

PROJECT AUTHORIZATION

Selected Latin American  
and Caribbean Countries

Agribusiness Workshops  
Project No. 940-0102

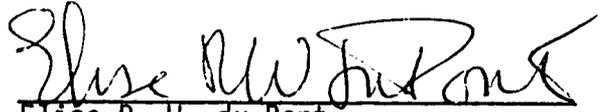
1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Agribusiness Workshops project for selected Latin American and Caribbean involving planned obligations of not to exceed Four Hundred and Eighty Thousand United States Dollars (\$480,000) in grant funds ("Grant") over a two (2) year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. Of this sum, Two Hundred Thousand United States Dollars (\$200,000) will be obligated in FY 1982.

2. The project ("Project") consists of providing funds to the Fund for Multinational Management Education (FMME) to allow it to undertake agribusiness workshops in selected Latin American and Caribbean countries. These workshops will be designed to bring together U.S. and host country linkages to farmers of limited resources in those selected countries.

3. The Grant Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions;

a. Source and Origin of Goods and Services (Grant): Goods and services financed by A.I.D. under the Grant shall have their source and origin in the United States or in the country where the workshop is conducted, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

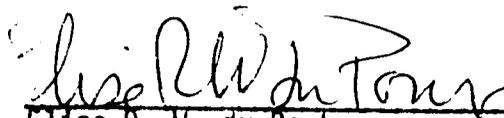
4. The Grant Agreement shall be subject to such other terms and conditions as A.I.D. may deem appropriate.



Elise R. W. du Pont  
Assistant Administrator  
Bureau for Private Enterprise  
Agency for International Development

Date \_\_\_\_\_

4. The Grant Agreement shall be subject to such other terms and conditions as A.I.D. may deem appropriate.

  
\_\_\_\_\_  
Elise R. W. du Pont  
Assistant Administrator  
Bureau for Private Enterprise  
Agency for International Development

\_\_\_\_\_  
Date

Clearances:

AA/PPC:JRBolton FWB Date 9/24/82  
AA/LAC:OJReich MS Date 9/15/82  
GC:CLVanOrman SDR Date 9/27/82  
DAA/PRE:EHarrington EV Date 9/27/82

PRE/PI:BEBouchard:atb:9/22/82:X25743:1604C

INITIAL ENVIRONMENTAL EXAMINATION  
OR  
CATEGORICAL EXCLUSION

PROJECT LOCATION: Latin America  
PROJECT TITLE: Agribusiness Workshops - Fund for  
Multinational Management Education  
FUNDING: \$480 thousand grant  
LIFE OF PROJECT Two years, FY 1982/FY 1984  
IEE/CE PREPARED BY: Stephen V.R. Whitman, GC/PRE

Stephen V.R. Whitman  
Signature  
September 30, 1982  
Date

ENVIRONMENTAL ACTION RECOMMENDED:

Negative Determination: Categorical Exclusion

CONCURRENCE:

G. J. Chavell  
Signature  
9/30/82  
Date

I. Examination of Nature, Scope and Magnitude of Environmental Impacts

Under the AID Environmental Regulations, 22 CFR Part 216, Section 216.2 subparagraph (c)(2)(iii), Initial Environmental Examinations are not required for projects that involve only analyses, studies, academic or research workshops and meetings.

This project will provide funding for workshops to identify agribusiness investment opportunities in selected Latin American countries.

Based on the above, this determination of categorical exclusion finds that the project will not have a direct significant environmental impact.

II. Recommendation for Environmental Action

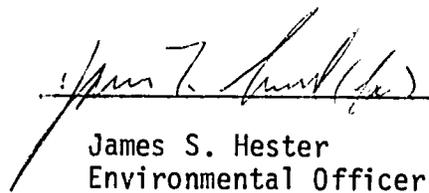
The proposed project will foster no foreseeable change with adverse implications for the human or natural environment of Latin America. It is recommended that the Chief Environmental Officer for Latin America and the Caribbean approve a Negative Determination for this project.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

LAC/DR-IEE-82-41

ENVIRONMENTAL THRESHOLD DECISION

Project Location : Latin America  
Project Title and Number : Agribusiness Workshops - Fund for  
Multinational Management Education  
940-0102  
Funding : \$480,000 - Grant  
Life of Project : Two years - FY 1982 - FY 1984  
IEE Prepared by : Stephen V.R. Whitman, GC/PRE  
Recommended Threshold Decision : Categorical Exclusion  
Bureau Threshold Decision : Concurrence with recommendation  
Action : Copy to Edgar C. Harrell, DAA/PRE  
: Copy to Stephen V.R. Whitman  
: Copy to Peter Bittner, LAC/DR/PRE  
: Copy to IEE file

