

Evaluation of Latin American Regional GrantLA-683 IICA Agricultural Management

March 25, 1974

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In the recommendation for approval of the Revised PROP for "Latin American Agricultural Management" Project (598-15-190-547) dated May 21, 1973, it was specified that a review team should be constituted in early CY 1974 to evaluate the progress of the Inter American Institute for Agricultural Sciences' Management Project. Accordingly, on March 13, 1974, an AID/W Evaluation Team left for San Jose, Costa Rica to begin reviews of the project. The Team was composed of the following personnel:

TA/DA, Jack Koteen
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Meetings were held in Costa Rica during March 13 - 18 with members of the IICA central office, IICA management team, Government of Costa Rica officials and members of the USAID/CR Mission.

On March 18, 1974 the team (except Jack Koteen who returned to Washington) traveled to Managua, Nicaragua. During March 18 - 21, discussions were held with members of the USAID/N Mission, the IICA Country Director, members of the IICA management team and the chief representative of the sector analysis group (UNASEC), Vice Minister of Agriculture Mayo Vega, regarding the progress of the management team's activities in Nicaragua.

The following report is a joint effort of the evaluation team and each member is in basic agreement with the conclusions and recommendations.

IICA Evaluation Report

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I. Summary: Conclusions and Recommendations

A. Conclusions:

1. The Project is Important. Agricultural management is a vital dimension of sectoral planning and implementation. The IICA Management Project deals directly and realistically with sectoral programming and methods to reach small farmers. It relates closely to A.I.D. agriculture sector loans in Central America, and to prospective lending by the Inter-American Development Bank and other donors. We found widespread reinforcement for the statement of the problems and the utility of the approaches described in the PROP.
2. The Rate of Progress in Increasing. At earlier stages the IICA project team was spending a great deal of time on rural surveys and the development of methodology. There was serious concern about the action orientation and relevance of the work. Though an academic tone is still evident in some of IICA's work, links to Costa Rican and Nicaraguan agricultural entities have developed rapidly during the current grant period. The work is increasingly action-oriented and relevant to country needs. Experience and sharpened diagnostic skills are saving time in new activities, e.g., Panama. The programming and project control methods under development in Costa Rica are practical, as are the analytic methods applied in Nicaragua. Formal training activities have not yet been developed. These require early attention. On balance, the rate of progress deserves close monitoring, but has clearly accelerated in recent months and is now satisfactory.
3. The Methodology is Generally Sound. IICA has concentrated on the development of methodology for sectoral program and project planning, implementation and control. The work addresses relevant problems at national, regional, and farm levels, in terms of both diagnoses and implementation of managerial improvements. It reflects clear understanding of the need for bottom-up project planning and central/regional/farm level programming, decision-making, feedback and information flows. IICA has not adequately clarified the relevance and utility of other management perspectives and has not always succeeded in explaining the methodology it is using.
4. Host Countries are Benefitting. IICA is assisting with development of analyses, methods, and approaches wanted and used by Costa Rica and Nicaragua. IICA suggestions have been accepted, and used in a collaborative process. There have been some frictions and disagreements, but these have not damaged basic relations. Both countries have found IICA's contributions

relevant. In Costa Rica there is evidence of a widespread learning process attributable to IICA's work. At this point it cannot be said that the methodologies IICA has contributed have been fully internalized and integrated into host country programming and operating systems. It is clear that they are being tried out.

5. Professional Qualifications of the IICA Team are Satisfactory. We found much evidence of sound professional work ranging from field analyses to programming, and project reporting systems. In Nicaragua there were difficulties in arriving at a common team approach, but these were resolved by the host government which highly values current IICA staff contributions. Functional and leadership roles on the team still need clarification in relation to country level and core team activities.

I. Summary: Conclusions and Recommendations

B. Recommendations:

1. The project should be continued for one year and planned for a second year, subject to FY 1975 review. FY 1974 funds should be used for a one-year extension in accordance with the approved PROP as revised.

The evaluation team believes that achievements to date are sufficient to warrant confidence in the future activities of the IICA Management Team.

In authorizing FY 1974 funding of approximately \$155,000, AID will be providing support for the salaries of 5 professional staff members while IICA will begin assuming the salary support of the remaining professional staff members. Should FY 1975 funding be provided, IICA will assume the costs of 2 additional professional staff members. The provisions of FY 1975 funds should be predicted upon a further evaluation in the spring of 1975.

