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FINAL EVALUATION REPORT

**Institutional Support Grant Number ANE-0050-G-SS-9037
With The American Society of Agricultural Consultants International**

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Prepared for: AID/NE/DR/PIE

Prepared by:

William L. Rodgers, Team Leader
Robert A. Delemarre, Economist

International Resources Group Ltd.
1400 I Street, N.W., Suite 700
Washington, D.C., 20005

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EXECUTIVE SUMMARY

1. The Project

In September 1989, the American Society of Agricultural Consultants International (ASACI) was awarded a five-year grant in the amount of \$460,000. The overall project goal was to support the development of agribusiness as a key component of the employment/income generation strategy suggested in the overall ANE strategy for the 1990s.

The Project Purpose was to sustain and strengthen ASACI development as a U.S. institution capable of fostering an increase in the number of U.S. private sector agribusiness ties with the ANE region.

To support the project purpose, the grant establishes two major mutually supporting activities:

- A major effort to sustain and strengthen the institutional capacity and self-sustainability of ASACI; and
- The scheduling, in cooperation with ANE Bureau staff, of a minimum of six visits to ANE Missions to apprise Mission management of ASACI's grant and activities and to offer ASACI assistance to Missions in developing an integrated operational plan for private sector agribusiness development in their respective countries.

The grant lists five outputs:

- Help the ANE Bureau and Missions develop priorities for investments in agribusiness industries that show potential;
- Work with Missions to identify priority agribusiness firms or potentials which would support strategy goals;
- Identify consultants to work with Missions on CDSS, PPs and trade and development activities;
- Help ANE/TR/ARD and Missions with regular and informal access to U.S. agribusiness groups and joint venture partners interested in ANE countries; and
- Provide analysis on legislative proposals in terms of implications for agribusiness development.

The grant calls for five deliverables, the first two of which were to be funded through the grant and the final three which were to come from sources outside the grant. These five deliverables are:

- Visit ANE countries to meet with USAID management to determine the agribusiness industries with best potentials for private sector development which would support strategy goals;

- Before departing for host country visits, survey business interests of potential U.S. investors to determine attractive host country investment opportunities;
- While in host country, assess identified industry for constraints and potential and upon return prepare and draft agribusiness investment profiles within that industry;
- Using the ASACI network, market the profiles to their U.S. investor contacts, particularly those who expressed interest in advance of country visits; and
- Advise ASACI member firms of the progress being made in agribusiness development in the ANE region. Encourage them to follow-up on the initial investigations.

2. The Evaluation Process

The evaluation team was to review and document the major activities and outputs of the ASACI grant and to identify the strengths and successes as well as the weaknesses and failures of the grant activities and recommend changes or improvements.

The evaluation team was instructed to specifically examine ASACI's success/failure in initiating viable joint-ventures or local agribusinesses which are consistent with the Bureau's income/employment focus. The evaluation was also to assess ASACI's progress in becoming a self-sustaining organization.

3. Methodology

The evaluation was carried out by a two-person team experienced in public/private sector agribusiness development projects. Methodology consisted of reviewing pertinent documents, reports and questionnaires sent to Missions. Discussions were held with officials of NE/DR/PIE. Interviews were conducted with key individuals of ASACI and visits were made to the ASACI offices in McLean, Virginia to gather data, review documents and other material. Telephone interviews were conducted with selected ASACI members and U.S. agribusiness executives. Questionnaire packages were faxed to each ANE Mission in those countries that had prior or current activities with ASACI. Telephone calls and follow-on faxes were made to selected Missions to supplement information.

4. Major Findings

- Guidelines, both as to ASACI's approach and use of funds to further the objectives of the grant were not clearly specified by AID. The language in the grant agreement is not explicit as to disbursement schedules linked to a time frame, as well as overall reporting obligations.
- There was little, if any, promotion of the Grant and ASACI's role to USAIDs on the part of the ANE Bureau.

- There was no buy-in mechanism in the Grant Agreement which would have facilitated the ability of Missions to have engaged ASACI's services for follow-on activities. This resulted in long delays in initiating subsequent phase activities.

5. Major Conclusions

- While there have been some internal management and administrative difficulties within ASACI, turmoil, war and internal strife in the region, as well as changes of key personnel within ASACI and AID, the overall assessment is that the ASACI approach to agribusiness development does lead to U.S. investments and has been successful. However, this occurred only in those countries where Mission staff had a clear interest and commitment to fostering private agribusiness development.
- Turnover of key personnel and inappropriate utilization of Grant funds within ASACI, in all likelihood resulted in missed opportunities in visiting and participating in some Mission programs.
- The awarding of the Grant has resulted in little, if anything, being done to sustain and strengthen the self-financing ability of ASACI.
- The Bureau staff could and should have provided more support to and oversight of ASACI. Neither promotion of the Grant's activities to the Missions nor the monitoring of ASACI under the Grant was adequate to assure the optimum and efficient use of Grant funds.

6. Major Recommendations

- Prepare any follow-on grant to include a tighter overview on the part of NE/DR. More explicit implementation goals need to be spelled out and tied to a time frame and disbursement schedule for each tranche of the funding.
- The project should be actively promoted to the field by the NE Project Officer and the ASACI Project Manager, with details on methods of accessing services.
- The Grantee should establish linkages with international Agribusiness Trade Associations.
- Mission and Embassy personnel should become more involved and supportive of the project and the U.S. investors.
- Future grants for continuing the type of assistance which ASACI has been providing should be planned and adequately funded for a minimum of six years.
- Any future ASACI-type activities should be designed to complement current and future Mission-funded, long-term agribusiness development projects.

I. Introduction

As the Agency for International Development moved from the decade of the eighties into the nineties it was increasingly determined to give more emphasis to its trade and market development policies throughout the Agency. This increased emphasis on the private sector as the viable method to create sustainable economic growth in the agricultural and employment generation areas of the developing world, led the geographic bureaus in AID/Washington to re-think and restructure their program to reflect this approach.

The Asia and Near East (ANE) Bureau had carried out several analytical studies that showed a transformation in the economic growth of the countries of the region away from agricultural production toward processing, marketing and transportation of food and fiber for both the domestic and export markets. Agricultural production was shown to be on the rise, with a continuation of growth, albeit less than the rate of growth for the industrial and processing sectors. Based on this research, the ANE Bureau developed a set of objectives and approaches and published guidelines for a food systems strategy that included among its various components one of utilizing the U.S. agribusiness sector as a means to bring about expanded employment, income generation and food self-sufficiency in those countries comprising the ANE region. For the Bureau, the task then became that of locating an appropriate private sector vehicle to implement and sustain this new strategy.

Did such an entity exist? In the U.S. Trade and Development Program, such a group was already identifying and promoting promising agribusiness opportunities in developing countries, and had been for several years, with apparent success. This group was the American Society of Agricultural Consultants, (ASAC). With international experience and counting among their 450 members and clientele a network of agribusiness managers and potential investors in the U.S. and developing countries, ASAC seemed made-to-order for the ANE Bureau's needs. As their grant with TDP was winding down, ASAC International, (a division of ASAC), presented an unsolicited proposal to the ANE Bureau. This proposal, titled: TRADE THROUGH PRIVATE SECTOR DEVELOPMENT...An Integrated International Agribusiness Development Proposal, offered the potential of improving the access of Missions to a wide range of commercial technology, particularly by consultants active in supporting private sector agribusiness enterprises.

In September 1989, the ANE Bureau made a grant to ASACI to carry out ASACI's proposal which was consistent with the ANE Bureau's food system strategy. The five year institutional support grant to ASACI was to be used for promotional visits to at least six missions in the region to advise Mission management of ASACI's activities and offer to assist them in developing their country's private sector agribusiness development. But the overall purpose for the funding was to strengthen the capacity of ASACI to provide brokerage services for a wide range of agribusiness technical assistance skills and potential joint-venture partners. The ANE Bureau intended, and so stated in the grant agreement, that a strong and self-sustaining ASACI would become "...a fully-integrated partner with AID in the development of mutually beneficial development and trade activities essential for sustainable links between U.S. and ANE agribusiness." Clearly, it had been intended that by the end of the original grant period; (i.e., June 1994) ASACI would become fully self-financing. Aside from the initial promotional trips and partial headquarter's support, including a project manager, future funding support for activities on the part of ASACI in the region would come from sources outside of the grant such as Country Missions, U.S. and host country private sectors, investors, ASACI members and other institutions. With the provision of a five year grant to a reputable group such as ASACI, plus

reception by Missions eager to carry out ANE Bureau policy goals, the ANE Bureau assumed that they had a formula for success. It was not to be. Why not?

There are a number of factors, some obvious and on the surface. Turmoil in the region, including the Persian Gulf War, internal strife in a number of countries, a change of top management and other key personnel within ASACI, Missions, and AID, all affected in diverse ways the fact that there was not greater progress. But apart from these external happenings, many of which were beyond the scope and control of this project, other questions remain that do need to be addressed. For example:

- What evidence exists to indicate that the ASACI methodology and approach has been, or could be, successful in agribusiness development in the Third World where AID operates? Can it lead to U.S. investments and/or joint-ventures?
- What is the most promising and cost effective method for AID to support private sector agribusiness that will create jobs and raise economic standards in the developing countries?
- Are these types of grants to intermediary organizations such as ASACI, appropriate given AID's experience or must a new formula be found for linking the developed and undeveloped countries' agribusiness and food technology systems?
- These questions, and others, the answers to which comprise the body of this evaluation, will provide opportunities for learning by all of the parties to this project, but especially to AID and USAID Missions.

II. Background

A. ANE Regional Strategy

1. Description

In 1989, the Assistant Administrator, Bureau for Asia, Near East and Europe (ANE), officially announced a new "Food Systems Strategy for Growth in the 1990's." This strategy, prepared by the ANE's Office of Technical Resources, was based on field experience as well as analysis conducted by ANE and others, which suggested that in most of the countries in the region, incomes had risen over the previous two decades, the urban and rural populations were eating more nutritional food, and farmers were being transformed from a subsistence level to one involving commercial enterprises. Agriculture was utilizing improved technology and inputs to increase production. During this period, urbanization rates were on the increase and the growing importance of agro-industry to meet this new food demand led to a rapid expansion in trade.

ANE's overall objective was to expand investments that encourage the strengthening of open markets and pluristic societies. The creation of new jobs and income in the food production, processing and marketing system was one important way to achieve this objective. ANE strategy to reach these objectives was to focus on five themes.

1. Agricultural Technology Development and Management
2. Agribusiness Development
3. Trade and Market Development
4. Agricultural Planning and Analysis
5. Infrastructure Management

The second item on the list, Agribusiness Development, is what we are concerned with in the grant project described below.

The strategy for Agribusiness Development called for increased support on the part of ANE to agribusiness and related service industries in order to provide substantial returns in terms of increased income and employment. It meant also identifying areas of future demand growth and investment potential, as well as streamlining host-country government procedures that limit domestic and foreign investment in agribusiness. This in turn would require ANE to forge newer and stronger partnerships between U.S. and foreign agribusinesses.

B. ASAC Grant

1. Description of ASAC

The American Society of Agricultural Consultants (ASAC) was formed in late 1963 by a small group of professionals, from 14 states, who were serving as consultants mainly to the U.S. agricultural/agribusiness sector. The initial group was comprised of 35 charter members.

The main purpose of this group was to elevate the agribusiness consulting profession to a similar level as other professional groups, through a requirement for certification. This certification was and continues to be based on a combination of academic/technical education, experience and a professional reputation.

In 1983, the American Society of Agricultural Consultants International (ASACI) was formed to add an International dimension to ASAC. This action was taken to open up the society to an important number of agricultural consultants who were actively involved in providing assistance to governments and private entrepreneurs in the Less Developed Countries.

The society saw emerging the growing challenge of linking U.S. agricultural technology and agribusiness expertise to assist the developing countries increase their capacity to grow food crops and feed their increasing populace, while at the same time strengthening U.S. agriculture and agribusiness through building stronger trading partners.

Today, ASAC including its international oriented members (ASACI) is comprised of about 310 individual members and 23 corporate members.

2. Description of Grant Program And Purpose

a) Background

In 1985, ASACI was awarded a grant from the U.S. Trade and Development Program to link U.S. and foreign agribusiness firms together in projects of mutual benefit. The effort was directed at forging joint-venture activities between developed and developing country firms. Over the 3-year life of the program, fifty ASACI members worked in teams in 11 selected countries to identify agribusiness joint-venture potentials. Countries visited included: Belize; Costa Rica; Dominican Republic; Ecuador; Grenada; Guatemala; Haiti; Ivory Coast; Kenya; Malaysia; and the Philippines.

Based upon multiple visits to each country, a series of joint-venture profiles were prepared. These profiles detailed those opportunities which appeared to hold the greatest potential for both U.S. and developing country entrepreneurs. The last phase of the ASACI effort involved the "marketing" of these profiles to private U.S. investors in the U.S. and in developing countries.

With the experience gained from the aforementioned grant and in keeping with the ANE Bureau's new strategy of assisting with the development of agribusiness in the ANE region, ASACI submitted (1989) a proposal to the ANE Bureau to essentially continue the thrust of the first program. In September of 1989, A.I.D. awarded a grant to ASACI in the amount of \$460,000.

b) Project Goal

"To support the development of agribusiness as a key component of the employment/income generation strategy suggested in the overall ANE Strategy for the 1990's".

c) Project Purpose

"... to sustain and strengthen ASACI development as a U.S. institution capable of increasing U.S. private sector agribusiness ties with the ANE region".

d) Activities

The grant, as indicated above, places a major emphasis on increasing the ability of ASACI to become a self-sustaining entity capable of furthering the development of ties between U.S. and ANE region agribusiness firms. As part of this, the grant establishes two major mutually-supporting sub-activities:

- A major effort to sustain and strengthen the institutional capacity and self-sustainability of ASACI; and

- The scheduling, in cooperation with ANE bureau staff, of a minimum of six visits to ANE Missions to apprise Mission Management of ASACI's grant and activities and to offer ASACI assistance to Missions in developing an integrated operational plan for private sector agribusiness development in their respective countries.

e) Outputs

The grant lists five outputs as follows:

- Help the ANE Bureau and Missions develop priorities for investments in agribusiness Industries that show potential;
- Work with Missions to identify priority agribusiness firms or potentials which would support strategy goals;
- Identify consultants to work with Missions on CDSS, PPs and trade and development activities;
- Help ANE/TR/ARD and Missions with regular and informal access to U.S. agribusiness groups and joint-venture partners interested in ANE countries; and
- Provide analysis on legislative proposals in terms of implications for agribusiness development.

f) Deliverables

The Grant Agreement (See Annex A) calls for five deliverables, the first two of which were to be funded through the grant and the final three which were to come from sources outside the grant "... as contemplated by paragraph H of Attachment I of the Grant Agreement. These five deliverables are:

- Visit ANE countries to meet with USAID management to determine the agribusiness industries with best potentials for private sector development which would support strategy goals;
- Before departing for host country visits, survey business interests of potential U.S. Investors to determine attractive host country investment opportunities;
- While in host country, assess identified industry for constraints and potential and upon return prepare and draft agribusiness investment profiles within that industry;
- Using the ASACI network, market the profiles to their U.S. investor contacts, particularly those who expressed interest in advance of country visits; and
- Advise ASACI member firms of the progress being made in agribusiness development in the ANE region. Encourage them to follow-up on the initial investigations.

C. The Evaluation Process

1. Purpose

Most, if not all, A.I.D.-funded, long-term technical assistance programs and projects call for mid-term and/or final evaluations. In the case of the ASACI Grant, the Grant called for an evaluation after the first eighteen months of activity start-up.

The evaluation was to focus on the project's success/failure to begin to achieve the outputs listed above. With the advent of the Persian Gulf War, a lengthy A.I.D. travel ban to the ANE region caused a disruption of ASACI's activities as well as a delay in scheduling of the Grant evaluation. As such, the current objective of this evaluation now is stated: "To evaluate the major activities and outputs under the institutional support grant number ANE-0050-G-SS-9037 with the American Society of Agricultural Consultants International (ASACI).

2. Scope of Work

The Scope of Work for this evaluation is as follows:

"Review and document the major activities and outputs of the ASACI grant, identify the strengths and successes as well as the weaknesses and failures of the grant activities, and recommend changes or improvements for possible follow-on activities. The required focus remains as originally contemplated in the 1989 project implementation order.

The evaluation will focus on the project's success/failure to begin to achieve the outputs listed above. The evaluation will specifically examine ASACI's success/failure in initiating viable joint-ventures or local agribusinesses which are consistent with the ANE Bureau's income/employment focus. The evaluation will also assess ASACI's progress in becoming a self-sustaining organization, capable of supporting its activities with its own or client resources. The results of this evaluation will impact strongly on future funding decisions regarding this activity."

The evaluation is also to examine and respond to the following questions:

- What has been the impact and effectiveness of the ASACI promotional visits to the ANE Missions: What has been the response of Missions to these visits:
- To what extent has the grant helped to sustain and strengthen the institutional capacity and self-financing ability of ASACI?
- What have been the major accomplishments of the grant activities to-date? What have been the major obstacles to progress faced by the grant team?
- What evidence exists to indicate that the ASACI methodology has been or will be, successful in business development, particularly in new investments or joint-ventures?