 Date 9/30/82  
James S. Hester  
Environmental Officer  
Bureau for Latin America  
and the Caribbean

AID 1380-1 (10-79)	<b>UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT</b>  <b>PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES</b>	1. Cooperating Country <b>Latin America</b>	Page 1 of Pages		
		2. PIO/T No.	3. <input type="checkbox"/> Original or Amendment No. <u>1</u>		
		4. Project/Activity No. and Title			
<b>DISTRIBUTION</b>	5. Appropriation Symbol		6. Allotment Symbol and Charge		
	7. Obligation Status <input type="checkbox"/> Administrative Reservation <input checked="" type="checkbox"/> Implementing Document		8. Project Assistance Completion Date (Mo., Day, Yr.) <b>12/31/84</b>		
	9. Authorized Agent <b>CM</b>		10. This PIO/T is in full conformance with PRO/AG Date _____		
	11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSSA (HB 12) <input checked="" type="checkbox"/> AID Grant (HB 13) <input type="checkbox"/> Other		11b. Contract/Grant/PASA/RSSA Reference Number (if this is an Amendment) <b>OTR-0002-G-SS-2306-00</b>		
	12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. _____)				
	Maximum AID Financing	A. Dollars	(1) Previous Total <b>\$200,000</b>	(2) Increase <b>\$30,000</b>	(3) Decrease
		B. U.S.-Owned Local Currency			(4) Total to Date <b>\$230,000</b>
	<b>13. Mission References</b>	14a. Instructions to Authorized Agent  <b>CM is requested to amend this grant increasing the amount by \$30,000 to cover additional costs associated with the workshop in Peru.</b>			
		14b. Address of Voucher Paying Office			
	15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.				
A. The project officer certifies that the specifications in the statement of work are technically adequate		Phone No.  Date	B. The statement of work lies within the purview of the initiating and approved agency programs      Date		
C. <b>Peter Bittner</b>		Date	D. Funds for the services requested are available		
E.		Date			
16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to			17. For the Agency for International Development		
Signature _____ Date _____			Signature _____ Date _____		
Title _____			Title _____		

7

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add  
 C = Change  
 D = Delete

Amendment Number

DOCUMENT CODE  
3

2. COUNTRY/ENTITY  
Latin America and Caribbean Regional

3. PROJECT NUMBER  
940-0102

4. BUREAU/OFFICE

5. PROJECT TITLE (maximum 40 characters)

AID/PRE/W

IP - Agribusiness Workshops

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY  
1 | 2 | 3 | 0 | 8 | 4

7. ESTIMATED DATE OF OBLIGATION  
(Under 'B' below, enter 1, 2, 3, or 4)

A. Initial FY 8 | 2

B. Quarter 4

C. Final FY 8 | 4

8. COSTS (\$000 OR EQUIVALENT \$1 = )

A. FUNDING SOURCE	FIRST FY 82			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	( 200 )	( )	( 200 )	( 480 )	( )	( 480 )
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)	27		27	54		54
<b>TOTALS</b>	<b>227</b>		<b>227</b>	<b>534</b>		<b>534</b>

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
106	SDA	200				200		480	
2.									
3.									
4.									
<b>TOTALS</b>						<b>200</b>		<b>480</b>	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To conduct workshops to identify agribusiness investment opportunities, with linkages to farmers of limited resources, in selected Latin American countries.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  Local  Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page PP Amendment.)

17. APPROVED BY

Signature

EC Harrell

Title Edgar C. Harrell  
Deputy Asst. Administrator

Date Signed

MM DD YY

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

## I. Purpose of Grant

The purpose of this grant is to provide funding to the Fund for Multinational Management Education (FMME) to conduct workshops to identify agribusiness investment opportunities, with linkages to farmers of limited resources, in selected Latin American countries.

## II. Objective of the Project

The objective of the project is twofold:

- To engage the participants in exploring innovative, commercially and financially viable approaches to agricultural development involving agribusiness companies and farmers of limited resources; and
- To explore specific business opportunities, of interest to the participants, involving agribusiness companies and farmers of limited resources.

It is expected that several specific business ventures will result from the workshops. (At present 18 business ventures from similar workshops held in Jamaica and the Dominican Republic are being pursued; See Appendix III).