2. IICA should clearly delineate roles and operating relationships for its work in management in terms of country, zone, and "core team" operations. It should also develop a clear statement of work priorities based on country needs and the types of services it can provide.

3. The evaluation team believes that IICA should move toward a country service position with a corresponding decrease of core team emphasis in order to enhance outreach effectiveness. During the year beginning July 1, 1974, the IICA management effort should be expanded to additional countries (perhaps 6 in all). We believe that in-country assistance to produce operational results will accelerate the chances of responsiveness and credibility of IICA's management work. In each country assisted enough manpower should be provided to have a sustained impact. Shallow inputs or "firefighting" should be avoided. In view of the above, the following directions should be taken by the IICA management project.

a. Further develop and implement a program of seminars and training. This should be an initial responsibility of the core team with consultant as needed.

b. Develop and implement a program of short term advisory services to be provided from IICA or other sources; IICA

should consider becoming a "talent-finding" center for consultant services in agriculture management or providing such services itself on a fee basis.

c. Develop additional linkages with other management oriented organizations for collaborative problem solving.

d. During the coming year the "core team" should emphasize the development of training materials and capability and the conduct of training and seminars in collaboration with host countries. Approximately four man-years of the six available should be allocated to direct country assistance. The methodology already available is adequate to sustain the concentration on practical work.

e. The strategy and methodology by which the IICA team approaches agricultural program and project management (including the importance of rural surveys) should be clearly explained in a short paper which can be used to communicate this methodology to interested institutions. IICA should also develop a strategy for dealing with and communicating other management perspectives related to its assistance efforts (e.g. management in functional areas such as research, extension, or credit and "commodity action systems ") in both public and private sectors.

II. General Description of the Management Team and Project Purpose

The IICA Management Team is based in San Jose, Costa Rica and composed of the following professional staff:

Enrique Vigués	Agricultural Economist
Francisco Nadal	Agricultural Economist
Ernani Fiori	Agricultural Planner
Eduardo Salvado	Social Scientist
Peter Graeff	Agricultural Economist
Eugenio Herrera	Public Administration Specialist
Jose A. Torres	IICA Representative for Costa Rica

Additionally concerned with the problems of management are the three Zone Directors:

North	Richard Ogle
Andes	Luis Mendoza
South	Arnaldo Veras

IICA's country representative for Costa Rica, Mr. Jose A. Torres, exercises general cognizance over IICA's management team as one of several major responsibilities.

Dr. Enrique Vigués who has functioned as general team leader during the first three years of the project has been moved up to the IICA General Office and will continue to be involved in the methodological case preparation and related work. His new position will also include promotion of the team's activities in other member countries, notably the Andean and Southern Zones.

The more operational aspects of the team's work, including providing resources for country level activities, will be handled by Dr. Francisco Nadal. Among his principal duties during the next fiscal year will be to guide and coordinate team activities related to technical assistance, and training.

The IICA Management Project is primarily financed by AID under Grant AID/LA-683. In accordance with the IICA-AID project paper (PROP), IICA will gradually absorb the members of the team into their regular budget so as to build up the IICA staff and service capability in agricultural management. According to the schedule IICA has assumed the

direct responsibilities of paying one full time management team member and is presently scheduled to absorb 2 additional members during FY 1975.

The purpose of the project as stated in the project matrix is "to build the capacity of IICA to provide technical assistance and support to Latin American national public and private organizations in order to increase the rural impact of agricultural programs through more effective management."

The grant specifies four principal courses of action: "(1) analyzing and evaluating the managerial aspects of on-going development programs in order to identify critical management problems; (2) developing appropriate solutions to the problems encountered and approaches to assisting the personnel of the institutions involved to implement the required solutions and monitor their effect upon the functioning of rural development activities; (3) developing training programs, involving case studies based upon IICA's own analysis of on-going development programs and additional training materials adapted to Latin American conditions, in order to transmit improved management approaches to managers of agricultural programs; and (4) building a source of reference materials on the subject of use by A.I.D., U.S. universities and Latin American institutions."

III. Costa Rican Project

A. Evolution of the Project:

The Costa Rican program has as its objective the analysis of the national Agricultural Development Program (ADP) in order to identify deficiencies in its management, find out causes and implement appropriate solutions. This work was then to be used by IICA to mount a training program based upon the Costa Rican effort.