- What changes or modifications would the evaluation team recommend that would have improved the achievement of USAID objectives within the period of the grant?

3. Methodology

The methodology used by the team, in a search for information to respond to the questions posed in the Evaluation contract, was one of reviewing pertinent documents, reports and questionnaires as provided by ASACI, AID/NE/DR, and the AID country missions. Interviews were conducted with key individuals of ASACI, including past and present executives, and the present project manager and Vice President of International Agribusiness Projects. Several visits were made to the ASACI offices in McLean, Virginia for the purposes of interviews and the gathering of data and other materials. The visits to the ASACI offices were followed by a letter (Delemarre to Harrison dated June 4, 1992) confirming oral requests for information and questions raised by the evaluation team of ASACI. Responses to those requests were answered in the Harrison to Delemarre letter of June 24, 1992 (See Annex B for copies of both letters).

A briefing was held at the outset of the evaluation in the offices of NE/DR/PIE with the project officer, Mr. Thomas Olson and his supervisor, Mr. John Balis. In addition, questionnaires were prepared and faxed to each ANE Mission in those countries where ASACI had prior or current activities. These questionnaires consisted of two pages and were designed to be answered by indicating a numerical rating for most questions. Questions requiring a narrative answer were kept to a minimum. Mission evaluation reports were requested. The questionnaire was accompanied by a background sheet that explained the purpose of the evaluation and the ASACI Grant. Each FAX package was specifically designed for each Mission as there was a diversity of experiences under the ANE grant. For example, several Missions, after the initial appraisal or promotional visits, funded by the grant, developed their own grant funded projects with ASACI. Each Mission's questionnaire reflected this (See Annex C for an example of the questionnaire package). In addition, telephone calls were made to the Missions and follow-on Faxes were sent to some. Questionnaires were sent to seven Missions, and all responded.

Missions responses were ranked and compared. Rating responses were ranked on a spectrum of 1 to 5, with 1 equaling Poor and 5 equaling Outstanding. To make a realistic comparison between Missions -- where for example Tunisia gives a 5 rating to all categories while Jordan highest rating is a 4, and yet Jordan continues to utilize ASACI's services while Tunisia does not -- the evaluation team telephoned the Mission and spoke to the project officer and/or the rater himself. This personal interchange, albeit by telephone as travel to the ANE countries was not deemed feasible, further defined the subtleties between Mission approaches.

Based on an analysis of the information, responses and other evidence gathered from the above named sources, the evaluation team was able to gauge the impact and effectiveness of the ASACI promotional visits to the Missions as well as the major accomplishments of the grant.

On the question of sustainability and self-financing ability, the team analyzed the membership roll by category breakdown for the past ten years so as to establish a before-and-after pattern. In the case of finances, the budget for the ASACI grant was studied, and insofar

as possible, a financial analysis was made. It should be stated, however, that the methodology did not include, nor was it a requirement of the evaluation, to perform a financial audit of the ANE grant.

III. Evaluation of the Regional Private Enterprise Development Project

A. ASACI Five-year Self-sufficiency Plan Results

The Program Description, (Attachment II. of the Grant Agreement) under Section 2. Activities: called for the development and submission to the ANE/TR/ARD Project Officer, within the first three months of the grant, a plan outlining the approach ASACI would follow to become fully self-financing within five years. The paragraph is clear in its meaning that AID considered this requirement to be basic to the strengthening process for which the grant was conceived and designed. AID considered this to be a realistic goal given ASACI's past experience and performance under the TDP grant.

During the course of this evaluation, it became clear that no such Five-year Self-sufficiency Plan was ever prepared, much less delivered to AID.

Furthermore, there is no evidence that either ANE (later NE/DR), or AID/Contracts, ever asked or required ASAC to submit the required plan as a condition precedent to the further disbursement of grant funds. In fact, an AID official has stated in writing (See Balis to Delemarre letter of July 7, 1992 in **Annex D**) that he had excused ASACI from submitting a Self-Sufficiency Plan. The technical office does not have such authority - this is solely the responsibility of the Contracts Officer.

The grant funds were released in four tranches as follows: a) \$ 200,000. on 9/1/89; b) \$ 100,000. on 5/1/90; c) \$ 100,000. on 3/7/91 and d) \$ 60,000. on 2/10/92. Thus, AID surely had the 'carrot' to obtain a deliverable required by the grant agreement, and ASACI had more than sufficient time to prepare such a plan.

Eventhough there is no formal, written 5-year approach or plan from which it might be possible to make comparisons along the lines of "Planned vs. Actual", some conclusions can be drawn as to steps taken, or not taken, on the road to self-sufficiency. One of the areas examined by the evaluation team was that of ASAC/ASACI membership rolls. Had there been an increase in the total numbers and by category breakdown during, and prior to, the years of the grant? In 1982, ASAC has 274 individual members, plus 35 corporate members. At the time of the ANE grant award in 1989, ASAC had 355 individual members, plus 36 corporate members. The individual and corporate membership rolls have declined each year since the peak year of 1989, with ASAC listing 310 individual members and 23 corporate members for 1992 (for a detailed breakdown of members by category and number, see **Annex E "ASAC Membership Rolls 1982-1992"**).

In an attempt to relate membership rolls to ASAC income, current membership annual dues for individuals and corporations were imputed for each year for the period 1982-1992. While this is not a precise measure, it gives some indication of a trend. Dues for 1982, 1989 and 1992 were about \$95,760., \$118,560., and \$98,895. respectively. In the peak year of membership dues (1985), the income was about \$123,120. It is noted that ASAC also earns some income from its annual meetings, its continuing education program, its sale of Opportunities Profiles, and other activities. However, these funds are minimal in comparison with funds obtained from membership dues.

The above mentioned decline in membership, coupled with no concrete evidence that ASAC has made anything more than marginal efforts to increase its ability to remain a viable organization in the field of international agribusiness development, leads one to the conclusion that ASACI has failed to achieve any significant progress in becoming more self-sustaining in its ability to increase U.S. private sector agribusiness ties with the ANE Region without continued financial support from AID.

It appears to the evaluators that there are a number of actions which could have been pursued by ASACI in an attempt to boost its non-AID funding and income generation capacity. These and others which current ASACI management has in mind, may still be acted upon to revitalize ASACI over the coming years.

In conversations with ASAC officials, it is clear that they realize that more dynamic recruiting of new members must be undertaken. Since the declining ASACI membership represents a number of individuals and firms not renewing, the new management of ASAC realizes that an increase in member services and communications will have to be forthcoming. Steps on the latter point have already been taken with the publication of a Newsletter sent to all members and the printing and sale of investment opportunities in the international field (i.e., Project Profile Reports).

B. Extent and effectiveness of ASACI promotional activities.

1. Overall Assessment

From among the fourteen USAID missions that comprised the ANE region at the time the grant agreement was signed, seven Missions were visited by ASACI for promotional or reconnaissance purposes as called for under the Grant Agreement's Scope of Work. Table I displays an activity summary breakdown by type and country. The evaluation team sent questionnaires to those Missions which had been visited and/or supported by ASACI activities.

All seven Missions that were sent questionnaires responded. The seven USAID's were: Morocco, Tunisia, Jordan, Thailand, Philippines, Indonesia, and Sri Lanka. The response from the seven are varied and mixed depending, as would be expected, upon the way that ASACI was perceived by the Mission, i.e., as a useful input in the Mission's development strategy or as just another Washington-based consulting firm looking for a contract. For example, some Missions, such as Jordan, Morocco, Thailand, utilized the grant for the purpose for which it was intended. Others, such as USAID/Tunisia, used the project as an information and analysis source for their agricultural sector report, that is, as one component that laid the

groundwork for the design of the Mission's FY-93 Agribusiness Program Grant. After the initial contact, USAID/Tunis has had no further contact with ASACI, despite efforts by ASAC to follow-up.

USAID/Morocco, on the other hand, was supportive of ASACI and provided them with funding that resulted in the identification of a number of potential agribusiness investments which are highlighted in ASACI's "Agribusiness Investment Opportunities in the Kingdom of Morocco" report. One of these opportunities is a joint-venture with a U.S. agribusiness firm to produce seed potatoes for the domestic and export markets. USAID/Morocco and ASACI have kept in contact and ASACI has provided market and promotional information and facilitated contacts between Moroccan and U.S. agribusiness firms. In addition to seed potatoes, there appears to be joint ventures developing in specific areas such as Cut Flowers, Tomato Paste, and Melons. USAID/Morocco is also considering an additional grant to ASACI for investment promotion work.

USAID/Jordan was also supportive of ASACI and gave them high marks on the questionnaire (a grade of 4, in which a 1=poor and 5=outstanding). Jordan plans to negotiate a grant with ASACI to promote Agribusiness investments in Jordan as a follow-on to their report: "Agribusiness Investment Opportunities in the Hashemite Kingdom of Jordan," as well as other export opportunities identified through the Mission's Agricultural Marketing Development project.

The questionnaires sent to each Mission posed six questions and encouraged additional comments. (See sample of Questionnaire Package in Annex C.)

Tables II and III display a summary, by USAIDs, of questions and responses.

Table I

**ASAC International
Activity Summary**

**Integrated Agribusiness Development Program
for Modern Food Systems**

Country	Phase I	Phase II*	Phase III	Phase IV
	Promotional Trips	Rapid Appraisal/ Assessment/ Reconnaissance	Project Opportunity Profiles	Marketing of Investment Opportunities
1. Indonesia	November 89 & early 90	None	None	None
2. Jordan	Prior to April 90	None	April 90	None
3. Morocco	July 90	Done by D.A.I.	June 91	Pending
4. Philippines	Early 90, Apr 91, May 92	None	None	None
5. Sri Lanka	February 90	None	None	None
6. Thailand	Early 90	May 91	November 91	Pending
7. Tunisia	None	Late 89	None	None

* Over the life of the grant, various labels were used by various individuals within AID and ASACI to describe the Phase II activities.

Table II
USAID Numerical Ratings

	Morocco	Tunisia	Jordan	Thailand	Philippines	Indonesia	Sri Lanka
Effectiveness of Promotional Visits	4	4/5	N/A	3/4 (Expensive)	N/R	1	2
Level of Satisfaction with Report and Level of Satisfaction with Teams:	5	5	4	5	N/R	N/R	N/R
■ Technical Ability	5	5	4	5	N/R	N/R	N/R
■ Language/Communications Rapport	3	5	4	4	N/R	N/R	N/R
■ Adaptability to Country Situation	4	4	4	4	N/R	N/R	N/R
■ Effectiveness in Broker Role	4	N/A	4	Too soon to Evaluate	N/A	N/R	N/A

(Rating 1 = poor; 5 = outstanding)

N/R - No response

N/A - Not applicable

Table III
Summary of USAID Narrative Responses

	Morocco	Tunisia	Jordan	Thailand	Philippines	Indonesia	Sri Lanka
Major Accomplishments	Seed Potato Investment	"Paved the way for design of an Agribusiness Program Grant"	Agribusiness Investment Profile Study	Investments in Shrimp. Seed Stock Business	N/A	N/A	N/A
Major Obstacles	Teams Lack of Language Ability	N/R	None Reported Gulf War Inhibited Greater Accomplishments	None Reported	N/A	"ASCI and Mission Unable to Agree on Useful Role"	Found ASACI to be "Inflexible"
Effectiveness of Investment Profile Report	High-led to investment action - other potential investments	N/R	Some interest too early to tell	Very effective led to investment other potential leads	N/A	N/A	N/A
Follow-up Activities	Yes	None	Yes	Yes	N/A	N/A	No
Would Mission Utilize ASAC Again?	Yes	Yes	Yes	Yes	N/A	No-"ASCI services not relevant to mission's needs"	No

N/R - No response
N/A - Not applicable

2. Assessment of Specific Tasks

In evaluating the extent and effectiveness of ASACI promotional activities, the evaluation team divided this question into five components.

a) Development of Priorities for Investments in Agribusiness Industries that Showed Potential.

More than half of the Missions surveyed expressed satisfaction with the effectiveness and types of agribusiness investment priorities that were jointly developed between country counter-parts--public and private sectors--and the ASACI team. While it is still too early to give precise data, the areas chosen for agribusiness and agro-industrial investment priorities do show potential and appear viable. Examples are production of certified seed potatoes for the domestic and export markets, cut flowers for export, and tomato paste processing in Morocco; privatization of the Olive Oil sector in Tunisia; shrimp seed stock to supply the domestic demand in Thailand; and packing-house and cold storage facilities in Jordan.

b) Identification of Priority Agribusiness firms or Potentials that would support Strategy Goals.

In a middle-income transitional economy such as Morocco, ANE food strategy emphasis is on private investment in those agribusiness enterprises that meet the domestic and foreign demand for food and fiber products. This has been assisted by the Certified Seed Potato enterprise which will provide a basic input to potato farmers throughout Morocco. Other potential Moroccan food processing investment opportunities such as the tomato paste enterprise, fruit and vegetable processing, and the labor-intensive cut flower enterprise address these strategy goals.

In middle-income industrializing economies such as Thailand, Tunisia and Jordan, trade policy is shifting in favor of open markets and these countries have diversified agricultural production, processing and trade to meet new domestic and export demand opportunities. Privatization of the state-run olive oil sector in Tunisia; increased investments to modernize the meat packing and cold storage facilities for the Jordanian food processing sector; and provision of basic inputs into the shrimp production industry in Thailand all employ large numbers of semi-skilled and limited-skilled workers. To the extent that ASACI was instrumental in helping bring this about, it can be stated that they were effective in the support of the ANE Bureau's Food Systems Strategy goals in a few selected Missions.

c) Accessing U.S. Agribusiness Groups and Joint Venture Partners.

This activity is a key one for ASACI. This, and item d) Identification of Consultants to Work with Missions, are the strong cards in ASACI's deck. Previous experience under the TDP grant in which ASACI cited fifty-five potential joint ventures between U.S. and pre-qualified host country private sector entrepreneurs, twelve of which were consummated with potential exports of over \$25 million, contributed greatly to ASACI's efforts on the ANE grant. And indeed, they have achieved greater success, over a shorter time span, on this Grant Agreement, particularly with those Missions that funded additional contracts with ASACI beyond the Grant-funded reconnaissance and cursory appraisal stages. USAID Missions such as Morocco,

Jordan and Thailand have had success in accessing U.S. agribusiness groups and joint-venture partners through ASACI efforts and activities.

USAID/Thailand reports that "... ASACI work will result in new business ventures between Thai and U.S. partners." In addition, two groups of Thai businessmen traveled to the U.S. at their own expense to explore joint-venture opportunities in peanut production and dairy products. ASACI escorted the group in the U.S. and set up the tours of the farms and facilities of potential U.S. investors. ASACI staff and members have made several trips to Thailand to carry-out follow-on activities connected with the projects identified in the Investment Profile report. As a result, several spin-off ventures have been, or are about to be initiated as indicated below.

- **Shrimp Breeding Project:** joint venture between U.S. and Thai partners.
- **Animal waste bio-feed enterprise.** In final discussion phase with Thai businessmen and four separate U.S. investor groups.
- **Peanut Processing, Production & Quality Improvement.** An ASACI member of the investment profile team has met in Thailand with potential joint-venture partners with regard to a peanut snack food venture. Thai businessmen have raised \$1.0 million for the initial investment in a processing plant. They have made trips to the U.S. to learn the latest peanut processing technology. U.S. investors have been identified. The spin-off from this project, is one where a U.S. manufacturer of peanut harvesting, handling and drying equipment has sold equipment to Thai producers who are attempting to improve peanut production in Thailand. This was arranged by the ASACI member as a result of a subsequent visit.
- **An ASACI member has twice traveled to Thailand to meet with potential partners with regard to an enterprise to import off-season asparagus to the U.S.**
- **A U.S. investor has commissioned a pre-business plan and marketing study for a joint-venture with a Thai cut-flower producer. The flowers would be produced for export to Japan, Europe and the U.S.**
- **As a spin-off from an ASACI Member flower consultant visit to investigate the cut rose production potential in Thailand, a U.S. flower distribution and marketing firm is exploring a joint-venture with Thai orchid producers for the export of orchids to the U.S. Thailand currently exports \$150 million a year of the small, delicate Thai orchid, but needs technical expertise and training in cold storage facilities and handling. The orchid industry is especially important in employment generation, as most Thai producers are small landholders and the industry is labor intensive.**

Morocco reports that ASACI "... has facilitated contacts between Moroccan and U.S. firms..."; specifically in the areas of seed potatoes, cut flowers, tomato paste and melon production for export. The Mission feels that, "...ASACI has proved to be a low-cost link to the U.S. agribusiness sector."

The seed potato enterprise is a good example of accessing agribusiness groups and joint-venture partners. American investors have joined with a Moroccan company in a joint-venture for the production of certified seed potatoes.

■ **International Agribusiness Meetings and "Roundtable" Discussions.**

ASACI sponsored and hosted International Agribusiness meetings in 1989, 1990 and 1991, with the next meeting scheduled for October 1992. ASACI effectively utilized these meetings as a forum to access U.S. Agribusiness groups and potential joint-venture partners, not only for themselves, but for their overseas clients as well. This also resulted in useful contacts between U.S. private sector and Host Country public and private sector officials.