## III. Background

In the agricultural sector, most developing countries face two critical problems: to produce more food for both local consumption and export, and to find a means for large numbers of farmers of limited resources to make a decent living in the rural areas. Many of the approaches to dealing with these twin problems to date have failed. Agricultural productivity can and has been greatly increased but often to the benefit of a few, leaving the mass of farmers in a continuing cycle of poverty. Alternatively, programs aimed at improving the lot of farmers of limited resources have often failed for lack of the essential linkages to technology, management, markets and financing which can give them access to better income from their land and labor.

This program focuses on how to create linkages between farmers of limited resources, who have land and labor, and agribusiness companies which have vitally needed technology, management, and marketing channels. The objective is to promote the development of commercially and financially viable enterprises involving farmers of limited resources and agribusiness companies. In so doing, it addresses AID's objective of more directly involving the private sector in contributing to the development effort.

The program objective is achieved in two ways: 1) the program workshops are designed to encourage participants, representing those groups necessary to develop viable projects, to think innovatively about how to design projects which would involve companies in working with farmers; and 2) the workshops are designed to discuss specific business opportunities, exploring what is necessary to bring them to fruition. Experience indicates that some of the specific business opportunities discussed at the workshops are pursued while others emerge from contacts among the participants. In addition, through examining the policy and management issues facing agribusiness investment in the country, businessmen gain insight into practical approaches to doing business. And through discussing the components necessary for developing

-Careful identification and writing-up of the project opportunities to be discussed. It is this more than any other single aspect of the program which attracts serious companies to participate;

-Accurate selection of local and foreign businessmen with stated interest in the project opportunities to be discussed;

-Attendance of private voluntary organizations experienced in the country and officials of government and international funding agencies with clear interest in agricultural and rural development in the country. It is this participation which assists the program in focusing on rural development issues, as opposed to just agricultural productivity, and which provides the opportunity to discuss government and international agency policy issues in the context of specific projects; and,

-Follow-up to the business ventures being pursued as a result of the workshop by providing assistance, as necessary, in locating sources of feasibility study money, local partners, and intermediating organizations.

The design of the workshop consists of four stages. First, it is crucial to the success of the workshops to obtain the support of local business and farmer organizations, and the national government as well as that of multinational agribusiness companies interested in the area.

For each workshop, a local co-sponsoring committee is established (see Appendix IV for those established in Jamaica and the Dominican Republic). Its responsibilities include identifying and inviting local participants (in consultation with FMME), assistance in identifying and reviewing the local project opportunities to be discussed in the workshop, assistance in workshop administration, raising of \$5,000 - \$10,000 to help cover local workshop costs, and assistance in follow-up.

In addition, FMME establishes an international committee to advise on invitees and project opportunities, which consists of organizations such as the Agribusiness Council, the Industry Council for Development, CICYP Continental (Inter-American Committee for Commerce and Production) and agribusiness companies interested in the country in which the workshop will take place.

Second, FMME has found that what distinguishes these workshops from others dealing with agricultural and rural development in terms of obtaining significant corporate participation is the focus on specific business opportunities. Identifying these and doing the necessary research requires careful analysis of both the agricultural and rural development potential of opportunities suggested by the local and international co-sponsoring committees and by other experts such as AID and IDB. Criteria for selection of project opportunities are:

- involvement of farmers of limited resources;
- potential commercial/financial economic viability;
- utilization of prior infrastructure investments;
- suitability for export or import substitution.

agribusiness projects involving farmers of limited resources, policy makers become more aware of the policy and public assistance components which may assist the process.

FMME's experience in this field has led to the development of a successful model for Farmer/Agribusiness Workshops. In April 1981, FMME and the Aspen Institute co-sponsored a Conference on "Multinationals: New Approaches to Agricultural and Rural Development." The Conference was attended by agribusinessmen, developing country and U.S. government officials, representatives of private voluntary organizations, and officials from public development funding agencies. The focus of the Conference was on how agribusiness companies could work more effectively with farmers of limited resources in the developing countries.

There were two major outcomes of the Conference. The first was the concept of intermediation, that is, the need for specialized services not customarily required in the operation of a business or farm of limited resources but which are necessary to make the linkage between the two economically productive, financially less burdensome, and socially constructive. Examples would be the role of a cooperative in organizing farmers so that a corporation could work effectively with them, or the provision of credit to small farmers and their linkage to a corporation for technical assistance and the marketing of their product.

The second outcome was the recommendation that this concept of intermediation be taken from the theoretical to the practical level through the conduct of farmer/agribusiness workshops at the national level designed to promote the development of specific ventures involving farmers of limited resources and local and foreign agribusiness companies. Two such workshops have now been held, one in March 1982 in Jamaica and the second in June 1982 in the Dominican Republic.