During the early stages of the Management Projects' activities, much time was devoted to gathering information and making reviews of how the typical Costa Rican farmer views the agricultural institutions in his own context. Extensive field surveys were carried out in the regions of Pacifico Seco, Pacifico Sur and San Carlos. These surveys focused upon such questions as:

1. What agricultural services reach the farmer and are they opportune?
2. What services does the farmer accept and why? (i.e. lack of understanding, greater degree of uncertainty, poor availability of necessary inputs, etc.)
3. Are the services which reach and are accepted translated into results? (increase of production, productivity, income and participation)

The purpose of this type of approach was twofold:

1. To aid the personnel who were involved with carrying out the Agricultural Development Program of Costa Rica by presenting methods to reduce basic constraints regarding the implementation of the program.
2. To put into practice a methodological application of social science principles that could be used to study the constraints to implementation of similar agricultural programs.

The evaluation team has reviewed the farm-level questionnaire used by the IICA management team in their field surveys and determined that it was an important and useful starting point. The results of the surveys were used for briefings of central and regional agriculture officials, bank executives, and representatives of other important government agencies as well as university professors.

The course of action developed at that stage has been led by the Ministry of Agriculture. It was to establish a programming system with regional-level project development. Coordination is sought at the regional level and at the national level via the National Agricultural Council (CAN) and its technical secretariat. Fourteen projects have been developed in the regions and approved at the national level. IICA assisted in developing project design and reporting systems. Hence, IICA management assistance in Costa Rica is now addressing practical problems in a format of program and project development.

B. Problems Encountered:

At the beginning of the project much discussion was generated about the fact that the team was evaluating the Costa Rican Agricultural Development Program and not directly addressing the objectives of management improvement. This supposed discrepancy was further highlighted by the poor understanding of what the actual goals of the management team were. It was not until the team presented its findings to the Consejo Agropecuario Nacional (CAN) on September 26, 1973, that it was understood why the farm-level approach was taken in lieu of the more conventional institutional analysis. The team stated that they had initially considered institutional analysis, but had discarded the idea in favor of a farm-level survey, because if the program objectives were forthcoming to the small farmer, then the program would in fact be successful.

C. Level of Host Country Acceptance:

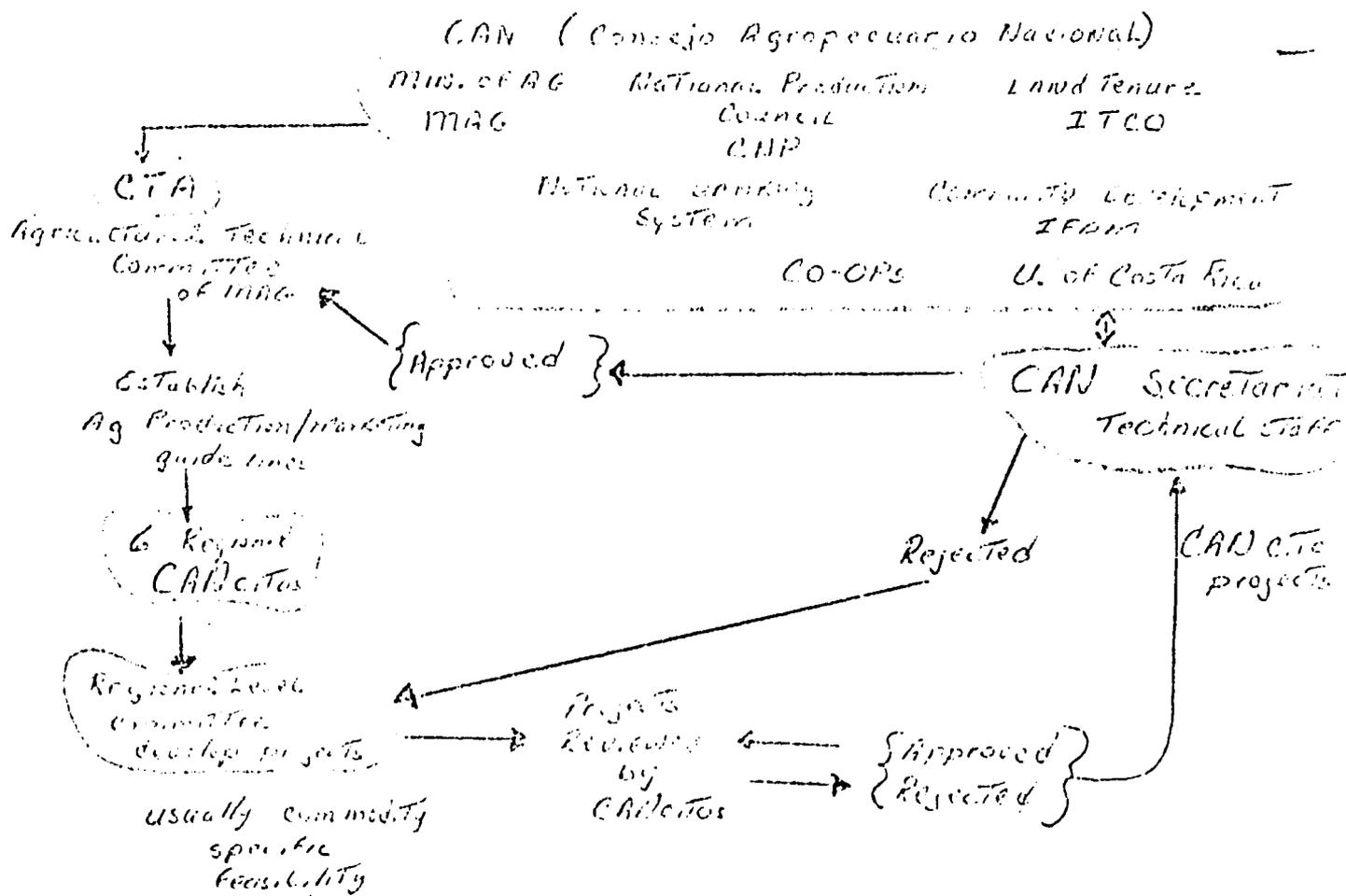
The results of these surveys showed that although the ADP was increasing the capacity of institutions to mount an agricultural program, little direct benefits to the small farmer could be substantiated. IICA, along with members of the AID Mission, investigated these results and determined that in order to get agricultural policy to be responsive to specific regional needs, a planning system was necessary which would give the various institutions in the agricultural sector a local point upon which to coordinate their activities. This approach was presented to CAN in late 1973 and the IICA recommendations were generally accepted. Until that point the regional agricultural Committees (CANCITOS) had no programmatic focus. With this new area and crop specific emphasis, promoted by IICA as an approach to help reach the small farmer, this aspect of the ADP has become a system of management by program and project.