In October 1990, ASACI hosted a group of twelve Jordanian agribusiness leaders who were touring the U.S. As a result of their visit and subsequent time spent in California, several joint venture discussions are underway, including an agribusiness export company in Jordan that was formed and developed by several of the Jordanian businessmen who were visiting the U.S. under ASACI leadership.

In April 1990, ASACI was host to the Moroccan Minister of Agriculture who was in the U.S. carrying out an extensive review of California agribusiness operations. During this visit, ASACI was able to discuss in detail with the Minister the potential of three Moroccan/American agribusiness joint ventures .

Another method ASACI has used extensively to access U.S. agribusiness groups is its newsletter. The newsletter is widely distributed not only to its members, but to agribusiness decision makers and potential investors as well. The newsletter, which is distributed every other month, contains among other items country updates on investment opportunities. In addition, promotional brochures for particular country projects, (starting with the Moroccan project) provided information to the agribusiness community in general, and specific information of interest to potential investors.

d) Identification of Consultants to work with Missions.

ASACI draws upon its members and member firms for its consultants and survey teams. The effectiveness of these teams, according to Mission responses, has been positive, with some exceptions noted, such as lack of language ability, i.e., French or Arabic in Morocco. The consultants' technical expertise and agribusiness acumen have been rated high by those Missions that have reached an advanced phase in their project efforts with ASACI.

e) Provision of Analysis on Legislative Proposals in Terms of Implications for Agribusiness Development.

These are aspects which were to be acted upon, if and when, requested and funded by specific USAID Missions. The evaluation team found little evidence that these analysis services-- aside from a cursory review of the legal and tax regulations as they pertain to foreign investments in a particular country-- were ever requested of ASACI. The subject of "...inadequacies in the legal system..." was flagged as a concern in the Thailand and the Moroccan Agribusiness Investment Opportunities reports.

IV. Financial Aspects

A. ASACI Grant

The budget for the ASACI grant, as submitted by ASACI and as included in the AID grant to ASACI, is presented in Table III on the following page. It contains four line items: salaries; communications; travel and per diem; and G & A. The ASACI unsolicited proposal to ANE contained no breakdown for any of the line amounts. The requested budget of \$460,000. was to run over a five-year period. In fact, the total grant funds were fully expended within 34 months from the date the grant was awarded.

The grant agreement budget lacks any supporting documentation or understanding normally required by A.I.D. as apart of the basis for awarding a grant or contract. Under G & A, approximately 96 percent of the line item funds went to two items: salaries for grant administration and for rent. It appears that ASACI grant funds paid for most, if not all the rental costs of ASAC's space. Was this ANE's intent? Or was it ANE's intent that some of these funds would be used in efforts to increase ASAC's ability to become self-sustaining within the five-year grant period? In effect, the prescribed use of the grant funds was poorly defined in the grant agreement.

As previously stated, the grant funds were expended within 34 months of the signing of the grant agreement vs. the intended 60 months. This is not as excessive as it sounds, since the total grant funds programmed for the last two years of the grant were estimated at only \$60,000. The grant agreement states that grant funds were to be used mainly for two distinct efforts, the first of which was the undertaking of a minimum of six promotional visits to ANE Missions to advise Missions of ASACI activities and offer to assist Missions in developing an integrated operational plan for private sector agribusiness development. The grant agreement also states that further assistance to Missions would be funded with monies outside of the grant. The section on Scope of Grant Funding ends with the statement that "Management costs will be applied to this grant for up to two countries". The intent of this latter statement is not clear to the evaluation team.

The grant agreement clearly states that the second main objective of the grant was to assist ASACI become a self-sustaining organization capable of supporting its activities with its own or client resources. It appears that the intent of ANE and ASACI was that the source of funds to permit ASACI to function in the arena of aiding and abetting the development of private agribusiness, in ANE region countries and the Third World as a whole, would come from donor agencies as well as the U.S. and possibly the LDC agribusiness firms which ASACI helped through identifying joint-venture opportunities and bringing the joint-venture partners together.

Table IV

BUDGET

AID Institutional Support Grant Number ANE-0050-G-SS-9037
 With The American Society of Agricultural Consultants International

	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total
	1989 - 1990	1990 - 1991	1991 - 1992	1992 - 1993	1993 - 1994	1989 - 1994
Salaries	\$99,300	\$74,475	\$24,825	\$19,860	\$9,930	\$228,390
Communication	12,000	9,000	3,000	2,400	1,200	27,600
Travel & Per Diem	18,000	13,500	4,500	3,600	1,800	41,400
G & A	<u>\$70,700</u>	<u>53,025</u>	<u>17,675</u>	<u>14,140</u>	<u>7,070</u>	<u>162,610</u>
Total	\$200,000	\$150,000	\$50,000	\$40,000	\$20,000	\$460,000

Prior to the award of the ANE grant to ASACI, ASACI was awarded a grant for \$40,000 from the Africa Bureau of AID for African Agribusiness Development. Subsequent to the ANE grant, ASACI has been successful in obtaining grants from ANE missions for furthering the potentials of agribusiness development in four Third World countries. These five grants are as follows:

■ Africa Bureau

Title: "Acceleration of Private Sector Agribusiness Development in Sub-Saharan Africa"
 Date: August 25, 1989
 Grant: AFR-0000-G-SS-9074-00
 Amount: \$40,000.
 AID/W Project Officer: Deborah Diaz, AFR/MDI

■ Tunisia

Title: "A Rapid Appraisal of the Tunisian Agribusiness Sector."
 Date: January 19, 1991.
 Grant: No. 664-0249-C-00-9165
 Amount: \$95,000.
 USAID Project Officer: Shirley Pryor

■ Jordan

Title: "Agribusiness Investment Opportunities in the Hashemite Kingdom of Jordan - Project Survey Report"
 Date: May 1990
 Grant: No. 278-0274-C-00-0134-00
 Amount: \$99,662.
 USAID Project Officer: Randall Cummings

■ Morocco

Title: "Agribusiness Investment Opportunities in the Kingdom of Morocco - Project Profile Report"
 Date: August 1991
 Grant: No. 608-0249-C-00-1046-00
 Amount: \$91,059.
 USAID Project Officers: James Lowenthal/John Scamper

■ Thailand

Title: "Agribusiness Investment Opportunities in Thailand"
 Date: March 1992
 Grant: No. 493-0037-G-00-1120-00
 Amount: \$50,912. - Phase I = Reconnaissance Survey
 \$94,211. - Phase II = Investment Profile Preparation
 \$98,701. - Phase III = Marketing of Profiles
 USAID Project Officer: Peter H. Deinken

From the total grant amounts (\$470,844.) reflected by the above five grants (excluding Phase III for Thailand), approximately \$69,400. was for G & A costs which normally covered:
 a) salary of an ASAC administrator; b) clerical/support services; c) leasing of equipment,

furniture, office space; d) materials and supplies; e) ASACI Board of Governors' expenses; f) the President's office, etc.

In addition, the ANE grant (the subject of this evaluation) provided funding in the amount of \$162,610. for G&A. About \$156,388. of the \$162,610. (or about 96%) has or will have been charged against the grant through June 1992 for two major cost items: a) ASACI supervision (approx. \$82,500. in salaries for ASAC officers); and \$73,888. for rent. It is apparent that the ANE GRANT to ASACI has been used to heavily subsidize the rent and officer salaries of ASAC at the expense of one of the major activities of the grant, that of efforts to sustain and strengthen the institutional capacity and self-sustainability of ASACI. Section III. A. discusses ASACI self-sufficiency efforts undertaken as part of the requirements of this grant.

B. ASACI Financial Situation

Through visits to ASACI offices, discussions with ASACI staff and officers, and a review of financial statements, it is clear that ASACI (vs. the parent ASAC) will not survive as a viable entity without a follow-on basic or core grant. A few individual Mission grants are likely to be forthcoming from USAID/Jordan and USAID/Thailand. However, these will carry ASACI staff only for a short-term.

It is also appears that the parent, ASAC, will not be able to continue at its same level of staffing, salary levels, and activity - lacking any new grants from AID or other clients.

V. Summary

A. Findings

Listed below are a number of findings, that have had an impact upon this grant. Some of these will appear in more detail and in a more constructive format in Section V.C., Recommendations.

- Guidelines, both as to ASACI's approach and use of funds to further the objectives of the grant were not clearly specified by AID. The language in the agreement is not explicit enough as to disbursement schedules linked to a time frame, as well as overall reporting obligations.
- The lack of clear guidelines was compounded by a general *laissez-faire* attitude on the part of the ANE Bureau personnel responsible for oversight of the ASACI Grant Agreement. This can be attributed to two key factors: i) the amount of the Grant (\$460,000. over five years) was insignificant in relation to other projects and the pressure of numerous activities which the Technical Office was responsible for; and ii) the view in AID that Grants are not Contracts and therefore the Technical Office has little control over the actions and activities of the Grantee, once the Grant has been executed. This view is partially due to the fact that there is no default clause in grant agreements. However, while grants do not require the grantee to achieve grant objectives, they do require that grantees

make a real effort to reach the objective(s). In addition, Appendix A of Handbook 3 requires that the Grantee submit to AID a Project Implementation Plan.

- After the signing of the Grant Agreement and immediately prior to the implementation of field visits by ASACI Staff, the ANE Bureau needed to promote ASACI's role to USAIDs. This apparently was not done, or if it was done, the evaluation team was unable to find any evidence in the files. ASACI's efforts to market investment promotional activities to the Missions in a timely manner in accordance with the Scope-of-Work of the Grant Agreement were hampered in the absence of this type of official introductory and promotional information from the Bureau. Over the life of a multi-year grant, and given the turn-over of Mission personnel, it becomes incumbent upon the Bureau's Washington Office, (i.e., NE/DR), to promote these types of services at least twice during the life of the grant.
- There was no buy-in mechanism in the Grant Agreement which would have facilitated the ability of Missions to have engaged ASACI's services for follow-on activities, (e.g., country project profile development). This resulted in Missions having to negotiate new grant agreements for follow-on activities and often caused undue delays in timely initiation of next phase activities.
- Selection and orientation of team members could be improved upon. In a number of cases, individual team members lacked country or regional specific experience and local language ability (e.g., Arabic or French in Morocco). It does not appear that the ASACI Project Manager had a primary voice in the selection and make-up of the team. It is not known whether or not Missions challenged the nominations of any proposed team members.
- There was no requirement for ASACI teams to work through, or to explore the possibility of working in conjunction with, host-country private sector intermediary organizations such as Chambers of Commerce, Trade Associations, Producer groups or Cooperatives.
- The grant agreement called for ASACI to make promotional visits to a minimum of six ANE countries. ASACI made visits to seven. However, three major ANE countries (India, Pakistan and Egypt) were ignored. Funds used to pay for ASAC (vs. ASACI related) expenses could have been used to cover the costs of one or two additional visits to these countries.
- ASAC/ASACI membership roles reached their peak in 1989 with 355 individual members and 36 corporate members. By 1992, the membership had declined to about 310 individual members and 23 corporate members. Today, the Society appears further away from achieving self-sustainability than it was before being awarded the grant and the Society's financial condition may have led to management decisions (such as not making a promotional visit to India, for example) that in effect limited the Society's achievement of the grant objectives and may have caused it to lose out on possible follow-on Mission grant-funded assignments.

- In those Missions where there appears to be a potential for success in reaching the goals of this grant, (i.e., Thailand, Morocco, possibly Jordan), invariably it is due to the imagination and enthusiasm of current/potential investors and Mission project managers. Again, in those country examples, the ASACI Project Manager, the Mission Project Officer and the U.S. investor worked closely with the host-country entrepreneur to achieve results.

B. Conclusions

1. While there have been some internal management and administrative difficulties within ASACI, turmoil and internal strife in the region, as well as a change of key personnel within ASACI and AID, the overall assessment is that the ASACI approach to agribusiness development in the Third World does lead to U.S. investments and has been successful.

- a) Two Missions, USAID/Morocco and USAID/Thailand, with a probable third - USAID/Jordan -- have put together, with ASACI, one or more agribusiness joint ventures.
- b) Through a skillful leveraging of AID resources, both Bureau and Mission, ASACI has successfully brought about new agribusiness development, U.S. investments and technical exchanges in selected host countries.
- c) ASACI has opened up new avenues of contact with the U.S. Agribusiness community for those few Missions that were astute enough to take advantage of the Bureau's Grant Agreement.
- d) Through its activities, ASACI has identified a number of U.S. agribusiness firms who, while not willing to commit themselves at this time to investing capital in LDCs, are interested in export marketing of locally produced agricultural products.

2. Turnover of key personnel and inappropriate utilization of Grant funds within ASACI, in all likelihood resulted in missed opportunities in visiting and participating in some USAID/Mission programs.

- a) Had there been the new management team in place, ASACI might have been able to visit more Missions and negotiate more Mission grants for follow-on activities to develop agribusiness investment profiles. Some of the larger countries such as India, Pakistan, Philippines and Indonesia, with their active agribusiness and agro-industrial sectors, would have provided ASACI with opportunities to build upon their success in Morocco and Thailand.

3. The awarding of the Grant has resulted in little, if anything, being done to sustain and strengthen the self-financing ability of ASACI.

4. The Bureau staff could and should have provided more support and overview to ASACI. Neither promotion of the Grant's activities to the Missions nor the monitoring of ASACI under the grant was adequate to assure the optimum and efficient use of grant funds.

C. Recommendations

The evaluation team was asked what changes or modifications would it recommend that would have improved the achievement of USAID objectives within the period of the grant.

In addressing ASACI, it should be noted that these recommendations apply generally to all intermediary organizations and institutions that link the public and private sectors in the agribusiness approach to economic development of countries.

1. Revise the grant to make the Scope of Work more specific with indicators of progress and to ensure a tighter overview on the part of NE/DR.

The intermediary organization as a vehicle to link developed and undeveloped countries' agribusiness and food technology systems is still a viable formula for AID. But great care has to be taken in the design stage to walk the fine line between micro-managing the project and allowing the project full autonomy. On one side of the line, AID/W has certain obligations to meet vis-à-vis its administrative duties and to its Missions. On the other side, the private sector and the U.S. Agribusiness investor have the greater experience and investment potential sense of what constitutes a workable program. Melding these two -- seemingly opposite approaches - - to accomplish the objectives of both parties is the task of the intermediary organization.

- a) The present guidelines and scope-of-work in the existing grant are too general and open for misinterpretation. More explicit implementation goals need to be spelled-out and tied to a time frame and disbursement schedule for each tranche of the funding.
- b) A buy-in mechanism for Missions should be a part of any new grant funding design. The Missions should be utilized for more of the up-front costs such as a percentage of the Project Manager's salary and other expenses when he/she is engaged in country specific tasks or services. The buy-in should -- in theory -- cut down on the waiting period between initial identification of a team and the in-country arrival time.
- c) Develop objective criteria for the selection of members of country teams and an efficient system to implement it. Selection should be based on knowledge and investment expertise in the specialty and regional areas. If possible, and without sacrificing the former, a working knowledge of the local language is important. At least one member of a three-person team should be an agribusiness operator/investor. The selection system should be utilized to develop a standard verifiable indirect cost rate for use in budget formulation and contract negotiation for each consultant on the Team. All teams should be brought in to the grantee's headquarters for a 2-3 day orientation on the objectives of the trip, the methodology and work system to be followed, and information about the country. This

should be conducted by the Project Manager. The Team Leader will defer to the Project Manager in case of differences on mission trips. In order to provide continuity, Assessment and Profile Investment Opportunities Team should be made up of the same individuals or at the least two of the three members should be the same.

- d) Develop criteria to judge the performance of the Grantee in relation to grant objectives and activities. The current evaluation is subjective based upon the evaluators' knowledge, experiences and intuition as there were no objective criteria provided against which to measure ASACI's performance. Future grants should include specific measurements of success against which the grantee will be evaluated. Using number of investments effected as the only measurement will grossly understate the total benefits derived from the program. Other measurable benefits would include increased jobs for unskilled and semi-skilled workers,, improved small farmer incomes, additional foreign exchange earnings, technology transfer, and the sale of U.S. equipment, packaging materials, technology and consulting services.

- 2. The Project should be promoted to the field by the NE Project Officer and the Grantee's Project Manager with details on methods of access.**

AID and the intermediary organization executives should closely coordinate their promotional activities to the field. Circulares and directives, seminars and Mission Director, RDO and PRE conferences should be utilized. This should be followed on a yearly basis during the life of the project so as to compensate for personnel turnover in the Missions.

- 3. AID/W should ensure that Mission and Embassy Personnel are active participants with the project and the U.S. investors.**

Missions, with assistance from Embassy Commercial and Agricultural Attachés, need to be part of the team in a supportive and facilitator role and be less inclined to micro-manage the project in the field. An example as to how this should work is USAID/Thailand where local and U.S. investors are putting together joint-ventures under the auspices of the project and with the support of the Mission. USAID/Morocco is another example of where the project's approach is working due to the Mission Project Officer's imaginative support.