Follow-up to these workshops indicate that some 18 business ventures are being pursued. Follow-up assistance has been provided by FMME to several interested investors. Both workshops are based on 8 or 9 specifically identified agribusiness opportunities involving farmers of limited resources. Both workshops had between 70 and 80 participants, including U.S. and Canadian agribusinessmen, local agribusinessmen and farmers, and representatives of private voluntary organizations, governments and international funding agencies.

#### IV. Detailed Description

FMME will conduct up to six (subject to availability of funds) farmer/agribusiness workshops over the next two years in selected Latin American countries. Among the countries to be considered are Costa Rica, Ecuador, Honduras, Panama, Paraguay, and Peru. The first three to be undertaken (not necessarily in this order) will be in Costa Rica, Panama and Peru.

The design of the workshops will be based on those which FMME has already conducted, adapted as necessary to each individual country. It is clear from experience to date that the key to success in such workshops resides in several interrelated factors:

(For examples of the project opportunities developed for Jamaica and the Dominican Republic, see Appendix V.)

Other materials utilized in the workshop are case studies, both international and local, which are selected to demonstrate ways in which companies have worked successfully with farmers of limited resources.

From its previous conference and workshops, FMME already has 17 international case studies of which 8 are in both Spanish and English, representing a significant basis of material on which to draw. Additional local cases will need to be located and translated for each country but the bulk of the materials already exists. (For examples, see Appendix VI.)

Establishing the invitation list requires careful attention to balancing corporate participation (both local and foreign) with that of government and international agency officials and private voluntary organizations. One of the major responsibilities of the co-sponsoring committees is in helping to identify participants. In addition, from the conference and workshops held, FMME has developed a significant list of potential participants. The ideal number of participants is 40 - 80, depending on the size of the country and level of international and local interests.

The workshops will be closely coordinated with the AID missions particularly with reference to advice on local co-sponsoring organizations, potential project opportunities, and local participants.

Participants in the workshops will be:

- executives in North American, European and local agribusiness companies, and financing institutions;
- representatives of local farmers' organization;
- representatives of local and foreign private voluntary organizations;
- representatives of the national and U.S. Governments involved in agricultural and rural development;
- representatives of international assistance agencies.

The workshop is held away from the capital city in order to avoid itinerant participation which will occur if participants can move easily from their offices to the workshop and back again. While this necessitates overnight accommodations, making the workshop more expensive, there is no question but that it is vital to the success of the workshop.

The three-day workshop format consists of two basic components: (1) discussion, based on the international and local case studies, of ways in which companies have been able to work effectively with farmers of limited resources and how these methods might be adapted to the local scene; and (2) analysis of the specific project opportunities, using the approaches discussed in the first segment, to develop ideas for project design. Discussion is also focused on identifying government policies which promote or constrain the type of project under discussion. These two components are done in small group

discussions of 15 to 20 participants each led by an experienced workshop leader. Reports from each of these sessions are made to the plenary session to provide all participants with the benefit of the ideas and approaches discussed.

A panel discussion on the final day brings the expertise of the participants to bear on the key issues which have been raised during the workshop sessions such as innovative project designs, government policies which pose significant problems to trade or investment, or the need for redesign of existing programs to better promote linkage between farmers of limited resources and agribusiness companies. Plenary speeches are held to the minimum necessary to set the scene for the participants. One speech introduces the concept of intermediation, as a basis for applying it in the group sessions. Another provides an opportunity for a national government official and a local businessman to discuss trade and investment policies and opportunities in their country. (See Appendix VIII for the Jamaican and Dominican Republic programs.)

The materials developed for the workshop consist of the workbook with the case studies and project outlines, as well as background on investing in the country, and a summary of public financing programs available to assist trade and investment.

Finally, experience in follow-up to date indicates that at least one trip to the country needs to be made by the Project Director several months after the workshop. The purpose of this trip is to follow-up on problems which the businessmen who attended the workshop are having in getting their projects under way. In considering follow-up, it is important to recognize that the predominant number of foreign business participants in the workshops are not large multinationals, but small and medium-size companies. All the follow-up done to date has been for such companies.

Follow-up to date has consisted of assistance in locating potential joint venture partners, suggestions of sources of feasibility funds and other types of financing (a significant need), and providing linkage to the appropriate private and government agencies to deal with their problems. Experience indicates that workshop participants should be followed for five to six months after the workshop including a return trip to the country, to do what can be done to set the projects on the right track. In addition, a final report on project status at this point can be most useful in identifying those problems which seem to be generic and, if appropriate, bringing them to the attention of the appropriate government officials.