IICA and AID worked with the CAN secretariat and the CANcitos to develop program and project planning and coordination through a network of fourteen projects spread across the six regions.

The 1974 regional priority crops and other policies were established by the Technical Agricultural Committee (CTA) within the Ministry of Agriculture, a group composed of all departmental heads. Specific regional crop priorities were then established and presented to each CANcito for review, at which time the CANcitos proceeded to develop in detail under IICA supervision, small feasibility projects for local implementation within the guidelines developed by CTA. In some cases, additional activities which they felt warranted high priority were also submitted to the secretariat of CAN and the CTA for their review.

This type of program planning (if coupled with adequate resource allocation), although it has some specific and inherent problems, can help to bring the institutions together and improve the focus upon key agriculturally oriented problems facing the rural man.

The system functions as follows:



D. Relationship to AID and other International Programs:

One major constraint to the system of management by program and project is that a coordinated effort geared towards specific regional production and marketing efforts can only be successful if sufficient resources are available to mount the program. Greater amounts of resources will be needed once feasibility has been established in order to provide information activities, credit, technical assistance, storage and marketing efforts.

In order for the Ministry of Agriculture to mount such a campaign and assume the leadership role it is seeking, it will need to greatly increase its operational budget so that it will be capable of providing increased field services. A general rule which has been used by previous evaluators when studying service type institutions is that when the ratio of fixed cost to variable costs reaches the 70/30 level, the institution is at the critical point where operating funds are insufficient to buy gasoline, pay per diem, and provide other essential support for field work.

On March 14, when the evaluation team visited the Grecia Regional Center, Napoleón Maurillo of the MAG central office stated that the planning figure for the 1974 MAG budget was ₡7.6 million fixed costs and ₡1.75 million for variable (operating) costs. This is a ratio of approximately 80/20 fixed to variable costs. He stated that in order to make such a "management by campaign" program successful, external sources of credit would need to be obtained.

The USAID Mission, recognizing this deficiency, has presented to AID/W an LRR request for approximately \$1 million for an agricultural services loan to be used basically within the Ministry of Agriculture so that the ministry could provide an adequate level of services, at least in selected regions. This approach, with relevant technical assistance, could provide the Ministry with valuable experience in programming, program budgeting, project management and commodity systems management.