- 4. Budgets approved for future grants should clearly delineate the types of expenses and the dollar amount for each type of expense or line item which can be charged against the grant.**

- 5. Establish Linkages with International Ag Business Trade Associations.**

The project should develop strong links with the international offices of the larger agricultural trade associations such as the Produce Marketing Association (PMA), United Fresh Fruit & Vegetable Association, and the food processing trade associations. Foreign and U.S. members of these international groups are sources of leads as to potential investors and may themselves be potential joint-venture partners.

- 6. Any future grants made for continuing the type of assistance which ASACI has been providing should be planned and adequately funded for a minimum of six years.**

Development efforts of the nature entrusted to ASACI take years to identify and nurture in order to result in solid joint-ventures that will benefit both the U.S. investor, the local investor as well as provide employment opportunities and income generation for small farmers and urban workers.

- 7. AID should ensure that Investor Data Banks and other valuable information developed by the grantee with AID funds be turned over to AID at the end of the grant.**
- 8. Design any future ASACI - type activities to complement current and future Mission - funded, long-term agribusiness development projects.**

For years, AID has initiated and funded various programs to encourage and promote the involvement of U.S. private sector agribusiness firms in Third World agricultural/ agribusiness development. These efforts produced a mixed bag of activities, with few having any long-term, lasting results. The question is - if the ASACI approach makes sense, how can AID build on and improve the process, or if the ASACI approach has not been successful, what type of approach or involvement should the Near East Bureau support.

As discussed in Section III of this evaluation report, the ASACI effort did begin to achieve the type of results envisioned by AID when the grant between the ANE Bureau and ASACI was signed in September of 1989. However, it did so only in those few host countries where the Mission had a strong interest in and commitment to the support of these initiatives. The question is how the NE Bureau can build on this process. The successes which have occurred are obscured by the fact that many, if not most, Missions now have in place or are about to initiate long-term agribusiness projects with expatriated technical advisory teams. Mission projects that the evaluation team is aware of include:

Mission	Project	Status
1. Bangladesh	Ag Business & Technology Development	Proposals were due 12 June 92
2. India	Ag Commercialization	Contract awarded June 92
3. Indonesia	Agribusiness Development	Proposals due 29 July 92
4. Morocco	Agribusiness Promotion	Contract awarded June 92
5. Nepal	Agroenterprise and Technology Systems	Contract awarded late 91
6. Pakistan	Analysis of Corporate Sector Constraints in Agriculture	Project ended January 92
7. Philippines	Agribusiness Systems Assistance Program	Contract awarded May 92
8. So. Pacific	Commercial Ag Development	Contract awarded June 92
9. Sri Lanka	Small (local) Ag Business	In bidding process
10. Tunisia	Ag Business Development	Being resurrected?

Given the extent of Mission funded agribusiness development projects, the question becomes one of: How can an ASACI type activity complement those being undertaken by technical advisory firms such as Abt Associates, Chemonics, Development Alternatives, etc.? The initial answer is one must first have a good understanding of the objectives and scope of each project and the technical assistance that is being provided to each project. With this understanding, one can determine whether the project has as a component the promotion of commercial agribusiness ventures between local and U.S. firms. If it has, there may be a role for a group such as ASACI which can complement the skills which the technical assistance contractor brings to the project. There are many imponderables in this approach. For example, the technical assistance contractor may submit that it has similar skills and therefore doesn't need a group like ASACI. The Mission may believe that the firm possesses the ASACI-type skills, together with a national network of members covering all aspects of the agribusiness sector. However, consulting firms, with long involvement in government contracting lack the private sector agribusiness experience and entree into the corporate offices of U.S. agribusiness companies.

A. ASACI Grant Agreement and Unsolicited Proposal

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

September 1, 1989

Mr. Frank Frazier
Executive Vice President
American Society of Agricultural Consultants International
8301 Greensboro Drive
Suite 260
McLean, Virginia 22102

Subject Grant No.: ANE-0050-G-SS-9037

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the American Society of Agricultural Consultants International (hereinafter referred to as "ASACI" or "Grantee"), the sum of \$200,000 in support of agribusiness as fully described in the Schedule and the Program Description of this grant.

This grant is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending September 1, 1994. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

The total estimated amount of the program is \$460,000, of which \$200,000 is hereby obligated. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount. However, subject to the availability of funds, and program priorities at the time A.I.D. may provide additional funds during the Grant period up to a maximum of \$260,000.

This grant is made to ASACI, on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled "Schedule", and Attachment 2, entitled "Program Description", and Attachment 3, entitled "Standard Provisions", which have been agreed to by your organization.

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Please sign the original and seven (7) copies of this letter to acknowledge your receipt of the grant and return the original and six (6) copies to the Office of Procurement.

Sincerely,



Judith D. Johnson
Grant Officer
Office of Procurement
Overseas Division - ANE

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGE:

American Society of Agricultural Consultants International

By: A. F. Ferguson

Title: Executive Vice President

Date: 9-8-89

Fiscal Data

	<u>A</u>	<u>B</u>
PIO/T No.:	3-9631544	3-9631545
Appropriation No.:	72-1191021.3	72-1191021.3
Allotment No.:	943-63-398-00-70-91	943-63-398-00-69-91
Budget Plan Code:	QDNA-89-37398-JG-12	QDNA-89-37398-KG-12
Total Estimated Amount:	\$460,000	
Total Obligated Amount:	\$100,000	\$100,000
DUNS No.:	603302670	
Technical Office:	ANE/TR/ARD	

FUNDS AVAILABLE
JDN 4190
AUG 31 1989

FUNDS AVAILABLE
4190
AUG 31 1989

Program Acctg Fin Division
Office of Financial Management

29'

GRANT No. ANE-0050-G-SS-9037
To ASACI

1. As of 4/14/92, three amendments have been issued:

<u>Document</u>	<u>Date</u>	<u>Amount Obligated</u>	<u>Cumulative Obligated</u>	<u>Expiration of Grant</u>
Basic Grant	9/1/89	\$200,000	\$200,000	9/1/94
Amendment 1	5/1/90	\$100,000	\$300,000	9/1/94
Amendment 2	3/7/91	\$100,000	\$400,000	9/1/94
Amendment 3	2/10/92	\$ 60,000	\$460,000	6/30/92

2. Grantee information:

American Society of Agricultural Consultants International
8301 Greensboro Drive
Suite 260
McLean, VA 22102

Tel (703) 356-2455
Fax (703) 356-2488

3. The basic grant is attached, including Attachment 1, Schedule, and Attachment 2, Program Description. Attachment 3, Standard Provisions, is available from OP upon request.

ATTACHMENT I

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to sustain ASACI development as a U.S. institution capable of increasing U.S. private sector agribusiness ties with the ANE region. Because ASACI is a non-profit society composed of 400 commercial agricultural consultants, it will be able to provide a national brokerage capacity to a wide range of TA skills and potential joint venture partners.

B. Period of Grant

1. The effective date of this Grant is the date of this letter. The expiration date of this Grant is September 1, 1994.

2. Funds obligated hereunder are available for program expenditures for the estimated period September 1, 1989 to September 1, 1994 as shown in the Grant budget below.

C. Method of Payment and Amount of Grant

1. The total estimated amount of this Grant for the period shown in B.1 above is \$460,000.

2. A.I.D. hereby obligates the amount of \$200,000 for program expenditures during the period set forth in B.2. above and as shown in the Financial Plan.

3. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Standard Provision No. 01, entitled "Payment - Letter of Credit."

4. Additional funds up to the total amount of the grant shown in C.1. above may be obligated by A.I.D. subject to the availability of funds, and to the requirements of the Standard Provision of the Grant, entitled "Revision of Financial Plans."

D. Financial Plan

The following is the Financial Plan for the Grant, including local cost financing items, if authorized. Revisions to this Plan shall be made in accordance with the Standard Provision of this Grant, entitled "Revision of Financial Plans."

BUDGET

	<u>9/1/89--8/31/90</u>	<u>9/1/90--8/31/91</u>	<u>9/1/91--8/31/92</u>	<u>9/1/92--8/31/93</u>	<u>9/1/93--8/31/94</u>	<u>Total</u> <u>9/1/89--8/31/94</u>
Salaries	\$ 99,300	\$ 74,475	\$ 24,825	\$ 19,860	\$ 9,930	\$ 228,390
Communication	12,000	9,000	3,000	2,400	1,200	27,600
Travel & Per Diem	18,000	13,500	4,500	3,600	1,800	41,400
G & A	<u>\$ 70,700</u>	<u>53,025</u>	<u>17,675</u>	<u>14,140</u>	<u>7,070</u>	<u>162,610</u>
Total	\$ 200,000	\$ 150,000	\$ 50,000	\$ 40,000	\$ 20,000	\$ 460,000

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E. Reporting and Evaluation

A final report will be due at the completion of the grant.

Financial reports shall be submitted in accordance with Standard Provisions "Payment - Letter of Credit." All financial documents submitted by the Grantee shall contain the following identification on the face sheet:

Grant No.: ANE-0050-G-SS-9037

Project PIO/T No.: 398-0050

Project Office: ANE/TR/ARD

F. Special Provisions

1. The Grant Standard Provisions, appended hereto as Attachment 3, are considered applicable to this Grant.
2. If ASACI receives other business it will be necessary to submit an Overhead proposal at the end of the fiscal year.

G. Authorized Geographic Code

The authorized Geographic Code for procurement of goods and services under this Grant is 000 (United States).

H. Scope of Grant Funding

Funding for implementation of the integrated agribusiness development approach, including consultancies, and for marketing and follow on assignment for agribusiness investment opportunities will come from sources outside this grant, and be carried on under separate instruments. Funding provided by this grant will permit ASACI to market the program. The implementation of the program will be funded by sources outside this grant. Management costs will be applied to this grant for up to two countries.

ATTACHMENT II

PROGRAM DESCRIPTION

Overview: The recently completed ANE Strategy for the 1990's places great emphasis on the importance of income generation and employment as a basis for future sustained growth in the region's agricultural sector. The implementation of this strategy will by necessity move the ANE Bureau countries to a greater reliance on jobs and income generated by the goods and services provided by private sector agribusiness. Agricultural programs in Egypt, Oman, Afghanistan, Thailand, Pakistan and the Philippines all indicate the movement towards a greater importance being given to the role of agribusiness.

Project Goal: To support the development of "agribusiness" as a key component of the "employment/income generation strategy" suggested in the overall ANE Strategy for the 1990s.

Project Purpose: To support this greater agribusiness thrust, ANE/TR/ARD proposes a five-year institutional strengthening grant to the American Society of Agricultural Consultants International (ASACI). The purpose of A.I.D. funding will be to sustain ASACI development as a U.S. institution capable of increasing U.S. private sector agribusiness ties with the ANE region. Because ASACI is a non-profit society composed of 400 commercial agricultural consultants, it will be able to provide a national brokerage capacity to a wide range of TA skills and potential joint venture partners.

Activities: The principal activity under this grant would be to sustain and strengthen the institutional capacity and self-sustainability of ASACI. It will then be a fully-integrated partner with A.I.D. in the development of mutually beneficial development and trade activities essential for sustainable links between U.S. and ANE agribusiness.

As part of this strengthening exercise ASACI would undertake the following:

- 1) In cooperation with AID/Washington, schedule promotional visits to a minimum of six ANE Missions to advise Missions' Management of ASACI activities and offer to assist them in developing an integrated operational plan for private sector agribusiness development; implement such visits and report on progress to AID/Washington.

- 2) Based on past ASACI experience and the results of the first three months of this grant, develop and submit to the ANE/TR/ARD Project Officer a plan outlining the approach ASACI will follow to become fully self-financing within five years.

Outputs and Deliverables, Long Term: As a result of the Institutional support grant, ASACI would, over the life of the grant, grow in its capacity to undertake the following activities and provide the following deliverables to the ANE Bureau and Missions in the ANE region:

Outputs:

- 1) Help the ANE Bureau and Missions develop priorities for investments in agribusiness industries that show potential.
- 2) Work with Missions to identify priority agribusiness firms or potentials which would support strategy goals.
- 3) Identify consultants to work with Missions on CDSS, PPs and trade and development activities.
- 4) Help ANE/TR/ARD and Missions with regular and informal access to U.S. agribusiness groups and joint venture partners interested in ANE countries.
- 5) Provide analysis on legislative proposals in terms of implications for agribusiness development.

Deliverables:

- 1) Visit ANE countries to meet with USAID mission management to determine the agribusiness industries with best potential for private sector development which would support strategy goals.
- 2) Before departing for host country visits, survey business interests of potential U.S. investors to determine attractive host country investment opportunities.
- 3) While in host country assess identified industry for constraints and potential and upon return prepare and draft agribusiness investment profiles within that industry.
- 4) Using the ASACI network, market the profiles to their U.S. investor contacts, particularly those who expressed interest in advance of country visits.
- 5) Advise ASACI member firms of the progress being made in agribusiness development in the ANE region. Encourage them to follow up on the initial investigations.
- 6) The funding for Deliverables identified above in paragraphs 3, 4 and 5 will come from sources outside this grant, as contemplated by paragraph H of Attachment I.

Evaluations:

Eighteen months after the execution of this grant, an evaluation of progress to-date will be undertaken. The evaluation will focus on the project's success/failure to begin to achieve the outputs listed above. The evaluation will specifically examine ASACI's success/failure in initiating viable joint ventures or local agribusinesses which are consistent with the ANE Bureau's income/employment focus. The evaluation will also assess ASACI's progress in becoming a self-sustaining organization, capable of supporting its activities with its own or client resources. The results of this evaluation will impact strongly on future funding decisions regarding this activity.

Scope of Work

A detailed description of the scope of work is attached as an excerpt from the proposal submitted by ASACI which is incorporated by reference.

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ATTACHMENT III

UNSOLICITED INSTITUTION DEVELOPMENT PROPOSAL

TO: BUREAU FOR ASIA AND NEAR EAST (ANE), U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.)

FROM: AMERICAN SOCIETY OF AGRICULTURAL CONSULTANTS INTERNATIONAL (ASACI)

GOAL OF PROPOSAL

The ASACI goal in presenting this proposal is to obtain the funding support of the ANE Bureau under a 5 year grant agreement to sustain and develop a proven ASACI Integrated International Agribusiness Development Program. The program brings ASACI, its members and the resources they represent to the service of A.I.D./ ANE Bureau in its strategy to generate income and employment as a basis for future sustained growth in the agricultural sectors of ANE countries.

SCOPE OF PROPOSAL

Under this proposal, ASACI requests ANE funding over five years to sustain the operations of the ASACI international agribusiness projects office and the marketing of the ASACI Integrated International Agribusiness Development Program to ANE Missions and other potential clients.

ASACI requests \$200,000 of funding for the first year of the grant agreement, as detailed in the budget that follows.

As the mutuality of benefits to development and trade interests generate funding support from ANE Missions, host country government food and agriculture agencies, and U.S. and ANE private agribusiness sectors, it is the proposal's goal to gradually diminish the amount of ANE/W funding until the ASACI Integrated International Agribusiness Development Program becomes self sustaining.

ASACI INTEGRATED INTERNATIONAL AGRIBUSINESS DEVELOPMENT PROGRAM

The ASACI program integrates agribusiness project identification, prefeasibility study preparation, investor identification and marketing, finance arrangements and project implementation. Successful agribusiness projects generate employment and economic growth in ANE countries as well as increased trade potential. In Annex I, the integrated program is briefly explained and an estimated budget presented. Annex II comprises a full and detailed presentation of the integrated program. Annex III contains the 1989 ASAC Membership Directory.

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page two
ASACI/ANE proposal

BACKGROUND

For more than four years (1985-1989), the U.S. Trade and Development Program (TDP), International Development Cooperation Agency (IDCA), has funded ASACI under successive grant agreements to assist with a program of private sector agribusiness development in Lesser Developed Countries.

The program identifies, profiles, markets and leads to implementation of successful agribusiness projects. The ASACI project integrates project identification, prefeasibility study preparation, investor identification and marketing, finance arrangements and project implementation. This integration of the project cycle is essential as investments would not be culminated if assistance were not provided at all stages of the investment cycle. The successful agribusiness projects lead to employment opportunities and economic growth.

The program is tested and has been successful. ASACI consultants have been to and worked with private entrepreneurs and governments of 11 developing countries. They established working discussions on 55 projects between 55 U.S. and 55 prequalified foreign private sector entrepreneurs. ASACI, through utilization of its members in-depth professional skills and vast network of ties to U.S. private sector entrepreneurs, helped consummate 12 investment projects and has 25 more projects at various stages of study and commitment. This effort is gaining momentum. ASACI professionals have identified 220 projects of potential interest and produced profile documents on 65.

The new business activity created by the 12 implemented projects is expected to generate 6,100 new jobs in seven developing countries. And if each of the 65 projects profiled resulted in just one operating agribusiness, there would be an estimated 82,000 new jobs created.

Implemented projects profiled and marketed by ASACI consultants have resulted to date in more than \$10 million in U.S. export trade, with estimated exports through 1990 of \$25 million.

