	4. PAR SERIAL NO. 74-3
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5. PROJECT TITLE

Agricultural Development (Credit & Extension)

6. PROJECT DURATION: Began FY <u>69</u> Ends FY <u>73</u>	7. DATE LATEST PIP 12/11/70	8. DATE LATEST PIP 1/30/71	9. DATE PRIOR PIP 1 March 71
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$	b. Current FY Estimated Budget: \$	c. Estimated Budget to completion After Current FY: \$
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
Department of Agriculture	IA (AJ) 13-73
ACDI	CDS 2219
Servicios Técnicos del Caribe	A.I.D. 522-T-219

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

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		

D. REPLACING REQUIRED: REVISED OR NEW: PROP PIP PRO AG PIO/T PIO/C PIO/P

E. DATE OF MISSION REVIEW: April 3, 1974

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE: RD: HKoone

MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE: Edward Marasciulo

PCD: RJMaunhammer

AD: MKockler

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	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. Department of Agriculture					X						X	
2. ACDI							X				X	
3. Servicios Técnicos del Caribe							X					X

Comment on key factors determining rating

- The BNF has fully accepted recommendations of the PASA team and is moving ahead with implementation. A revised cost accounting system was developed and is being implemented through a contract with Peat, Marwick, Mitchell and Company.
- ACDI developed in service training courses and participated in regionalization of BNF banking operation. Official BNF reports indicate a high level of performance.
- This contractor developed a reorganization plan for the Ministry of Natural Resources. As a result of implementation of this plan the Ministry gained needed administrative efficiency and became more effective in project implementation.

4. PARTICIPANT TRAINING

1	2	3	4	5	6	7	1	2	3	4	5
					X						X

Comment on key factors determining rating

Participants have been placed in important managerial positions in the core agricultural institutions.

5. COMMODITIES

1	2	3	4	5	6	7	1	2	3	4	5
	X							X			

Comment on key factors determining rating

Late commodity delivery of sophisticated laboratory equipment hampered the effectiveness of a Peace Corps volunteer who could not provide adequate training in the use of the equipment before her departure.

6. COOPERATING COUNTRY

a. PERSONNEL	1	2	3	4	5	6	7	1	2	3	4	5
			X									X
b. OTHER			X									X

Comment on key factors determining rating

- The relatively low pay scale of the Ministry of Natural Resources has limited its ability to attract and retain qualified personnel.
- A lack of coordination between various public and private agencies concerned with agricultural development hampered progress toward project goals.

7 OTHER DONORS

1	2	3	4	5	6	7	1	2	3	4	5
		X									

(See Next Page for Comments on Other Donors)

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II. 7. Continued: Comment on key factors determining rating of Other Donors

Disbursement of an IDB loan to the agricultural extension service (DESARRURAL) was 1 1/2 years late in starting. This did not permit the service to expand as anticipated.

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		FY ____	FY ____	
			TO DATE	TO END			
Number of trained extension agents in the field.	PLANNED	103 ^{1/}					
	ACTUAL PERFORMANCE	65					
	REPLANNED						
Number of people successfully completing intensive in service short-term training courses on farm management or improved lending procedures.	PLANNED	109 ^{2/}					
	ACTUAL PERFORMANCE	87					
	REPLANNED						
Number of degree trained participants placed in position of responsibility.	PLANNED	25					
	ACTUAL PERFORMANCE	15 ^{3/}					
	REPLANNED						
Non degree and or short-term training.	PLANNED	34					
	ACTUAL PERFORMANCE	34					
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT:						
1. Formalized working agreement between the BNF and the extension service.	The agreement was signed but not adequately observed due to over commitment of extension personnel shortage of operating funds, and lack of coordination between central offices.						
2. Completion of Ministry of Natural Resources reorganization plan.	COMMENT: The plan was completed on schedule.						
3. Disbursement of production credit loan 522-L-018 by the BNF.	COMMENT: Disbursed on schedule.						