IV. Nicaraguan Project.

A. Evolution of the Project:

IICA's Nicaraguan program has as its objectives: the determination of the institutional capacity of the rural sector, the determination of the actual functioning of the institutions and the institutional system of the rural sector, and the determination of the propensity to change the approaches of the leaders involved in the agricultural public sector. The team was to specifically suggest the organizational changes and institutional improvements necessary for the performance of the Agricultural Development Plan.

The IICA management team was invited to take an active role in the Nicaraguan Rural Sector Analysis during February, 1973, when the IICA Country Director, Dr. Juan Antonio Aguirre and Vice Minister of Agriculture and Chief of the Sector Analysis teams (UNASEC) Ing. Mayo Vega requested their assistance.

The approach used in Nicaragua was quite different than in Costa Rica, where a development plan was already in operation. In Nicaragua the task was "grass-root" involvement with the team actually doing the groundwork and preparing the institutional section of the Nicaraguan Agricultural Development Plan. Upon direct request of UNASEC four IICA team members devoted May - August 15, 1973, full time to this project with an additional team member joining them during the period of July 1 through August 15.

A summary of their work activities is presented in the team's bimonthly technical and substantive progress report of June-July, 1973. Basically their activities involved three general area of work:

1. Analysis of the legal structure (by C. Escoto, since deceased),
2. Analysis of the agricultural organizations at the national level (by E. Herrera), and
3. Analysis of the organizations of the agricultural public sector at the rural operative levels (by E. Fiori and F. Nadal).

These studies have been incorporated into the Nicaraguan Agricultural Sector Analysis.

B. Evolution of the Nicaraguan Agricultural Sector Analysis:

In 1971, an IRR was sent to Washington and was turned down. The followup cable stated in effect that no further AID loan assistance would be provided until a sector assessment was completed. In January, 1972, after meetings with USAID, General Somoza decided to give the analysis a green light. He assigned Vice Minister of Agriculture, M. Vega to direct the sector analysis group. Mr. Vega asked Juan Aguirre, chief of the IICA mission in Nicaragua to function as his advisor and develop the agricultural policy segment of the analysis.

Early in 1972, Somoza brought in all of his agency chiefs and told them that he wanted full agency participation and that the sector analysis was to be considered their number one priority. Since that time the UNASEC group has met with the General five additional times.

The UNASEC Group was hand-picked by Vega from the various institutions in the agricultural sector. Each institution continues to pay their basic salaries and the GON tops off their salaries. Of the eight team members, all but three have masters level degrees or better.

C. Problems Encountered:

The basic problems that the IICA management team faced was that at the onset they did not know exactly what Vice Minister Vega wanted from them. They were of the opinion that they were to function as advisors while UNASEC wanted them to function as equal members of the UNASEC team and do the basic "carpentry" work needed to carry out a sector analysis. Members of UNASEC stated that the IICA team lacked leadership and did not function as a team but rather as a group of individuals.

D. Level of Host Country Acceptance:

UNASEC felt that the work done by the IICA management team was highly competent once they were firmly directed by the UNASEC as to what was required.

One member of the team, Eugenio Herrera, who did the institutional analysis work at the national level has continued on with UNASEC and has been spending approximately 50% of his time in Nicaragua since July of 1973. His performance has been viewed by UNASEC as having such importance that the GON has been paying IICA for his travel and per diem during this period.

The crucial test of implementation is still to come. The role of UNASEC and of the IICA team is now shifting to assistance in formulating and implementing the sector analysis recommendations. In order to achieve successful implementation, they will have to help top institutional personnel involved in the Nicaraguan agricultural sector to gear up their institutions so that they will be ready for a large outreach program with emphasis on reaching the rural poor. Of equal importance will be an agricultural training program aimed at the public sector's agricultural technicians.

E. Relationship to AID and Other International Programs:

One of the basic purposes of the Sector Analysis in Nicaragua is to obtain external financing from international institutions. Thus the work done by the IICA Management team and UNASEC will become the basis for determining priority areas needed for external financing.

After our meetings with members of the USAID Rural Development Division, IICA's Nicaraguan Country representative and members of the UNASEC group, it became apparent that the institutions in Nicaragua would need recycling and reorientation towards the problems of the small farmers, since typically over 90% of the public funds go into financing commercial export crops.

A massive rural sector program will require a large agricultural management component in order to reach large numbers of the rural populace, giving technical assistance to those farmers who can use it and finding ways to decrease rural sector unemployment, which runs as high as 30%. Massive rural migration to Managua, which is experiencing a reconstruction labor boom, is occurring.

