

A.I.D. EVALUATION SUMMARY PART I

(BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS)

PD-ABC-340
76029

A. REPORTING A.I.D. UNIT: USAID/Bolivia
(Mission or AID/W Office)
(ES# _____)

B. WAS EVALUATION SCHEDULED IN CURRENT FY ANNUAL EVALUATION PLAN?
yes clipped ad hoc

C. EVALUATION TIMING
Interim final ex post other
Eval. Plan Submission Date: FY 90

D. ACTIVITY OR ACTIVITIES EVALUATED (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report)

Project #	Project/Program Title (or title & date of evaluation report)	First PROAG or equivalent (FY)	Most recent PACD (mo/yr)	Planned LOP Cost ('000)	Amount Obligated to Date ('000)
511-0589	Private Agricultural Organizations				

E. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

Action(s) Required	Name of officer responsible for Action	Date Action to be Completed
Mission decided to extend the project PACD from Dec 30, 1990 to Dec 30, 1992 and follow the recommendations shown in the evaluation		
1) The Project will work only with agricultural producer associations. Regional Agricultural chambers will not receive assistance directly.	DMcIntyre	Action taken
2) The Project will limit its technical assistance to working with associations in strategic regions of Bolivia and with products which have a strong commercial potential.	JCalvo	12/30/92
3) The Volunteers in Overseas Cooperative Assistance (VOCA) will be incorporated into the Project in order to respond to specific technical assistance needs of producer associations. Because the program uses organizations under the Project Amendment period.	JCalvo	01/01/91
4) The technical assistance provided to the eight primary producer organizations (four from the initial Project and four to be added) will not emphasize marketing over and above organizational development. A balance will be struck.	JCalvo	12/30/90
5) A representative from MACA will be the GOB counterpart. Under the original Project, the GOB representative was under the Ministry of Planning and Coordination (MPC).	DMcIntyre	Action taken

(Attach extra sheet if necessary)

F. DATE OF MISSION OR AID/W OFFICE REVIEW OF EVALUATION: mo VI day 6 yr 90

G. APPROVALS OF EVALUATION SUMMARY AND ACTION DECISIONS:

Project/Program Officer	* Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Signature Typed Name: <u>[Signature]</u>	Signature: <u>[Signature]</u>	Signature: <u>[Signature]</u>	Signature: <u>[Signature]</u>
Date: <u>7/8/90</u>	Date: <u>9/8/90</u>	Date: <u>10/22/90</u>	Date: <u>10/29/90</u>

IDENTIFICATION DATA

H. EVALUATION ABSTRACT (do not exceed the space provided)

This mid-term evaluation examined USAID/Bolivia's Private Agricultural Producers Organization (PAO) Project, which aims to strengthen and expand the capacity of PAOs to provide private sector services to their members. The evaluation is based on field visits to eight PAOs that participate in the project, a review of relevant project documentation, and interviews with project personnel and PAO officials and farmer members.

An overly broad definition of PAO in project design lumped together two very different types of organizations-- regional agricultural chambers and producer associations. The project has had greater success mounting service agencies within producer associations-- e.g. the FEGABENI slaughterhouse, the ANAPO seed plant and grain silos, and the ASOBOFLOR flower export enterprise. In two years of work, the project has yet to establish a service enterprise within a regional chamber.

This project experience underlines the importance of tailoring assistance to the specific needs and functions of each type of organization. Regional chambers can provide assistance to member organizations in management and financial accounting, regional agricultural planning, and environmental education. Meanwhile, the member organizations, the PAOs more strictly construed, can establish service enterprises that directly benefit their producer memberships.

ABSTRACT

I. EVALUATION COSTS

1. Evaluation Team Name	Affiliation	Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (US\$)	Source of Funds
Gordon Appleby	Project Director AED	511-0589-3-90096	94,244 *	Project Funds

*PIO/T Amount, AED has not submitted a voucher

2. Mission/Office Professional Staff Person-Days (estimate) 30

3. Borrower/Grantee Professional Staff Person-Days (estimate) 4 days

28

A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)
 Address the following items:

- Purpose of evaluation and methodology used
- Purpose of activity(ies) evaluated
- Findings and conclusions (relate to questions)
- Principal recommendations
- Lessons learned

Mission or Office: USAID/Bolivia	Date This Summary Prepared: May 15, 1990	Title And Date Of Full Evaluation Report: Private Agricultural Organizations Project
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Purpose of the Project Evaluated:

The Private Agricultural Producers Organizations (PAO) Project aims to strengthen and expand the capacity of PAOs to provide private-sector services to their members. PAO provision of these services is intended to increase production and income and to enable exportation. It will also, by strengthening producers organizations, support a strong agrarian policy that can represent the interests of producers to government. The project will achieve these aims by providing technical assistance, equipment, training, and financial loans to selected PAOs.

Purpose of the Evaluation and Methodology Used:

This evaluation reviews the PAO Project's accomplishments in view of the changing political and macro-economic conditions in Bolivia over the past five years. The results of this evaluation are intended to guide the design of a project extension that will continue activities for an additional two years.

The evaluation is based on field visits to eight PAOs that have participated in the project, a review of relevant project documentation, and interviews with project personnel in USAID/Bolivia, the consulting firm implementing the project, and PAO officials and farmer members.

Findings and Conclusions:

An overly broad definition of PAO in project design created confusion and difficulty initially. Subsequent decisions to limit project activities to one commodity with each producer association, more strictly defined, clarified how to work with different organizations. However, the urgency to establish marketing services is leading to an inversion of project aims in that the means (establishment of service firms) are replacing the ends (strengthened producer associations). The question is whether the project is only an economic development activity, where establishing service firms is a legitimate end, or whether it also has political and social aims, which entail strengthening a hierarchy of agricultural associations that at once benefit producers and complement the changed political conditions in present-day Bolivia.