WORK PLAN

The principal activities of ASACI under the grant agreement would include the following:

In cooperation with AID/W, to schedule promotional visits to a minimum of six ANE Missions to advise ANE Missions management of ASACI activities and offer to assist them in developing an integrated operational plan for private sector agribusiness development. To implement such visits and requested design assistance. To report on progress to AID/W.

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page three
ASACI/ANE proposal

In response to ANE Missions interest and funding to implement the integrated agribusiness development approach, to prepare and coordinate a schedule of follow up visits by ASACI consultant teams, for up to two countries under grant funding. (Three countries or more would require additional funding to hire needed ASACI management staff.)

To coordinate and supervise the preparation and marketing of the respective agribusiness investment opportunities and follow on assistance to potential ANE and U.S. joint venture partners. (For up to two countries, as above.)

Based on past ASACI experience and the results of the first three months of this grant, to develop and submit to the ANE/TR/ARD project officer a plan outlining the approach ASACI will follow to become fully self-financing within five years.

To serve as a facilitator for ANE Bureau and Mission access to U.S. agribusiness groups interested in ANE countries.

To support ANE Bureau and Mission trade and development activities through the identification of world class agribusiness consultants to assist the Bureau and Missions in future planning.

MANAGEMENT PLAN

To execute this project, ASACI will utilize a combination full time coordinative staff and its pool of consultants. This approach, used during the past four years, is tested and successful. Further, it is a structure that can be built on quickly to handle the larger long term effort of this project.

ASACI assumes overall responsibility for the management of the program. ASACI's executive vice president reports to the ASACI Board of Governors which has oversight responsibility for the project and provides policy guidance to the executive office. The Board is ultimately responsible to A.I.D. for the success of the program.

The ASACI executive vice president employs a full time director and secretarial support to manage much of the day-to-day activity on the project and to assure that the program is moving as expected.

The diverse skills of ASACI members are utilized to provide the professional input necessary to execute the various stages and tasks of the scope of work.

page four
ASACI/ANE proposal

MANAGEMENT PLAN (cont'd)

ASACI is made up of professionals in many agribusiness fields that have worked largely for the private agribusiness sector on a regular basis and have a well established network with private sector U.S. investors and agribusiness decision makers. This network is required for success.

Qualified professionals are important to the success of the program because there is a need to modernize food production and processing in the developing world. This need is being recognized and is resulting in a major restructuring of the agriculture in Third World countries. To implement the advanced technology it must be tied to effective management that can bring its benefits to the bottom line. It requires professionals with not only advanced educational background, but experience in actual implementation. A high percentage of ASACI professionals bring this background as a necessary resource for program execution.

A good network to the U.S. agribusiness and investment communities is essential if private sector investors are to be attracted to new projects. ASACI has this network and it is a resource without equal. Using this network, ASACI has been able to finalize investment projects and carry out a successful program. This network will permit continued positive results as the program expands.

PROGRAM BENEFICIARIES

By fostering new agribusinesses, the program increases income and employment, especially employment opportunities to poorer segments of the society in ANE countries, in agricultural and agricultural-related production, processing and marketing activities.

RELATIONSHIP TO ANE REGIONAL STRATEGY

The program supports ANE focus in the 1990s on sustainable agricultural technology generation and dissemination, private sector agribusiness development, trade liberalization and human capital and institutional development.

ANNEX I: INTEGRATED INTERNATIONAL AGRIBUSINESS DEVELOPMENT PROGRAM**OBJECTIVES**

The ASACI Integrated International Agribusiness Development Program is designed to create needed development in ANE countries by offering them: (1) a means for expanding investments and commitments in the important food and agribusiness sectors, (2) an opportunity to support private sector developments that will create jobs and incomes of a lasting nature, (3) an opportunity for private sector ANE firms to build linkages with U.S. firms that can help bring technology, management, markets and capital to them, (4) the opportunity to build trade linkages with people in the U.S., and (5) economic growth, a better condition for people, stability and better prospects for sustained development.

Ultimately, the basic ASACI objective is to generate ANE development in ANE countries and promote trade relationships that can be good for ANE countries and for the U.S. ASACI intends to achieve this objective through a program of assistance in private sector project identification and development, expanded investments by ANE and U.S. partners in the host countries, expanded trade of technology and services, and through training of ANE nationals.

SCOPE OF WORK

Achievement of the development and trade objectives of this proposal can be accomplished through the identification, profiling, marketing and implementation of successful agribusiness projects. These projects generate employment and economic growth in ANE countries as well as increased trade potential.

Continuity of effort to gain private sector commitment is essential. ASACI proposes a five year project with annual reviews that refocus efforts to activities of most importance.

The program will consist of three stages and related tasks as shown below:

Stage One involves the identification of target situation. Related tasks are the selection of country for survey, selection of products/services for production or trade, and definition of specific target situations.

Stage Two comprises examination and profiling of identified opportunities. The profiling work and report involves the following aspects: market/industry assessments, technical/management assessment, financial analysis, economic analysis, prequalification of host country investors, identification of training needs, and identification of export opportunities for U.S. goods and services.

page two
ANNEX I

SCOPE OF WORK (cont'd)

Stage Three comprises packaging and marketing project studies. Related tasks are the development and expansion of the ASACI agribusiness investor databank, investor assistance, project opportunity promotion, project financial information support, and an ANE/U.S. prospective project investors conference.

A reconnaissance survey team of ASACI members will accomplish the tasks of Stage One. The team will consist of a leader, a business management consultant and an agricultural economist.

To accomplish Stage Two, a team of ASACI consultants will be chosen to conduct the project profiling mission. Depending on the priority projects selected, ASACI will select team members familiar with the industries and technologies to be studied. These professionals will be qualified to review existing projects and/or new projects. They will be able to identify capital requirements as well as operating cost data. A team of 4-5 will be sufficient. Final selection will depend on the kinds of projects suggested during the Stage One reconnaissance survey.

To execute the work of Stage Three, ASACI team members and the entire ASAC membership will be charged with the task of marketing the agribusiness investment opportunities and assisting prospective U.S. investors with preliminary project investment decisions.

ESTIMATED BUDGET FOR FOLLOW ON ACTIVITIES

The proposed grant funding to ASACI from ANE/W would permit ASACI to market the integrated agribusiness program to ANE Missions and other potential clients.

Once the integrated program was funded by one or up to two ANE Missions, central AID/W grant funding could permit the ASACI project director to coordinate and supervise the preparation and marketing of country studies by ASACI team members and the ASACI membership. Or the ASACI director could continue marketing the ASACI integrated program to other ANE Missions.

For directing the preparation and marketing of the country studies involving three or more countries, an additional ASACI director with supportive secretary would have to be employed. These additional costs would be funded by ANE Missions and are reflected in the projected budget below.

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B. Delemarre to Harrison and Harrison to Delemarre Letters

INTERNATIONAL RESOURCES GROUP, LTD.

1400 I Street, N.W.
Suite 700
Washington, D.C. 20005

Telephone: (202) 289-0100
Telex: 292048 EDI UR
Fax: (202) 289-7601

June 4, 1992

Dr. Kelly M. Harrison
Executive Vice President
American Society of Agricultural Consultants
McLean, Virginia 22102

Dear Kelly:

This will confirm our previous oral requests to you and your staff with regard to the following materials that are needed to assist us in the evaluation of the AID/ASACI grant.

The list of materials include the following:

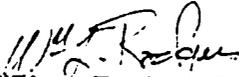
1. Five-year Self-sufficiency plan, as called for in the ANE grant;
2. Membership roles from 1982-1992, broken down by categories of members, e.g., individual members, firms, etc;
3. ANE Grant Financial Statement including budgeted vs. actual expenditures;
4. ASACI's position or response to the following questions raised by AID:
 - a) To what extent has the grant helped to sustain and strengthen the institutional capacity and self-financing ability of ASACI?
 - b) What have been ASACI's major accomplishments to-date under the grant?
 - c) What have been the major obstacles to progress faced by ASACI?
 - d) What evidence exists to indicate that the ASACI approach has been, or will be successful in business development, particularly in new investments or joint ventures?
 - e) What changes or modifications would ASACI recommend that might have improved the achievement of USAID objectives within the period of the grant?

5. Documental evidence on: a) investments that have taken place; and b) those which are in various stages of development - as a result of ASACI efforts under the ANE grant. Please give details by country, type of project, type of and amount of investment.

6. Any other information which will provide evidence of the validity and success of the approach employed in your efforts to increase agribusiness investments in ANE region countries.

If you do not have copies of any documents which would be helpful to our evaluation, we can duplicate these in our offices and return the originals to you.

Thank you,

 
William Rodgers/Robert Delemarre

AMERICAN SOCIETY OF AGRICULTURAL CONSULTANTS



June 24, 1992

Mr. Robert Delemarre
International Resources Group, Ltd.
1400 I Street, N.W., Suite 700
Washington, D.C. 20005

Dear Bob:

I am responding to your letter of June 4, 1992. The following paragraphs follow the numbering system in your letter.

1. Five Year Self-sufficiency Plan

The grant contract, as paraphrased, calls for a five year plan for self-sufficiency for ASACI. On Tuesday, August 21, 1990, Frank Frazier, Mike Peden and John Balis, USAID/TR/ARD, discussed the necessity of ASAC developing this plan prior to the renewal of the grant. Frank Frazier stated that, "...ASAC would be preparing such a document." In September of 1990, Mike Peden forwarded a memo to Frank Frazier requesting direction on preparing such a document. No response was received and subsequently Peden requested a meeting with Frazier to discuss the self-sufficiency plan. Peden prepared, at Frazier's direction, for the renewal of the grant and the self-sufficiency plan, a document indicating only what ASAC had done in each country. As Peden was instructed, the document was to suffice for both points.

2 and 3. Information on Membership and Grant Financial Information

This information was supplied earlier.

4A. Grant Institutional and Financial Support

The Grant provided support for two staff persons and for certain overhead costs. According to Frank Frazier, former ASAC Executive Vice-President, ASAC Management was careful to assure that those resources were used only for grant activities. However, there were several indirect benefits to the Society.

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The grant provided ASAC and ASACI with significant public relations benefits. As a result of the grant, the Society was in regular touch with USAID Missions in the Asia Near East Region. That provided an opportunity to make Mission personnel and private business leaders aware of the Society and its constituent members. Numerous copies of the Society's Directory were distributed to those contacts, generating potential new business for our members. Regular mailings to the several hundred firms and individuals in the investor database also kept the Society before an important U.S. group of potential consultant users. Several magazine articles describing the project and related ASACI activities appeared in prominent agricultural and agribusiness magazines.

The grant enhanced the Society's new member recruitment capacity. The opportunity to participate in future international missions was clearly seen by potential new members as a positive factor.

The grant provided an opportunity for staff and members to gain professional experience in countries where they had not previously worked. It broadened their horizons and enhanced their understanding of agribusiness management under different cultural and policy conditions.

The Annual International Agribusiness Forum was used as a way to publicize the investment opportunities. Each year a panel of ASACI investment profile team members has been asked to summarize their findings at the Forum (See attachment A - Forum programs). Those panel discussions had the added benefit of enhancing our members' understanding of agribusiness issues in the ANE countries.

4B. and 4D. Major Accomplishments and Activities

JORDAN

In April of 1990, USAID/Jordan and ASACI contracted to provide a team of ASACI consultants to implement the study and report of investment project profiles. The Jordan project investment profiles were comprised of the following basic information on Modern Food Systems for the prospective U.S. agribusiness considering a pre-investment decision to further pursue joint venture opportunities in Jordan: a project description and rationale, an assessment of investment potential, analysis of technical/managerial viability and requirements, preliminary financial results projection, economic impact analysis, and verification of prospective joint venture partners.

In addition, profile information included export opportunities for U.S. goods and services and training needs.

ASACI utilized its membership network in the form of cooperation with then, Chief of Party, Dr. Kelly Harrison of Sigma One Corporation to arrange for U.S. visits for a group of prospective Jordan agribusiness professionals for a training and investment promotion to the U.S.

The Jordan Team completed four investment promotion profiles. Unfortunately, just as ASACI began to market those profiles, the stalemate in the Gulf developed and all investment promotion activities were interrupted. However, in spite of the Middle East conflict, the staff and membership of ASACI has been able to generate considerable interest in these profiles. One investor has indicated interest in an investment in the production and export of grapes and a mix of vegetables. Another investor has indicated interest in an asparagus production and export venture. Both are waiting for the USAID mission to provide funding for ASACI consultants to accompany them on an exploratory visit to Jordan.

TUNISIA

In September of 1989, ASACI and USAID entered into a contractual agreement in which a team of ASACI professionals would undertake a Rapid Appraisal of the Agribusiness Sector in Tunisia as the first step in the design process of a USAID/Tunisia Agribusiness Promotion Grant.

The purpose of the proposed Agribusiness Promotion Grant (APG) was to expand private sector investment and returns in high value commercial agriculture and livestock production, processing and marketing.

The Agribusiness Promotion Grant supports the second phase of the Tunisian Government's Agricultural Structural Adjustment Program. That program will tackle the remaining challenges of continued agricultural market and price liberalization, parastatal privatization and reform, and private investment promotion in commercial high value agriculture and agribusiness. The principal objective of the ASACI Rapid Appraisal Report was to identify the opportunities and constraints to the development of agribusiness in Tunisia.

The ASAC Rapid Appraisal described the status of the agribusiness sector, defined the potential and prospects for private sector development over the next five years (including potential privatization of parastatal organizations), identified the major constraints, identified areas where more detailed studies/analysis are needed, and identified appropriate interventions of USAID.

At present, discussions are on-going with USAID/Tunisia in regard to the next component of the ASACI Program. USAID/Tunisia has indicated that they are interested in utilizing the project profile component of the program. However, they indicate that money is not yet available for the ASACI program. Follow-up communications still indicate a viable interest. However, fallout from the Gulf War is still a concern.

MOROCCO

In July of 1990, ASACI made a preliminary inspection of the Moroccan agribusiness sector. This inspection mission had four main objectives: (1) Identify the sectors that had the greatest potential for investment and joint ventures by U.S. agribusiness entities, (2) Identify and pre-qualify potential Moroccan joint venture partners, (3) Advise the USAID/Morocco Agriculture and Rural Development staff on U.S. Private Sector development and how it relates to their objectives and constraints and describe how they may implement the American Society of Agricultural Consultants, International's *Integrated Agribusiness Development Program for Modern Food Systems*.

In December, 1990, the U.S. Agency for International Development (USAID) in Rabat, Morocco entered into a contract with the American Society of Agricultural Consultants International (ASACI) for the purpose of the Morocco Agribusiness Profile Initiative. The objectives of this initiative were:

- To identify profitable agribusiness investment opportunities for U.S. firms;
- To market these opportunities to U.S. agribusiness firms and investors; and
- To assist U.S. firms in identifying and establishing joint agribusiness ventures with Moroccan companies.

After delay caused by the Middle East War, the ASACI team of consultants finally visited Morocco in May of 1991 to complete the project profiles. The "Agribusiness Investment Opportunities in the Kingdom of Morocco - Project Profile Report" was published and marketing efforts intensified. ASACI has developed a marketing information brochure for the Morocco report, which, along with an informative letter, was mailed to the more than 350 ASAC consultant-members, as well as over 500 potential U.S. investors. Early responses are encouraging. To date, ASACI Morocco team members have made 19 contacts with potential investors.

In Morocco, ASAC has helped establish several investment activities:

A feasibility study, headed by an ASACI member, is in progress for a large livestock, vegetable and fruit operation. If this feasibility study is promising, a direct investment from United States would be possible. Also the importation of U.S. livestock, farm machinery, and data equipment.

A spin-off program involving the importation of oranges to the United States was directly attributed to the work of the Society.

A California company is ready to implement a fresh grape program study as soon as travel funds to Morocco are secured.

Contact with a California dairy operation furnishing high quality Holstein semen for artificial insemination for cow/milk production improvement.

Contact with Canadian plant physiology research lab and two Canadian equipment manufacturers regarding production of certified seed potatoes. One company is very much interested in the project. A marketing trip to Morocco is planned by a company representative and the ASACI consultant when travel funds become available. The consultant also plans to meet with another interested American investor from Iowa during his trip to Morocco.

Contact with McDonald's Corporation and their Idaho supplier of processed french fries.

A trip to Morocco by an ASACI consultant to escort another group of investors by an ASACI consultant. Interested investors include a major California melon grower; a major importer and distributor of flowers; and a top wholesale California nursery.

THAILAND

In early 1990, ASACI made a preliminary marketing trip to Thailand. Following that visit, Thailand expressed a strong interest in using the ASACI *Integrated Agribusiness Development Program for Modern Food Systems*. Discussions and communications have led USAID/Thailand to move ahead on the ASACI program through their Agriculture Transfer Project (ATP). Because the ATP project is bilateral, USAID/Thailand needed to secure the approval of several Thai agencies including the Department of Technical and Economic Cooperation and the Ministry of Agriculture.

ASACI entered into contractual negotiations and placed an Assessment team in Thailand in August of 1991. As a direct result of this trip, the ASACI Thailand Assessment has led to discussion with several Thai businessmen, who traveled to the U.S. in September, using their own funding, to discuss additional opportunities with members of the massive ASACI network. An ASACI team consultant and the ASACI Project Director escorted the Thai businessmen on tours of three farming operations in Georgia and one dairy operation in Florida.