A rural development program will have to be conducted making maximum use of limited resources (there are an estimated 444 agricultural technicians located in Managua, 30% of whom are under 30 years of age). An agricultural management program geared towards establishing eight regional production centers is contemplated. Each regional zone might have a regional UNASEC member functioning as a regional secretariat. Production priorities will be based upon the outcome of the Sector Analysis.

We were told that external funding will be needed for training, supervision, vehicles and fuel to give the Ministry of Agriculture mobility.

V. Evaluation of Progress Based Upon Stated Project Objectives (General Performance Indicators).

The IICA management team gave seven items as principal project objectives. Each objective is described below and an attempt has been made to evaluate them as to whether progress has been attained towards achieving these stated objectives.

OBJECTIVE A: To analyze and evaluate relevant managerial components of ongoing development programs in order to identify critical management problems.

PROGRESS: Using Costa Rica and Nicaragua as pilot cases the team was successful in identifying management problems that are likely to occur in a number of Latin American countries.

OBJECTIVE B: To develop appropriate solutions to the problems identified in objective A.

PROGRESS: In Costa Rica: The team, in collaboration with Costa Rican institutions, identified programming and coordination as critical bottlenecks in the agricultural development program. IICA has made good progress in Costa Rica in recommending and gaining acceptance of programming, project management, and coordination systems. All the institutions working in a particular geographic area are attempting to focus their efforts on specific priorities appropriate in that region, for example, taking a step-by-step commodity approach and seeing how each institution can participate effectively along the production-handling-marketing path until that commodity reaches its ultimate consumer.

IN Nicaragua: Members of the team were instrumental in developing sections of the Nicaraguan agricultural sector analysis. The more difficult test is still to come e.g., to see how the team can work with UNASEC to implement their recommendations.

OBJECTIVE C: To develop appropriate techniques to assist concerned agencies in implementing the solutions identified in "B" above.

PROGRESS: Causing change within institutions is a major and critical problem. IICA has been successful in gaining acceptance as an integral element of the UNASEC team. The UNASEC studies are extensive and in some respects innovative, and IICA has contributed substantially to the innovative approaches. At this stage, both UNASEC and IICA must formulate practical implementation recommendations, get them accepted at the political level, and then engineer implementation by institutions which have not had a strong rural (small farm) outreach role.

The other approach being advocated by IICA (and already well along in Costa Rica) is that described in Objective "B" above, commodity-oriented, location specific management by projects or campaigns which try to reprogram the institution's doctrine toward active participation in outreach programs with impact on the rural poor.

The most critical item which IICA has no control over is what country or external resources are allocated for a specific project (inputs that can be converted to services or products). This is why it is extremely important that the IICA management team, whenever possible, become associated with sources of external developmental credit.

OBJECTIVE D: To monitor the impact of the solution: proposed and employed techniques.

PROGRESS: The Costa Rican program has an active monitoring system largely developed by IICA, and accepted by the CAN, which includes regionally oriented information feedback utilizing the project and commodity systems of management.

OBJECTIVE E: To develop training materials based upon IICA case study experiences and other reference materials for Latin American country use.

PROGRESS: Information and case studies have been collected and an extremely good system of project documentation has been developed. IICA is co-sponsoring a Harvard/INCAE agribusiness seminar to be held in San Jose on May 15 through May 17 and will develop a case study of its work in Costa Rica for presentation.

PROBLEM: Most material as now presented could be used in training only higher level government officials. Since the management problem is in part one of numbers, especially in developing countries, IICA must take steps to emphasize to client countries that mid level management "capacitation" must be significantly expanded.

PROGRESS NEEDED: The IICA team should concentrate upon preparing modular multi-level training programs using the Nicaraguan and Costa Rican projects as examples, and endeavor to involve host country personnel to the largest extent possible.

OBJECTIVE F: To develop appropriate in-service and other training programs associated with host country case study activities.

PROGRESS: IICA provided informal in-service briefings on the results of their rural surveys to many high level GOCR officials and university people. Little work has been done in formal in-service training.

PROGRESS NEEDED: Greater emphasis should be given to this area in the next FY. One approach might be a seminar to be held within client countries to "capacitate" indigenous trainers.

OBJECTIVE G: To build a source of management reference materials for use by Latin American country Government and private sector agencies.

PROGRESS: The IICA management team is in the process of building up their reference material collection.

PROGRESS NEEDED: IICA should develop direct and frequent communication with other institutions which are dealing with the same types of management activities, including AID Missions and AID/W offices. Further, the IICA management team should make wider distribution of the materials so far generated by the project.