1/ Expansion was delayed by slow disbursement of IDB loan. However, by the end of CY 1974 this target should be reached.

2/ 40 Extension workers were to take part in the training, however none participated.

3/ Another 10 are currently working towards BS or MS degrees.

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged. 2. Same as in PROP? YES NO
Increase the capacity of the BNF and the ag. extension service to provide credit and technical assistance to small and medium size farmers.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
1. Increased use of fertilizer from 17,300 mt. in 1967 to 31,500 mt. in 1973.	1. Latest figures available show 25,000 mt. of fertilizer were used in 1971. There are indications that this EOP was exceeded by 1973.
2. Increased use of improved seeds from 14,000 cwt. in 1967 to 37,000 cwt. in 1973.	2. Approximately 16,000 cwt. of improved seed were used in 1973. Difficulty in financing contractors and two successive drought years (assumption was made that normal weather conditions would prevail during the project's life) reduced both supply and demand.
3. The number of BNF small-farmer clients will be increased from approximately 5,000 in 1967 to 20,000 in 1973.	3. In 1973 20,500 small-farmers received loans from the BNF. (A small farmer as defined by the BNF has less than \$5,000 in total assets.)
4. The extension service staff will be capable of providing technical assistance to 18,000 farmers in 1973 as compared to 6,500 in 1968.	4. In 1972 9,300 farmers were served by the extension service. Budgetary restrictions for the extension service hampered agent mobility.
5. Successful followup to/pilot program of providing supervised credit to 200 small-medium sized	5. About 8,500 loans were made under the supervised loan program during 1973; however, supervision in many cases was less than adequate.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

A 6% annual increase in the production of livestock and food grains.

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

See Annex I

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged. 2. Same as in PROP? YES NO

<p>B. 1. Conditions which will exist when above purpose is achieved.</p> <p>farmers conducted in 1969. It was anticipated that 8,000 farmers would receive supervised credit in 1973.</p> <p>6. Adoption of reorganization plan by the Ministry of Natural Resources.</p>	<p>2. Evidence to date of progress toward these conditions.</p> <p>6. The plan was adopted.</p>
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V. PROGRAMMING GOAL

A. Statement of Programming Goal

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

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522-11-190-036.1

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April, 1971 to EOP

COUNTRY:
Honduras

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ANNEX I

Results of the Project as Originally Envisioned

The majority of the country's small-medium size farmers follow antiquated farming practices that are less productive than modern farming methods which utilize such inputs as fertilizer and improved seed. Often the more knowledgeable farmers wish to adopt modern practices but cannot do so because they lack the necessary financial resources. Project logic hypothesized that a strengthened BNF and ag. extension service resulting from increases in personnel and training programs would be capable of introducing modern farming methods to increased numbers of traditional farmers. It was further reasoned that the BNF as a result of training received under this project and funding from Loan 522-L-018 would be able to provide a greater number of loans to permit small farmers to purchase recommended inputs.

Examination of the project's outputs and EOPs shows that the extension portion of the project was not fully successful. This was due to DESARRURAL's inability to obtain sufficient staff which in turn was caused by lack of proper budgetary support, delay of the IDB loan, and change in status from an autonomous to a semi-autonomous agency. Nevertheless, the BNF portion can be considered a success as it met both its output and EOPs objectives.

Results of Project Amendment

Towards the end of the project an amendment was made permitting the provision of technical assistance to the Ministry of Natural Resources for development of a re-organization plan. This activity was included under the project because: (1) it directly contributed to goal achievement by strengthening the Ministry's ability to deal with agricultural problems and; (2) DESARRURAL was and is a semi-autonomous part of the Ministry and any attempt to improve the Ministry's operation was anticipated to have an indirect beneficial effect on the extension service. The plan was completed and is being implemented on schedule. The reorganization was very timely because it has given the Ministry a greater capacity to plan and implement projects.