USAID, in full support of the continuance of the ASACI program, found other sources of funding to enable ASACI to move forward with the sector and enterprise specific investment profiles in spite of their funds being frozen due to the coup.

As a result an ASACI team has recently completed its second trip to Thailand to implement research and compose a report for these specific Project Profiles for investors.

ASACI has been in contact with over 3000 potential investors and financiers and has generated considerable interest. Even this early in the marketing program, ASACI has distributed over 100 Investment Promotion Documents since May, 1992.

Activities in Thailand in reference to ASACI activities are as follows:

Shrimp Breeding Project: This project is in the early phases between an American partner and a Thai partner. This will be a rather large project and possibly could be utilized in a replication mode. Data on activities can be reviewed in the Thailand report.

A US investor has commissioned a pre-business plan and a marketing study in regard to entering into a joint venture with a Thailand cut flower producer. This project would provide flowers for local production and export to Japan, Europe, and the United States. Expected start-up of this project may be as soon as November 1, 1992.

An ASACI investment profile team member has made a trip to Thailand to meet on behalf of U.S. investors with potential joint venture partners regarding the peanut snack food venture.

Asparagus: In a spin-off opportunity an ASACI consultant has already begun to research the possibility of importing off-season asparagus to the United States. This member has already traveled to Thailand for meetings with potential partners and another round of meetings are scheduled for early July.

USAID/Thailand is currently receiving an ASACI proposal to fund investment promotion activities.

INDONESIA

In October of 1989, the Office of Agriculture and Rural Development, USAID/Indonesia in cooperation with ANE/TR/ARD Washington contracted with ASACI for a cursory inspection and subsequent report concerning the potential for agribusiness development in Indonesia. The report was delivered in November of that year.

The scope of the cursory inspection report included (1) the history of past joint ventures, (2) the status of current agribusiness joint ventures, (3) potential for joint ventures based on the agribusiness investment climate in both the U.S. and Indonesia, (4) a summary of past USAID/Indonesia experience in funding project profiles for potential investors and (5) the proposal of a work plan for the ASACI Program and a prioritized list of enterprises that show the most promising opportunities.

Early in January of 1990, a proposal was submitted for the ASACI *Integrated Agribusiness Development Programs for Modern Food Systems*. Currently, discussions are under way between USAID and ASACI with a request by Lou Reade, Mission Director, for additional information and direction regarding the ASACI program and ASACI project management staff. Mr. Reade scheduled another visit by Michael Peden, Vice President, International Agribusiness Development to Indonesia. The trip was made in May, 1992 with no additional discussions anticipated.

SRI LANKA

In February of 1990, ASACI Project Management made a marketing visit to the country of Sri Lanka. John Flynn, Chief of the Agriculture and Rural Development Division, hosted the visit. The two-day dialogue led ASACI to submit a formal proposal for its Program.

In August, additional information was requested by Allison Brown. There were subsequent on-site follow-ups with Glen Anders USAID/Sri Lanka by John Balis, USAID/W. and R.E. Lee, ASACI Board of Governors, along with written communication by Michael Peden. ASACI is currently waiting for a response.

PHILIPPINES

Under the ASACI/ANE grant agreement, ASACI in coordination with the ANE Bureau and the Philippines Mission, scheduled and completed a joint venture investigation visit to the Philippines in April of 1991, "to advise Mission Management of ASACI activities and offer to assist them in developing an integrated operational plan venture partners."

Mr. Barry Primm of USAID/Philippines pre-scheduled several meetings with U.S. Embassy personnel and the Philippine agribusiness sector during the first two days in the Philippines. ASACI had extensive interaction with the USAID/Manila ARD office management and contract staff.

ASACI met with U.S. Embassy officials (Lyle Moe of the FAS) and representatives of the Foreign Agricultural and Commercial Services and received valuable information and contacts from them. These people provided ASACI with essential information on the agribusiness investment climate in the Philippines and specific project investment opportunities, particularly those which would involve joint ventures with U.S. companies.

The ASACI message to private sector managers was direct: ASACI is attempting to identify potential enterprises to promote private sector agribusiness development. When this identification task is completed, ASACI will provide a top team of agribusiness professionals to do in-depth business profiles on these sectors. ASACI will then market these identified profiles to potential American investors and joint venture partners.

The response from the private sector was very positive. They welcomed ASACI interest and offered their input and collaboration to explore ways of future cooperation, and they were aggressive in requesting that ASACI visit with them when in early 1992.

In May of 1992, Michael E. Peden, Vice-President for International Agribusiness Projects, at the invitation of USAID/Philippines, made a 2nd marketing visit. He met with Barry Primm, Ken Prussner, ADO and John Patterson, Mission Director. The discussions were positive and Mr. Patterson requested a new, full ASACI Integrated Agribusiness Development proposal. On June 2nd, ASACI forwarded a proposal to USAID/Philippines for consideration.

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NEPAL

Preliminary discussions are under way with Alex Dickey, ADO/Nepal. Mr. Dickey had contacted ASACI while he was in Washington, and tentative plans were discussed regarding the ASACI *Integrated Agribusiness Development Program for Modern Food Systems*. ASACI presented an outline of the program to Nepal in January of 1991 and was invited for a marketing visit.

INDIA

India has expressed interest in the ASACI Program, and Andrea Blomberg, Agricultural Development Officer, has stated that she would like to meet with ASACI to discuss the Program and how it may benefit Indian agribusiness entities.

PAKISTAN

Dennis Weller, Agricultural Development Officer, has indicated that he would like to further discuss the ASACI Program with the USAID/Pakistan Mission when ASACI makes its next marketing trip to the area. Mr. Weller is now in Washington and has been very supportive in helping us market our program to other missions.

OTHER ACTIVITIES

The most important phase of the ASACI integrated approach is marketing the profiles to prospective U.S. investors through the ASACI membership and its nationwide client network of many thousands of operating U.S. agribusiness firms. However, ASACI marketing efforts target many additional opportunities. A summary of 1989-1990 activities are listed:

International Agribusiness Development Conferences

With ANE support, ASACI has participated in three USAID "roundtable" conferences discussing agribusiness development. ASACI's role was multifaceted, ranging from speaker to one-on-one development activities and finally as a general resource for USAID/ANE. With "roundtable" conferences held in Washington, Chicago and California, ASACI had the opportunity to be a major advocate for private sector agribusiness development in the international arena.

Hosting International Agribusiness Leaders

In April of 1990, ASACI was host to the Moroccan Minister of Agriculture who was involved in an extensive review of California agribusiness operations. Two ANE/ASACI objectives were accomplished: (1) introducing the Minister to the

productive potential of commercial, high value irrigated crops in semi-arid areas, and (2) strengthen the linkages of the ANE Bureau with U.S. agribusiness through the extensive ASACI consultant network.

In addition, the ASACI/ANE objective of promoting U.S./developing country agribusiness joint ventures was enhanced by the visit as the very real potential of three Moroccan/American joint ventures were discussed in detail with the Minister.

In October of 1990, ASACI hosted a group of 12 Jordanian agribusiness leaders who were touring the U.S. The group was led by Dr. Kelly Harrison, ASACI member who was then serving in an agribusiness role in Jordan and is currently ASACI's Executive Vice President.

At a "roundtable" discussion and working lunch that was held in Washington, staff from the American Society of Agricultural Consultants International, United States Agency for International Development, International Finance Corporation, World Bank and agribusiness consultants discussed possibilities for developing agribusiness investment and joint venture opportunities between U.S. and Jordan.

As a result of their visit to the U.S. and subsequent time in California, several joint venture discussions are under way. Along with these discussions, were the ideas central to development of an agribusiness export company in Jordan that was formed and developed by some of the Jordanian businessmen who were visiting the U.S. under ASACI leadership.

Major International Agribusiness Meetings

In 1989, 1990 and 1991, ASACI hosted agribusiness meetings of significant stature for the international community. The ASACI "International Agribusiness Forum" is acknowledged by many as the most prestigious of the international discussions on agribusiness development.

Each year, staff from USAID/TR/ARD in Washington, in 1989, Jim Lowenthal and in 1990, John Flynn, participated as speakers. They had the opportunity to enhance the USAID image among the agribusiness community. This year there was also an address by the Chief of the ARD division in Morocco.

Most of the major addresses at the International Agribusiness Forum are video taped and are made available to USAID for training and development purposes.

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Media Development

ASACI strongly promotes international projects in its regular newsletter. The newsletters are distributed to association members, governmental agencies and, most important, potential U.S. agribusiness decision makers.

Also, used in conjunction with each project, is a target-marketed "direct mail letter" issued immediately prior to each project and after the study is completed. The initial letter seeks the interest of the prospective investor for the specific country and the second letter announces the findings and gives a summary of the project.

Starting with the Moroccan project, a promotional brochure will be used to provide general information to the agribusiness community with special interest to potential investors.

In addition, various uses of print media are utilized. For example, a feature article has just been completed for publication in an agribusiness publication to feature updates and articles on ASACI/ANE international projects on a regular basis. Over the next year, we expect many such features to be published.

Executive Selling

The most effective marketing of investment opportunities is accomplished mainly by ASACI and its member network and their "executive selling". That is, ASAC members personally approach U.S. agribusiness executives at the decision making level to present and discuss the trade and investment opportunities. Having established a professional level of trust and confidence with their private sector clients over the years, ASAC members have a unique access to U.S. agribusiness decision makers. This access is necessary for successful "selling."

4C. Major Obstacles

ASACI has faced many obstacles in regard to seeing this grant successfully carried out. In addressing the external concerns we feel that the following were major obstacles:

1. The ANE Bureau has never distributed written information to missions describing the services available under the grant. ASACI efforts to market investment promotion activities to the missions were severely restricted in the absence of that type of introductory and promotional information.

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2. The Gulf War has effectively delayed investment promotion activities in Jordan by about 18 months. The work of an Assessment team in Morocco were delayed for about six months. The worldwide AID ban on government funded travel during the war also made it impossible for ASACI staff to visit other USAID Missions that had asked for face to face meetings to discuss possible project activities.
3. The absence of a standard and objectively verifiable indirect cost rate created much confusion and delay in negotiating each of the small contracts required with individual USAID missions.
4. The period of time necessary to negotiate contracts with each individual mission has typically taken at least six months and has burned up countless hours of project and ASAC executive staff time. In all cases, USAID missions chose to fund only one of the three stages at a time. That meant a separate small contract (about \$100,000) had to be technically approved and negotiated for each stage. Most Missions have found it difficult to come up with an acceptable method for sole source contracting for ASACI services under the grant. Clearly, the project would have benefitted from some kind of buy-in arrangement for USAID missions.
5. For the most part USAID missions in the region were not ready to proceed with private sector agribusiness development at the time this grant was conceived and approved. It was only in mid-1991 that funding for such activities started to become available in several missions.
6. The grant was ill-conceived on the theory that it could become self- sustaining in a relatively short time. The management of ASACI had little understanding of the requirement to develop a self-sustaining plan for the activity.
7. To date, not one single USAID mission has provided funding for the investment promotion phase of the program. ASACI has repeatedly stressed the importance of funding for that activity as the final necessary step in achieving the goals of the project. It is unrealistic to believe that most U.S. investors will be sufficiently motivated to pursue investment opportunities without the type of assistance proposed in the marketing phase. Consequently in October, 1991 the ASACI Board of Governors instructed staff to desist from offering to carry out each phase of the program under separate contract. From that point on USAID mission proposals have indicated that the entire program must be funded as one unit.
8. The decision in late 1992 to establish a standard format for all reports has clearly improved the quality of analytical reports. Instead of preparing

investment profiles, the current format is based on a standard business plan outline. Financial analysis in the current format is based on a computer model which should be used in all future preparation of reports.

4D. Past Projects

As stated by Frank Frazier, former Executive Vice-President for ASAC, in an article that appeared in *Feedstuffs*. "Modern Food System Assessments by ASACI have achieved a noteworthy, documented record of success which resulted from the achievements of teams of professional agribusiness consultants sent, with the assistance of federal grants, to Third World Countries over the past five years -- teams sent by ASACI. Project opportunities they identified and marketed to American investors are now being implemented in Latin America, Africa, and Asia, and include systems ranging from shrimp farming to strawberries and cattle. In countries where they are located, the projects have already generated over 81,000 potential new jobs and resulted in over \$25 million in U.S. exports". (See attachment B.)

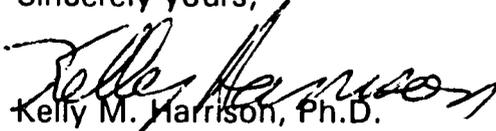
4E. Recommendations

1. Make sure the regional grant provides a buy-in arrangement to facilitate contracting for the country level investment program. Make sure that missions understand their only option is to fund the entire program of assessment of opportunities, preparation of preliminary business plans and investment promotion.
2. Obtain enthusiastic support from the sponsoring regional bureau for the buy-in arrangements with USAID missions.
3. ASACI has already developed recognized accounting system with the capacity to provide the cost information needed to establish a defensible indirect cost rate.
4. Develop objective criteria for selecting team members and a system for efficiently identifying and selecting the most fully qualified consultants each team. That system should be used to develop a standard verifiable indirect cost rate for use in budget formulation and contract negotiation.
5. Plan, budget and utilize a minimum of a 2-day orientation period before each team departs the U.S.

6. Develop a criteria/objective in which to judge the performance of the Society in relationship to grant activities. What specific measurement of success will be used to evaluate performance. Is success or failure to be evaluated on number of investments completed, number of investments started or best effort?
7. Follows on grants should provide institutional support for ASAC to develop an agribusiness information database to be used by USAID missions in the U.S. and host country investors in promoting agribusiness investment. Much of the information going into such a system would be generated by ASAC investment assessment teams to be funded through a buy-in arrangement (See attachment C - Executive Summary of a proposal presented to the Near East Bureau).

Please let me know if we can provide additional help.

Sincerely yours,


Kelly M. Harrison, Ph.D.
Executive Vice President

Enclosures

C. Examples of Faxed Mission Questionnaires

INTERNATIONAL RESOURCES GROUP

1400 I Street, N.W.
Suite 700
Washington, D.C.

Telephone: (202) 289-0100
Telex: 292048 EDI UR
Fax: (202) 289-7601

FACSIMILE COVER SHEET

DATE: June 11, 1992
TO: Peter Deinkin
FAX #: 011-662-255-3730
COMPANY: USAID/Thailand
FROM: Robert Delemarre
PROJECT #: Evaluation of Regional Private Enterprise Project (ASAC)
OF PAGES: Four

A. Introduction

In May 1992, AID/W awarded a Delivery Order to International Resources Group (IRG) to evaluate the grant issued to the American Society of Agricultural Consultants (ASAC). The specifics of the grant are described below. As part of the evaluation, the IRG team consisting of William Rodgers and Robert Delemarre have been requested to communicate with USAID staff familiar with the activities of ASAC teams in their respective Missions.

B. Background

Based upon an unsolicited proposal, in August 1989 AID executed a grant (Grant Number ANE-0050-G-SS-9037) with the American Society of Agricultural Consultants (ASAC). The grant was designed to create development in ANE countries by offering them:

- A means for expanding U.S. investments and commitments in the development of modern food systems;
- An opportunity to support private sector agribusiness developments that would create permanent jobs and incomes;
- An opportunity for private sector agribusinesses in ANE countries to develop relationships with U.S. agribusiness firms that could bring capital, technology, and management skills;
- A means to enhance living conditions of the people of the ANE countries through the activities of private sector agribusiness development activities; and
- Assistance in the development of trade through private sector agribusiness development.

C. Purpose of the Evaluation

The purpose of this evaluation is: a) to review and document the major activities and outputs of the ASAC grant; b) to identify the strengths and successes as well as the weaknesses and failures of the grant activities; and c) to recommend changes or improvements for the remainder of the grant and for possible follow-on activities.

D. USAID Participation

The attachment to this transmittal page outlines USAID participation in this activity and requests your assessment of ASAC's performance, either under the grant or thru a Mission contract. Your response will provide an important element to this evaluation. In truth, we need your input to be able to provide AID with a sound and realistic assessment of ASAC's model for agribusiness development. Given the limited time provided by AID/W to complete this evaluation, we will phone you next week in case you have any questions concerning this request.

We thank you in advance for your assistance and cooperation in this evaluation.

Sincerely,



Bill Rodgers/Bob Delemarre

P.S. We regret that this communication, which was originally sent on 29 May, was lost or misdirected.

USAID/Thailand Involment with ASAC

According to the information we have, your respective offices have had experience with ASAC in the form of a Mission contract in FY 91 (Contract No.493-0037-G-00-1120-00, July 91 to prepare the Thai Agribusiness Investment Opportunities Report. On two occasions, separate ASAC teams came to Thailand for a Reconnaissance Mission and a Rapid Appraisal in October 1991

Specifically, would you please answer, as best you can, the following questions. Please keep in mind the previously listed ASAC Grant Objectives as you answer.

1. What has been the impact and effectiveness of the ASAC promotional visits to your mission? What has been the response of mission to these visits?

