

PROJECT APPRAISAL REPORT (PAR)

530 26159

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1. PROJECT NO. 598-13-920-552	2. PAR FOR PERIOD: 7/1/72 TO 5/30/74	3. COUNTRY L.A. Regional	4. PAR SERIAL NO. (74-1)
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Andean Regional Economic Integration (Industrial Development) - Investment Promotion

6. PROJECT DURATION: Began FY 72 Ends FY 74	7. DATE LATEST PROP June 6, 1972	8. DATE LATEST PIP NONE	9. DATE PRIOR PAR NONE
10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 200,000	b. Current FY Estimated Budget: \$ 0	c. Estimated Budget to completion After Current FY: \$ 0

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
Andean Development Corporation (Grantee)	AID/1a-717 (Regional)
Six Industrial Development-Promotion Specialists	(Sub-contracted by Gran
Puerto Rica Development Group	(Sub-contracted by Gran

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		
XX			<p>Final payment to the Grantee for approved program expenditures under the Project will be authorized and processed. With that action, the project will be terminated.</p>	<p>July 15, 1974</p>

D. RE-PLANNING REQUIRED: REVISED OR NEW: NA <input type="checkbox"/> PROP <input type="checkbox"/> PIP <input type="checkbox"/> PRO AG <input type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input type="checkbox"/> PIO/P	E. DATE OF MISSION REVIEW June 28, 1974
PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE Richard C. Crisler, Jr., LA/DR/DB	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE John R. Breen, LA/DR

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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			OUT-STANDING		LOW		MEDIUM		HIGH
	1	2	3	4	5	6	7	1	2	3	4	5
1. Andean Development Corporation						X						X
2. Six Industrial Development Promoters					X						X	
3. Puerto Rico Development Group (PRDG)			X								X	

Comment on key factors determining rating

- The Grantee was responsible for developing and implementing the approved project program and performed in this function. All (Cont.d pg 5)
- The overall performance of the pro. specialists was very satisfactory.
- The PRDG performance was minimally satisfactory due to a less than complete understanding by the PRDG of the nature of the Andean (Cont.d pg 5)

4. PARTICIPANT TRAINING	1	2	3	4	5	6	7	1	2	3	4	5
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Comment on key factors determining rating

N.A.

5. COMMODITIES	1	2	3	4	5	6	7	1	2	3	4	5
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Comment on key factors determining rating

Specialized economic research publications were acquired by the Grantee to expand its data and research capability for investment promotion purposes. Of six rating factors considered, "As planned" ratings were given for each.

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

N.A.

Comment on key factors determining rating

7. OTHER DONORS	1	2	3	4	5	6	7	1	2	3	4	5
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N.A.

(See Next Page for Comments on Other Donors)

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II. 7. Continued: Comment on key factors determining rating of Other Donors While the Project did not require or provide for other donor inputs, in fact valuable contributions of efforts and co-sponsorship for the Seminars in particular were made by various organizations and individuals in the member Andean countries (e.g., private sector associations, banks and financieras, etc.).

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMULATIVE PRIOR FY	CURRENT FY 74		FY ____	FY ____	END OF PROJECT
			TO DATE	TO END			
Strengthen Internal Investment Promotion Capability 1. Promotion Manual 2. Recommendations	PLANNED	1. (1) 2. (100%)	0	0		1. (1) 2. (100%)	
	ACTUAL PERFORMANCE	1. (0) 2. (0%)	1. (1) 2. (100%)				
	REPLANNED			0		0	
Investment Promotion Seminars	PLANNED	6	6	0		6	
	ACTUAL PERFORMANCE	2	6				
	REPLANNED						
Specific Project Promotion	PLANNED	10	0			10	
	ACTUAL PERFORMANCE	14	0				
	REPLANNED						
Expand Data and Research Capability	PLANNED	100%	0			100%	
	ACTUAL PERFORMANCE	100%	0				
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT: General orientation of each element was primarily to the elaboration of promotional policies or promotional strategies. While this was one aspect contemplated in the sub-contract, the Grantee also expected an orientation toward more pragmatic regulations and recommendations.					
1. Investment Promotion Manual and Recommendations be applicable and pragmatic to special Andean situation.		COMMENT: Initial programming anticipated 80 participants in each of six planned seminars, roughly, 50% private sector participants. In actuality, 1,927 participants attended with 1,512 private sector participants.					
2. Promote/attract a large private sector interest and participation in the Andean integration process.		COMMENT: The regular and ample reports submitted by the Promoters more than satisfied the requirements of this qualitative measure to the extent that the Grantee found the results/outputs so valuable as to continue the services of these Promoters for its own account during 1974-75.					
3. Development for use by the CAF of information on certain industries and effectiveness of promotional methods for use in the area.							

IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged. 2. Same as in PROP? YES NO
 To assist the Andean Development Corporation in: (1) the design, implementation, and institutionalization of appropriate industrial investment promotion procedures; (2) the financing of certain promotion costs related to promotion of specific projects of interest to the private sector.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
a. Strengthened/institutionalized capability in project analysis and promotion. b. Demonstration of Grantee's capabilities in above areas. c. Confirmation of effectiveness of Grantee's policies measured by actual private sector investments in promoted projects. d. Expansion of research data availability within Grantee's organization.	a. The Grantee has decided to institutionalize and further develop the promotional efforts/methodologies experienced under this project. b. The Grantee performed, and continues to do so, numerous project analyses and promotion activities. c. Under the complementary AID loan, the Project successfully promoted 100 privately owned investments in 4 separate projects with other additional investments at various stages of project development. d. Acquisition of selected publications/documents enables Grantee to determine industrial development trends, to improve technical project evaluations, to assess international investment trends, and other information influencing Andean industrial development.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To support the integration and expansion of regional industrial investment and production in the Andean region.

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. The underlying rationale for the Project was to bring together and foster contacts between those individuals in the public and private sectors who have the possibility and responsibility for making decisions and taking actions which further Andean economic integration, especially in industrial development. This purpose was amply achieved through the seminars and the contacts developed by the Promoters which resulted in the successful "promotion" of numerous projects. The continuation and elaboration of this initial dialogue should produce continued and increasing results which will, in fact, further Andean industrial development and integration.

Continued from Page 2:

Comment on Key Factors Determining Rating

1. activities for which it exercised direct responsibility, such as the design and administration of the national investment promotion seminars and the work of the promotion specialists, were well organized and efficiently administered. Both of these activities were highly successful.

3. economic integration concepts and strategies. The Andean attempt to plan sub-regional industrial development is a unique effort in Latin America and does not follow a previously successful model. The PRDG experience in industrial promotion was based on successful experiences within a single country (e.g., Puerto Rico) and not with a situation of a complex sub-regional development program. Such differences in development problems, experiences, and philosophies, were not fully appreciated by the PRDG when it negotiated the contract with the Grantee. As a result, the PRDG found itself unable to fulfill to the Grantee's complete satisfaction the objectives of the contract which were to formulate a promotional strategy and elaborate a pragmatic promotional methodology. The PRDG recommendations, where the Grantee had expected pragmatic guidelines and criteria, were heavily oriented with general, rather than specific, emphasis. Nonetheless, the analysis and recommendations produced by the PRDG were found minimally satisfactory in that many of them were found applicable by the Grantee.