The broad initial concept of PAO lumped together two very different types of organizations--regional agricultural chambers, and producer associations. These two types of organization are distinct and perform different functions. Regional chambers are lobbying groups that, in collaboration with their constituent member associations, can perform planning and informational

activities. Producer associations, by contrast, may lobby, but they also, and more directly, provide services to members.

The lack of differentiation between levels of organizations and their appropriate roles has affected project implementation. In two years of work, the project has yet to successfully mount a service enterprise with a regional agricultural chamber. In essence, chambers are not -- and should not be made to become -- production associations with marketing agencies. Chambers have other functions: they can provide managerial assistance to their constituent associations. They can identify strategic subsectors for development by defining regional agricultural plans. They can lobby government for changes in policy and for improved access to credit. And, they can sponsor public information campaigns. Therefore, project assistance should be directed to these areas, which are within the domain of regional agricultural chambers.

By contrast, producer associations -- cooperatives, unions, federations -- are formed by farmers and ranchers to defend their interests and to provide services. Indeed, a producer association is credible to farmers only when it provides critical services. Technical assistance, input supply, credit, storage, and marketing are all services that producer associations can provide, and by doing so solidify their memberships. For this reason, the project has had much greater success in establishing service agencies within producer associations. The FEGABENI slaughterhouse, the ANAPO seed plant and grain silos, and the ASOBOFLOR flower export enterprise have all shown initial promise. The major concern, given the project implementation strategy, is that the subsidiary enterprise can -- unless appropriate action is taken in each case -- overtake the parent producer's association, which is the project's client agency.

Recommendations:

Strengthening the hierarchy of PAOs in Bolivia at this time required a development program tailored to the needs and functions of each level of organizations.

Recommendation 1. Assist regional agricultural chambers in appropriate matters, such as management and financial accounting, regional agricultural planning, and environmental education. This matter has just been discussed.

Recommendation 2. Respect the official lines of communication in the hierarchy of associations in all instances. To validate and strengthen the hierarchy of agricultural organizations, all communications must be passed from an association through its chamber to the USAID-contracted firm, which then consults with the Technical Committee that supervises the project. Official lines of communication are particularly necessary when project implementation is decentralized.

Recommendation 3. The criteria for selecting which PAOs will participate in the program must emphasize the importance of the region and the economic value of the commodity. Selection criteria for the future initiatives should emphasize geographic area and commodity. The first criterion would focus project attention on regions where regional chambers warrant institutional development. The second factor would focus attention in those regions on commodities that promise significant potential for growth, export, or both.

Recommendation 4. Conduct systemic financial and economic analyses of each undertaking to ascertain its overall feasibility. Unless the debts of the parent producer association or of individual producers must be considered in the cash-flow analyses, financial and economic analyses can give an overly optimistic view of the prospects for success when debts have previously been incurred to mount the enterprise.

Recommendation 5. Organizational development in management and financial accounting, and in formation of local assemblies, priority activities. Founding marketing agencies for PAOs has resulted in a relative de-emphasis on developing the PAOs' own managerial capabilities. Unless more assistance in organizational and managerial matters is provided immediately, some PAOs may be displaced by their own marketing agencies.

Recommendation 6. Technology transfer, a major concern of all associations, must also be given priority. Improving yields and production, especially for export, requires effective agricultural extension. Producer associations can provide such assistance as services to their members. These services, financed from marketing fees, would increase members' confidence in their associations. The need is to design and implement private-sector extension.

Recommendation 7. Institute an environmental component in PAO activities, as called for in the project paper. To date, environmental activities of the PAO Project have been limited at best. These activities can be incorporated into the technical assistance provided by PAOs to farmers. And, they can be addressed in environmental education programs sponsored by the regional chambers.

Recommendation 8. Institute internally in PAO Project management the plan devised by the consultant firm, and complete the decentralized administration of the project. The contracted project management firm instituted a program of workplans with budgets in mid-1989 that has yet to be implemented fully. Decentralization of project activities, which allows closer supervision of institutional building activities, depends upon such management planning. Further, the organizational development activities with the regional chambers and producer associations imply just such an approach.

K. ATTACHMENTS (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier)

ATTACHMENTS

L. COMMENTS BY MISSION, AID/W OFFICE AND BORROWER/GRANTEE

The subject evaluation contains, in my point of view, a principal message, which is that there is not, nor can be expected to be at the current time, a clear cut process for how best to achieve the objectives within the PAO Project concept. The value of this reporting can be considered only as a third party, independent review, by skilled people offering sound and solid knowledge, which provided council and advice in those areas where the administrators and executors of the Project will have to make decisions with good judgement. For example, the fears that the marketing enterprise may overshadow the producer needs or that the Chambers must limit their activities, are both legitimate observations, however, they must not be considered as absolute limitations for the Project administrators and executors in their search of a viable program. In my point of view, the challenge is to find the best way to combine sound agricultural practices with a solid entrepreneurial and marketing management. Thus, this requires an organizational structure tailored to bolivian needs, based on the experiences and culture of Bolivia, and, for no reason must we be limited only to what works or not in other parts of the world.

The Government of Bolivia, reaffirms its criteria in that it considers the extension of the PAO Project very important, as a pilot experience, for a minimum of an additional two years, in order to achieve the results and goals proposed for the Project objectives in Agreement AID 511-0589.

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