#### V. Project Specific Analysis

(1) Beneficiaries: In addition to the overall economic benefit resulting from an increase in the respective country's productive capacity through agribusiness investment, there are at least three indigenous groups that will benefit from such investments resulting from the workshop:

(a) Farmers of limited resources: Linking this group to agribusinesses will provide them with (1) market outlet for their product, (2) access to improved production technologies and management expertise, and (3) potential for improved production inputs. Combined, these benefits should lead to increased productivity and income for participating farmers.

(b) Local businessmen: To the extent indigenous agribusiness can develop business ventures with foreign firms they stand to benefit by (1) gaining access to export markets, and (2) receiving the benefit of both management and technical expertise required to compete in international markets.

(c) Employment opportunities created: The increase in business activity resulting from agribusiness investments should generate additional employment opportunities both on the farm and in the plant.

(2) Technical, Administrative and Managerially Feasibility

FMME already has successfully conducted two workshops (Jamaica and Dominican Republic) along the lines of the ones proposed in this project. The small, highly qualified, FMME staff has developed expertise in organizing and undertaking these workshops. It is this experience and the success of the preceding workshops in terms of:

- Number of participants;
- Number and diversity of private and public organizations represented;
- Cases developed; and
- Business ventures pursued

that leads PRE to conclude that FMME is both technically and managerially qualified to undertake the project proposed.

(3) Environmental Concerns

A negative determination is attached as Appendix II.

VI. Financial Plan

The Financial Plan is attached as Appendix I. The total budget for the six workshops is \$542,211. Of this amount, FMME and the local sponsoring committees in the six countries will raise (from other sources) a total of \$54,000 or \$9,000 per country. (This is a contribution of 11% - 14% of the total direct costs of each workshop depending upon the country.)

Conference participants will pay for their own travel to and from the workshop. The local contribution will cover part of the in-country expense (per diem) of the participants and other local currency costs. FMME will make every effort to increase the level of local contributions, thereby decreasing the amount required from AID.

## VII. Implementation Plan

### A. Proposed PRE Grant Agreement With FMME

Total Grant: \$200,000 (\$480,000 required for all six workshops; subject to availability of funds and participation by Latin American and Caribbean Bureau additional \$280,000 will be considered during FY 1983)

Obligation

Schedule: \$200,000 FY 1982  
\$280,000 FY 1983 (Subject to above limitations)

Disbursements: Tied to specific costs eligible for AID financing as provided in Grant Agreement; workshop-by-workshop basis.

Eligible

Countries: First three countries to be undertaken, not necessarily in this order, are; Costa Rica, Panama and Peru.

### B. FMME Responsibilities

FMME will organize and conduct the three workshops proposed above, including:

- identifying potential agribusiness ventures (6-10 per country);
- writing case materials in support of these opportunities;
- identifying host country businessmen and others interrelated in (a) joint venture relationships and (b) in participating in the workshop(s);
- obtaining local contributions from host country businessmen and other institutions to defray as much of local costs as possible; and
- identifying U.S. businessmen interested in joint venturing and secure thru participation in the workshop(s); and
- follow-up with businessmen after the workshops to facilitate (in whatever capacity is appropriate) agribusiness investment.

In addition to substantively developing each workshop, FMME will generally be responsible for all administrative and logistic arrangements required to assume successful completion of the workshops.

### C. Reporting Requirements

Reports will be submitted along the following guidelines:

- (a) At least two weeks prior to each Workshop a report will be submitted which includes:

- Schedule

- Cases to be discussed (detailed descriptions of each one to be considered)

- Participants (projected)

(b) Following each Workshop an evaluation report will be submitted which includes:

- Participants (actual)

- Business deals initiated

- Overall evaluation of Workshop program and recommendations on changes (This should incorporate comments from workshop participants)

This report will be submitted no later than 45 days after completion of the Workshop.

In addition, FMME will be expected to follow business opportunities identified as a result of the Workshop(s) and report to PRE in those that are consummated into business ventures.

#### VIII. Evaluation Plan

An evaluation report (See Section VII) will be submitted following each Workshop. Based upon the findings and recommendations of the evaluation, and initial agreement by FMME and AID/PRE, design changes will be incorporated in future Workshops.

List of Attachments

Appendix I	Financial Plan
Appendix II	Environmental Examination
Appendix III	Projects Being Pursued
Appendix IV	Local Co-Sponsoring Committee (Jamaican and Dominican Republic)
Appendix V	Project Opportunities (Jamaican and Dominican Republic)
Appendix VI	List of Case Studies (Jamaican and Dominican Republic)
Appendix VII	List of Participants (Jamaican and Dominican Republic)
Appendix VIII	Workshop Schedule (Jamaican and Dominican Republic)