1 2 3 4 5 (Please circle: 1=poor, 5=outstanding) - Reconnaissance

1 2 3 4 5 - Rapid Appraisal

2. What have been the major accomplishments by ASAC for Thailand? What have been the major obstacles to progress faced by the ASAC team in Thailand?

3. From July 30- August 26, 1991, ASAC had a 3-person team of private sector agribusiness consultants in Thailand to develop the information that would become the basis for the report entitled: AGRIBUSINESS INVESTMENT OPPORTUNITIES IN THE KINGDOM OF THAILAND. What evidence exists that indicates that this effort has been, or will be, successful in the development of new investments and/or joint ventures with Thai businesses?

4. Was ASAC responsive to the Mission contracts? (Y) or (N).

Was the team adequate to the task in the following:

o Technical ability; 1 2 3 4 5 (Please circle: 1=poor, 5=outstanding)

- o **Language/Communication/Rapport with counterparts: 1 2 3 4 5**
- o **Adaptability to country situation: 1 2 3 4 5**
- o **How effective in a (potential) broker role? 1 2 3 4 5**

5. What follow-up with Mission and/or Thai private sector has ASAC had since team left country in November 1991?

6. Would Mission utilize ASAC in the future for this same type of activity? (Y) (N). If not, why not?

Please feel free to provide additional narrative concerning any of the above questions or any other comments with regard to this contract. In addition, if you have prepared evaluation reports on your Mission contracts with ASAC, we would appreciate it if these could be made available to us.

D. Bais to Delemarre Letter

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U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

July 7, 1992

Mr. Robert A. Delemarre
Group Manager
International Resources Group, LTD.
1400 I Street, N.W.
Suite 700
Washington, D.C. 20005

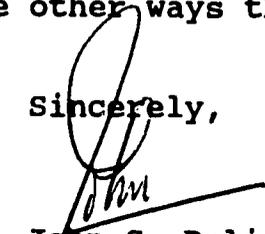
Dear Bob:

This is to respond to your letter of June 15, 1992 and our telephone conversation of July 6, 1992 regarding the evaluation of the grant to the American Society of Agricultural Consultants International.

Enclosed you will find my comments on the draft material enclosed with your letter. I expect that you will be able to develop your insight further with the additional responses that have come in since this was drafted.

Let me know if there are other ways this office can support the evaluation.

Sincerely,


John S. Balis
Chief, Production & Investment
Division
Office of Development Resources
Bureau for Near East

Enclosure

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Comments

Draft Evaluation Report For American Society of Agricultural Consultants International Grant submitted June 15, 1992

Introduction

page one, para two, "...a transformation in the economic growth of the countries of the region away from agricultural production....."

- Agricultural production will continue to grow, growth may even accelerate, but the growth of industry and other sectors will be faster and the share of the national economy contributed by production agriculture will become smaller. It is important to get this more complex transformation concept across and that agriculture production continues to have some support along with assistance to the agribusiness sector. It's not likely that there will be growth in agribusiness without agriculture production staying ahead of self-sufficiency in the items of comparative advantage.

page one, para three "...was interested in providing...."

- ANE Bureau made the grant in response to an unsolicited proposal.

"ANE was particularly concerned that...."

- The unsolicited proposal offered the potential of improving the access of field missions to a wide range of commercial technology, particularly by consultants active in supporting private sector agribusiness enterprises.

page one, para four

- Should be revised to reflect the comments and revision of para three suggested above.

page one, para five ".....ASAC was selected be ANE to implement the agribusiness element of the Bureau's strategy."

- ANE made the grant to ASAC because their proposal was consistent with the Bureau's food system strategy.

page two, end of first para and continuing to the next para

- The logic doesn't follow through here.

page two, the questions in mid-page

- These are interesting questions, but they appear to be substituted for the items mentioned in the scope of work for the

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evaluation. Because these are significant issues, NE Bureau would be interested in IRG comments on these topics if they are to be developed in the final report of the evaluation. However, the topics in the evaluation scope of work are the topics of primary interest to AID.

page three, last para of Section A "This in turn would require ANE to forge stronger bonds between U.S. and foreign agribusiness."

- Bonds may imply a direct interest in the business and/or that the Bureau sees joint ventures as the means of sector development. ANE is using the term "partnership" as described in the Administrator's Initiative rather than "bond", and the bureau is increasing the support to a range of activities for the agribusiness sector including the advocacy of trading alliances, joint ventures, supplier contracts and management contracts between U.S. and indigenous firms. However, the Bureau role is indirect and facilitative, rather than actively and directly making deals or "bonds".

page six, Purpose Section

- The first para of this section doesn't add anything. At the 18 month point the ASACI Vice President position was vacant and the organization was reconsidering its future directions. An evaluation would have been of modest, if any value, other than fulfilling the "usual requirements". Also, an evaluation of the grant to ASACI at that time would have complicated their internal decision making.

- However, at that point AID did conduct an internal review of the ASACI grant operations and a staff memo summarized these findings. The gist of the finding was that ASACI was making personnel changes and would probably make operational changes, but that the objectives of the grant and its hypothesis appeared to merit continued support. It was recognized that there was inadequate evidence for establishing a firmer time frame for reaching the grant objectives. Consequently, the grant was continued in order to accumulate more experience with the methodology and to collect additional information about the commercial utility of the assessment and profiling services.

page eight, last para The subject of self-sufficiency is mentioned at several points in the draft evaluation, but are collectively commented upon in respect to this reference.

- The five-year self-sufficiency objective was quickly recognized to be infeasible when AID undertook the internal review in late 1990. The loss of Mike Hurley as Vice President for ASACI and other events affecting agribusiness throughout Asia, Near East and Europe up to that point had seriously affected the ASACI "Integrated Agribusiness Development Program for Modern Food Systems". The course of action was to give ASAC time to replace

Hurley, then review the situation and revise the plan of work. This revised approach called for more attention to the process that was to generate the profiles as a marketable product. It did not generate a revised plan for self-sufficiency as the basis for such calculations appeared to be highly speculative in light of the track record.

page eight, para four "...leads one to the conclusion that ASACI is, in effect, in default of its grant agreement with AID."

- AID has an interest in the sustainability of the actions that are supported, but the Agency's interest in sustainability for this case were one of several interests. At the time of the grant, the interest in facilitating information flow which would in due course contribute to deal making for the agribusiness sector was of greater importance. Until the performance of the information services was improved any revision of the terms relating to self-sufficiency was hypothetical. The decision was made to continue the grant in order to gain further experience in generating profiles of commercial value, and set the self-sufficiency objective at some future point when more experience would be available for projecting income and a more realistic perspective on viability.

The appropriate contribution to ASACI of income from ASAC membership and other ASAC services were expected to be nominal until the utility of the ASACI services were demonstrated to the general membership.

page ten, section 2. Extent and effectiveness.....

- Look forward to more material in this section as the IRG evaluation team receives the Mission's input and other sources for the evaluation.

page eleven, first paragraph "The grant agreement budget lacks any supporting documentation or understanding required by AID as a part of the basis for awarding a grant or contract."

- This is a grant, not a contract, with particular requirements that were reasonably fulfilled.

ASACI.EVL July 7, 1992

E. ASAC Membership Roles from 1982-1992

ANNEX E

ASAC Membership Roles from 1982-1992 By Categories of Members

Year	Category of Membership	Total	Total Indivs.
1982	Certified Members	179	274
	Members	20	
	Academic Members	16	
	Associate Members	51	
	Sustaining Members	4	
	Honorary Members	4	
	*Firm Members	35	
1983	Certified Members	212	307
	Members	25	
	Academic Members	15	
	Associate Members	48	
	Sustaining Members	3	
	Honorary Members	4	
	Firm Members	45	
1984	Certified Members	239	331
	Members	34	
	Academic Members	10	
	Associate Members	40	
	Sustaining Members	4	
	Honorary Members	4	
	Firm Members	54	
1985	Certified Members	233	337
	Members	49	
	Academic Members	10	
	Associate Members	38	
	Sustaining Members	3	
	Honorary Members	4	
	Firm Members	51	
1986	Certified Members	235	343
	Members	50	
	Academic Members	11	
	Associate Members	40	
	Sustaining Members	3	
	Honorary Members	4	
	Firm Members	37	

* Firm member is a company with a number of consultants, each of whom has been approved for ASAC membership.

(Continuation Page #2)

Year	Category of Membership	Total	Total Indivs.
1987	Certified Members	234	336
	Members	53	
	Academic Members	8	
	Associate Members	34	
	Sustaining Members	3	
	Honorary Members	4	
	Firm Members	45	
1988	Certified Members	237	334
	Members	58	
	Academic Members	4	
	Associate Members	27	
	Sustaining Members	4	
	Honorary Members	4	
	Firm Members	33	
1989	Certified Members	265	355
	Members	50	
	Academic Members	4	
	Associate Members	25	
	Sustaining Members	4	
	Honorary Members	7	
	Firm Members	36	
1990	Certified Members	260	339
	Members	40	
	Academic Members	3	
	Associate Members	26	
	Sustaining Members	4	
	Honorary Members	6	
	Firm Members	29	
1991	Certified Members	224	322
	Members	68	
	Associate Members	20	
	Sustaining Members	3	
	Honorary Members	7	
	Firm Members	26	
1992	Certified Members	195	310
	Members	79	
	Academic Members	4	
	Associate Members	19	
	Allied Members	4	
	Sustaining Members	2	
	Honorary Members	7	
	Firm Members	23	

F. Personnel Contacted

Annex F**Personnel Contacted****ASACI**

Frank Frazier, Senior Vice President
Kelly M. Harrison, Executive Vice President
Michael Peden, Vice President, International Agribusiness Projects
Cynthia A. Leigh, Grants Secretary

David L. Watson, Certified Member and Private Consultant
Robert H. Maxwell, Certified Member and Dean, College of Agriculture and Forestry, UWV

Joseph H. Marshall, Certified Member and President, Southern Plantations Group, Inc.
Robert Shleser, Certified Member and President, The Concepts Group
William Zappettini, Jr., Certified Member and Chairman/President, The Zappettini Group, Inc.

AID/W

John S. Balis, Chief, Production & Investment Division of NE/DR/PIE
Thomas M. Olson, Project Manager, NE/DR/PIE
John B. Flynn, Director, NE/DR

USAIDs

Carl Dutto, RDO/Amman
John Schamper, ADO/Rabat

G. Mission Responses to Questionnaires



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

JAKARTA, INDONESIA
Telephone: (62 21) 360-360
FAX: (62 21) 380-6694

RAD

DATE: July 8, 1992 NO. OF PAGES (incl. cover page): 3
TO: IRG-Energy/IRG
OFFICE/COMPANY: International Resources Group, Ltd.
ADDRESS: 1400 1 Street, N.W., Suite 700, Washington, D.C. 20005
SUBJECT: Evaluation of Regional Private Enterprise Project (ASAC)
FACSIMILE NO.: (202) 289-7601
FROM: Johannes Verhelst, Acting Project Officer, Agribusiness Development Project
Office of Agro-Enterprise and Environment Ext.: 2382

MESSAGE

Attached is Mission response to the questionnaire on our relationship with ASAC.
Best Regards.

Sincerely,

A handwritten signature in cursive script, appearing to read 'J Verhelst'.

Johannes Verhelst
Acting Project Officer

USAID/INDONESIA INVOLVEMENT WITH ASAC

According to the information we have, your respective offices have had experience with ASAC. On a number of occasions beginning in 1990 and specifically in May 1991 and in May 1992, ASAC staff visited Jakarta to meet with USAID officials to acquaint them with the purpose of the ASAC Grant and how USAIDs could avail themselves of ASACs services.

Specifically, would you please answer, as best you can, the following questions. Please keep in mind the previously listed ASAC Grant Objectives as you answer.

1. What has been the impact and effectiveness of the ASAC promotional visits to your mission? What has been the response of mission to these visits?

① 2 3 4 5 (Please circle: 1=poor, 5=outstanding)

① 2 3 4 5

2. What have been the major accomplishments if any, by ASAC for Indonesia? What have been the major obstacles to progress faced by ASAC in attempting to be of service to USAID/Indonesia?

The Mission and ASAC were never able to agree on a useful role for ASAC.

3. What follow-up with USAID and/or the Indonesian private sector has ASAC had subsequent to its most recent visit?

The Mission is not aware of any.

4. Why has USAID not utilized ASAC's services?

USAID Missions have a variety of resources from which to draw. ASAC services never seemed relevant to Mission needs.

5. Does USAID intend to utilize ASAC's services in the future? If so, please indicate what services USAID has in mind.

No plans. The Agribusiness Development Project, when it becomes operational, can utilize short-term T.A. ASAC, like other organizations, may make their capabilities known to the Ministry of Agriculture, which will select the T.A. providers.

Please feel free to provide additional narrative concerning any of the above questions or any other comments with regard to this contract. In addition, if you have prepared evaluation type reports on your Mission contracts with ASAC, we would appreciate it if these could be made available to us.



United States Agency For International Development
American Embassy
Amman-Jordan

RAD

TELEFAX COVER SHEET

DATE: June 7, 1992

TO	: <u>Robert Delemarre</u>	From	: <u>Munthar Azar</u>
OFFICE	: <u>Int. Resources Group</u>	OFFICE	: <u>WEA</u>
FAX NO.	: <u>202-289-7601</u>	FAX NO.	: <u>962-6-604858</u>
		PHONE	: <u>962-6-604171</u>

NUMBER OF PAGES INCLUDING COVER SHEET: 3

MESSAGE IF ANY:

Reference to your fax dated May 26, 1992 concerning the evaluation of ASAC performance.

Attached herewith is your evaluation form filled out as requested. Please note that we have included answers to question Numbers 2 through 6. As to question Number 1., I would say that except for a one day visit by the ASAC Vice President, which you may consider promotional, no ASAC reconnaissance Missions to Jordan have taken place prior to conducting the Project Profiles Report which is the only activity undertaken by ASAC in Jordan so far.

USAID/Jordan Involvement With ASAC

According to the information we have, your respective offices have had experience with ASAC in the form of a Mission contract in FY 90 (Contract No.278-0274-C-00-0134-00) to prepare the Jordan Project Profile Report for Agribusiness Investment Opportunities. On two occasions, separate ASAC teams came to Jordan for a Reconnaissance Mission, and later a Rapid Appraisal in November 1990.

Specifically, would you please answer, as best you can, the following questions. Please keep in mind the previously listed ASAC Grant Objectives as you answer.

1. What has been the impact and effectiveness of the ASAC promotional visits to your mission? What has been the response of mission to these visits?

1 2 3 4 5 (Please circle: 1=poor, 5=outstanding) - Reconnaissance

1 2 3 4 5

- Rapid Appraisal

2. What have been the major accomplishments by ASAC for Jordan? What have been the major obstacles to progress faced by the ASAC team in Jordan?

ANSWER ASAC has conducted an Agribusiness Study in Jordan in May, 1990 which consisted of an agribusiness background and project profiles intended for marketing to U.S. agribusiness firms. While the background report included a good coverage of the investment climate, the project profiles part included a limited number of investment profiles and was evaluated by the concerned agencies of the Government of Jordan (GOJ) as below expectations.

The ASAC team has been given full support and had the opportunity to meet with a variety of private and public sector entities and individuals.

3. From May 6-18, 1990, ASAC had a 5-person team of private sector agribusiness consultants in Jordan to develop the information that would become the basis for the report entitled: AGRIBUSINESS INVESTMENT OPPORTUNITIES IN THE HASHEMITE KINGDOM OF JORDAN. What evidence exists that indicates that this effort has been, or will be, successful in the development of new investments and/or joint ventures with Jordanian businesses?

ANSWER A 5-person team from ASAC conducted the Agribusiness Investment Opportunities study in Jordan during the period April 29 - May 18. During this period the team made contacts with potential Jordanian investors. It has been noted that some Jordanian export agribusinesses have shown interest in joint venture undertakings where they expect to benefit from the business management skills, technical expertise, and export market connections of U.S. investors.

Please indicate USAID/Jordan's level of satisfaction with this report and the methodology used by the team.

1 2 3 (4) 5 (Please circle)

4. Was ASAC responsive to the Mission contracts? (Y) or (N).

Did the ASAC team arrive within the time frame requested by the Mission? (Y) (N).

Was the team adequate to the task in the following:

- o Technical ability; 1 2 3 (4) 5 (Please circle: 1=poor, 5= outstanding)
- o Language/Communication/Rapport with counterparts; 1 2 3 (4) 5
- o Adaptability to country situation; 1 2 3 (4) 5
- o How effective in a (potential) broker role? 1 2 3 (4) 5

5. What follow-up with Mission and/or Jordanian private sector has ASAC had since its team left country in May 1990?

ANSWER ASAC submitted their Investment Opportunities Report, and followed that with a one 30 day Progress Report and one 90 day Progress Report which consisted of a list of U.S. contacts who have been notified and have shown interest in the identified profiles. Both progress reports failed to include adequately the required description of the ASAC marketing activities, and U.S. investors' interest and plan.

USAID/J is planning to negotiate a contract with ASAC soon to conduct an Investment Promotion for Agribusiness Opportunities in Jordan which include project profiles identified by ASAC as well as other export opportunities identified through other marketing research carried out by the U.S. funded Agricultural Marketing Development Project.

6. Would Mission utilize ASAC in the future for this same type of activity? (Y) (N). If not, why not?

Please feel free to provide additional narrative concerning any of the above questions. In addition, if you have prepared evaluation reports on your Mission contracts with ASAC, we would appreciate it if these could be made available to us.

USAID/MOROCCO FAX

AGENCY FOR INTERNATIONAL DEVELOPMENT

FAX NO. 212-770-7930

TO: W. Rodgers

DATE: June 16, 1992

TITLE/ORGANIZATION: International Resources Group

FAX NO. 202-289-7601

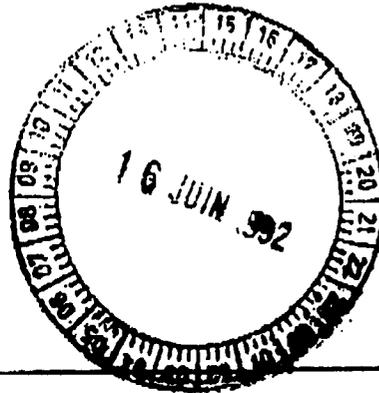
TEL. NO. 202-289-0100

LOCATION: Washington, D.C.

IN ADDITION TO THIS PAGE, 2 PAGES

MESSAGE

Please find the attached USAID/Morocco Involvement with ASAC



FROM John Schamper, A/ADO

U.S. MAILING ADDRESS
American Embassy Rabat
PSC 74 Box 022
APO AE 09718

INTERNAT'L MAILING ADDRESS
137, AVE. ALLAL BEN ABDELLAH
B.P. 120
RABAT, MOROCCO
TEL. (011) 212-7-702-265

TRANSMISSION DATA	
DRAFT: <u>John Schamper, A/ADO</u>	SENT: <u>611619Z at 17.35 PM.</u>
CLEAR: _____	OFF: <u>X</u>
AUTH: _____	PER: _____
RECEIVED IN C&R: _____	SIGN: _____

11/2/91
62

USAID/Morocco Involvement With ASAC

According to the information we have, your respective offices have had experience with ASAC in the form of a Mission contract in FY 91 (Contract No.608-0249-C-00-1046, amended June 1991, Amendment 001) to prepare the Morocco Project Profile Report for Agribusiness Investment Opportunities. On two prior occasions, separate ASAC teams came to Morocco for a Reconnaissance Mission, and later a Rapid Appraisal in November 1990.

Specifically, would you please answer, as best you can, the following questions. Please keep in mind the previously listed ASAC Grant Objectives as you answer.

1. What has been the impact and effectiveness of the ASAC promotional visits to your mission? What has been the response of mission to these visits?

1 2 3 **4** 5 (Please circle: 1=poor, 5=outstanding) - Reconnaissance
1 2 3 **4** 5 - Rapid Appraisal

2. What have been the major accomplishments by ASAC for Morocco? What have been the major obstacles to progress faced by the ASACI team in Morocco?

These are as follows: (a) identification of a number of promising potential agribusiness investments, which are enumerated in ASACI's "Morocco Investment Profiles" report; (b) assistance in launching the first concrete investment action associated with U.S. agribusiness - tissue culture-based seed potato production, as well as in pursuing other leads for trade and investment; (c) exposure of the Moroccan agribusiness community to U.S. agribusiness interests, and the USAID program. *

3. From May 6-22, 1991, ASAC had a 5-person team of private sector agribusiness consultants in Morocco to develop the information that would become the basis for the report entitled: AGRIBUSINESS INVESTMENT OPPORTUNITIES IN THE KINGDOM OF MOROCCO. What evidence exists that indicates that this effort has been, or will be, successful in the development of new investments and/or joint ventures with Moroccan businesses?

One investment action, in seed potato production is currently underway. There are promising leads in a number of other sectors, including cut flowers, melons, and tomato paste.

Please indicate USAID/Morocco's level of satisfaction with this report and the methodology used by the team.

1 2 3 4 **5** (Please circle)

4. Was ASAC responsive to the Mission contracts? (Y) or (N).

Did the ASAC team arrive within the time frame requested by the Mission? (Y) (N).

Was the team adequate to the task in the following:

- o Technical ability; 1 2 3 4 (5) (Please circle: 1=poor, 5= outstanding)
- o Language/Communication/Rapport with counterparts; 1 2 (3) 4 5
- o Adaptability to country situation; 1 2 3 (4) 5
- o How effective in a (potential) broker role? 1 2 3 (4) 5

5. What follow-up with Mission and/or Moroccan private sector has ASAC had since its term left country in Nov 1981?

ASACI has provided reports, promotion, and clearing-house activities as required under its contract, and in addition, has facilitated contacts between Moroccan and U.S. firms. Specific areas include seed potatoes, cut flowers, tomato paste, and melons.

6. Would Mission utilize ASAC in the future for this same type of activity? (Y) (N). If not, why not?

Yes. ASAC has proved to be a low cost link to the U.S. agribusiness sector. I have recommended host government approval of an additional grant for ASAC investment promotion work, and believe this will yield concrete results.

Please feel free to provide additional narrative concerning any of the above questions. In addition, if you have prepared evaluation reports on your Mission contracts with ASAC, we would appreciate it if these could be made available to us.

* The major obstacle was little or no foreign language capability for most of the ASAC team members. Close attention needs to accompany such individuals with persons having bilingual capabilities.



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT/PHILIPPINES

ORIGINATOR'S FAX NOS.: C&R 632-521-5241 OFFPVC 632-521-5244
 OCP 632-521-5235 ONRAD 632-522-2512
 GSO 632-831-9314 ExO 632-521-5370

TO: Bob Delemarre, International Resources Group FAX NO.: (202) 289-7601
 ADDRESS: Washington, D.C. PHONE NO.: (202) 289-0100
 CLEARANCES: none OFFICE APPR/ONRAD PHONE NO.: 521-7116 x. 2419
 AUTHORIZED BY: Barry K. Primm DATE: June 15, 1992 PAGES (INCLUDING COVER) 1

RAD nk

Subject : Evaluation of Regional Private Enterprise (ASAC)
 Reference : (A) Delemarre/Primm 28 May 1992 fax
 (B) Delemarre/Primm 10 June 1992 fax

To the best of the Mission's knowledge, ASAC has not conducted any organized activity in the ~~territories~~ ~~and~~ ~~to~~ ~~meet~~ ~~with~~ ~~Mission~~ ~~personnel~~ ~~and~~ ~~local~~ ~~businessman~~.
 ... ~~territories~~ ~~and~~ ~~to~~ ~~meet~~ ~~with~~ ~~Mission~~ ~~personnel~~ ~~and~~ ~~local~~ ~~businessman~~.

85

INTERNATIONAL RESOURCES GROUP

1400 I Street, N.W.
Suite 700
Washington, D.C. 20005

Telephone: (202) 289-0100
Telex: 292048 EDI UR
Fax: (202) 289-7601

FACSIMILE COVER SHEET

DATE: May 29, 1992
TO: John Flynn
FAX #: 202-663-2494
COMPANY: AID/NE/DR
FROM: Robert Delemarre
PROJECT #: Evaluation of Regional Private Enterprise Project (ASAC)
OF PAGES: Four

A. Introduction

In May 1992, AID/W awarded a Delivery Order to International Resources Group (IRG) to evaluate the grant issued to the American Society of Agricultural Consultants (ASAC). The specifics of the grant are described below. As part of the evaluation, the IRG team consisting of William Rodgers and Robert Delemarre have been requested to communicate with USAID staff familiar with the activities of ASAC teams in their respective Missions.

B. Background

Based upon an unsolicited proposal, in August 1989 AID executed a grant (Grant Number ANE-0050-G-SS-9037) with the American Society of Agricultural Consultants (ASAC). The grant was designed to create development in ANE countries by offering them:

- A means for expanding U.S. investments and commitments in the development of modern food systems;
- An opportunity to support private sector agribusiness developments that would create permanent jobs and incomes;
- An opportunity for private sector agribusinesses in ANE countries to develop relationships with U.S. agribusiness firms that could bring capital, technology, and management skills;
- A means to enhance living conditions of the people of the ANE countries through the activities of private sector agribusiness development activities; and
- Assistance in the development of trade through private sector agribusiness development.

USAID/Sri Lanka Involvement with ASAC

According to the information we have, your office has had experience with ASAC. During the time you served in the Sri Lanka mission, an ASAC team came to Sri Lanka to meet with USAID officials to acquaint them with the purpose of the ASAC Grant and how USAID's could avail themselves of ASAC's services.

Specifically, would you please answer, as best you can, the following questions. Please keep in mind the previously listed ASAC Grant Objectives as you answer.

1. What has been the impact and effectiveness of the ASAC promotional visits to your mission? What has been the response of mission to these visits?

1 (2) 3 4 5 (Please circle: 1=poor, 5=outstanding)

1 (2) 3 4 5

2. What have been the major accomplishments if any, by ASAC for Sri Lanka? What have been the major obstacles to progress faced by ASAC in Sri Lanka?

- Accomplishment: A routine promotional visit - only accomplishment was to provide information and to receive a proposal for funding
- Obstacle: Mission had already done a lot of market studies - ASAC wouldn't accept them & was inflexible in pushing a set program of theirs. Govt. was not interested in using funds for what they perceived would duplicate existing work.

3. What follow-up with USAID and/or the Sri Lankan private sector has ASAC had subsequent to its most recent visit?

Follow up to ask about mission response to proposal.

4. Why has USAID not utilized ASAC's services?

Because the ASAC activity could not be flexible enough to work with our ongoing program & host govt. was not interested in using funds under existing ag bus. program

5. Does USAID intend to utilize ASAC's services in the future? If so, please indicate what services USAID has in mind.

I don't think so. We have two large ag business projects on the ground and it is doubtful ASACI could provide substantial additional assistance.

Please feel free to provide additional narrative concerning any of the above questions or any other comments with regard to this contract. In addition, if you have prepared evaluation reports on your Mission contracts with ASAC, we would appreciate it if these could be made available to us.

nk

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID/THAILAND

CABLE: USAID THAILAND
Telex: 20327 PROPRTY TH

RAD

FAX: (662) 255-3730
Telephone: 255-3650-9

TO: Mr. Bob Delemarre
OFFICE: International Resources Group
FAX NO.: (202) 289-7601

DATE: June 12, 1992
TEL NO.:
PAGES: 1 (INC. THIS PAGE)

FROM: Peter H. Deinken, USAID/Thailand
SUBJECT: ANE Grant with ASAC

PH Deinken

TEL NO.: 662-255-3669
CLEARANCE:

DIR./DEP. DIR.
(EX0)

MESSAGE:

Thank you for your fax of June 10, 1992. We have not received any prior communications from you concerning ASAC activities in Thailand so cannot respond to your specific questions without further details.

FYI, USAID engaged ASAC in 1991 under a Mission-funded cooperative agreement to carry out an agribusiness investment study in Thailand. The final report entitled "Agribusiness Investment Opportunities in Thailand: Gateway to Asian Agribusiness Markets" was completed early this year and has been very well received. Thai and U.S. investors have begun to negotiate business ventures based on some of the profiles.

tw

AGR:Thongkorn:jj 06/11/92 (Doc. 6175R p. 5)

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID/THAILAND

CABLE: USAID THAILAND
Telex: 20327 PROPRTY TH

FAX: (662) 255-3730
Telephone: 255-3650-9

TO: Mr. Robert Delemarre
OFFICE: International Resources Group
FAX NO.: 202-289-7601

DATE: 18 June 1992
TEL NO.: 202-289-0100
PAGES: 1 (INC. THIS PAGE)

FROM: Peter H. Deinken
SUBJECT: ASAC Evaluation

TEL NO.: 66-2-255-3669
CLEARANCE:

DIR./DEP. DIR.
(EXO)

Ref: Your fax dated June 11, 1992

Dear Mr. Delemarre:

Following are comments keyed to the questionnaire contained in the referenced fax. I hope that this information is useful in evaluating the activities of ASAC.

- | <u>Quant. Score</u> | <u>Narrative</u> |
|---------------------|---|
| 1. 3
4 | Reconnaissance visit was relatively costly but necessary to define approach. Subsequent work to develop additional profiles could forego this step. |
| 2. | The ASAC report has been well received and has generated considerable interest in Thailand and in the U.S. Thai and U.S. investors are in active discussions for the development of business ventures derived from the investment profiles. |
| 3. | Following the reconnaissance, two groups of Thai investors traveled to the U.S. at their own expense to explore opportunities in peanuts and dairy products. Following release of the report, ASAC consultants have been back to Thailand to explore in further detail ventures related to shrimp seed, biofeeds and peanut industries. |
| 4. | Yes |
| 5 | Technical ability |
| 4 | Language/Communications/Rapport |
| 4 | Adaptability to country |
| * | Effective in broker role * Too soon to evaluate |
| 5. | See answer to question 3. Negotiations are currently underway for partnership arrangements, site identification, capital financing, etc. |
| 6. | Yes |

Mission has been pleased with the early signs that the ASAC work will result in new business ventures between Thai and U.S. partners. Because of the active interest of ASAC, the report was not developed as an academic study but rather as an action plan to guide investors. Interest was sufficient that a campaign to promote the report was deemed to be unnecessary. All negotiations and business development efforts subsequent to the report have been carried out with no additional funding from USAID. No evaluation of this work in Thailand has been carried out to date.

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AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES A.I.D. MISSION TO TUNISIA

DATE: June 1, 1992

TO : Mr. Robert Delemarre, International Resources Group

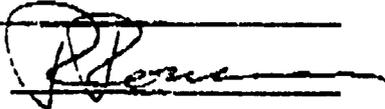
TELEFAX NO: 202-289-7601

FROM : Salah Mahjoub, ^{WMB} USAID/Tunisia

USAID TELEFAX NO: 216-1-782-464

SUBJECT : Evaluation of ASACI

REFERENCE : Your fax dated 5/26/92

OFFICIAL XX PERSONAL _____ APPROVED: 

TOTAL PAGES SENT, INCLUDING COVER PAGE 3

ORIGINALS TO FOLLOW: YES _____ NO _____

VIA: MAIL _____ POUCH _____ OTHER _____

FAX MESSAGE

Please see attached.

MAILING ADDRESS (POUCH MAIL)

TUNIS, DEPT. OF STATE, WASHINGTON, D.C. 20521-6360

INTERNATIONAL MAILING ADDRESS

AMBASSADE DES ETATS-UNIS D'AMERIQUE
144, AVENUE DE LA LIBERTE, 1002 TUNIS-BELVEDERE, TUNISIA

TELEPHONE 216-1-784-300

TELEX 14182 USAID TN

AID-60-05 (R. 12/91)

91

USAID/Tunisia Involvement with ASAC

According to the information we have, your respective offices have had experience with ASAC in the form of a Mission contract in FY 89 (Contract No. 554-0249-C-00-9165-00, Sept 1989) to prepare the Tunisia Agribusiness Investment Opportunities Report. On two occasions, separate ASAC teams came to Tunisia for a Reconnaissance Mission and a Rapid Appraisal in October 1989.

Specifically, would you please answer, as best you can, the following questions. Please keep in mind the previously listed ASAC Grant Objectives as you answer.

1. What has been the impact and effectiveness of the ASAC promotional visits to your mission? What has been the response of mission to these visits?

1 2 3 5 (Please circle: 1=poor, 5=outstanding) - Reconnaissance

1 2 3 4 5 - Rapid Appraisal

2. What have been the major accomplishments by ASAC for Tunisia? What have been the major obstacles to progress faced by the ASAC team in Tunisia?

ASACI paved the way for the design of an Agribusiness Program Grant that would be initiated by USAID in FY 93, if resources are available.

3. From October 17- November 7, 1989, ASAC had a 2-person team of private sector agribusiness consultants in Tunisia to develop the information that would become the basis for the report entitled: AGRIBUSINESS INVESTMENT OPPORTUNITIES IN TUNISIA. What evidence exists that indicates that this effort has been, or will be, successful in the development of new investments and/or joint ventures with Tunisian businesses?

4. Was ASAC responsive to the Mission contracts? (Y) or (N).

Was the team adequate to the task in the following:

o Technical ability; 1 2 3 4 5 (Please circle: 1=poor, 5=outstanding)

AK

- o Language/Communication/Rapport with counterparts: 1 2 3 4 **5**
- o Adaptability to country situation: 1 2 3 **4** 5
- o How effective in a (potential) broker role? 1 2 3 4 5

Not applicable.

5. What follow-up with Mission and/or Tunisian private sector has ASAC had since team left country in November 1989?

In March 1990, ASACI submitted a proposal for a multi-year cooperative agreement to promote agribusiness development in Tunisia.

6. Would Mission utilize ASAC in the future for this same type of activity? **(Y)(N). If not, why not?**

Please feel free to provide additional narrative concerning any of the above questions or any other comments with regard to this contract. In addition, if you have prepared evaluation reports on your Mission contracts with ASAC, we would appreciate it if these could be made available to us.

Evaluation report on USAID contract with ASACI is not available.

AP