

**FINAL REPORT FOR EXITOS  
PERIOD: JANUARY 1992 TO FEBRUARY 1994**

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# **FINAL REPORT OF WILLIAM H. BARBEE FOR EXITOS**

## **January 1992 to February 1994**

### **I. Background**

EXITOS is a four year follow-on activity to the successful Non-traditional Agricultural Export Project (PROEXAG I) which was targeted principally on export of fresh horticultural crop products. EXITOS, on the other hand, is designed to contribute to broad-based, sustainable economic growth in Central America by increasing sales of non-traditional agricultural exports, both fresh and processed agricultural products. Project assistance covers a wide range of commodities and themes in all phases of the export produce industry: starting with production, post harvest handling including packaging, processing and marketing, information management, library systems and sustainability of the counterpart organizations.

Principal objective of EXITOS is to increase sales and/or volumes of Central American Non-traditional Exports. Central America in this case includes the countries of Guatemala, Belize, El Salvador, Honduras, Nicaragua, Costa Rica and Panama. The present project (PROEXAG II), as with PROEXAG I, initially covers only the export of fresh horticultural crop commodities - vegetables, spices, fruits, flowers and ornamentals.

The USAID funded project is being implemented by CHEMONICS' International Consulting Division, with sub-contracts to AGRIDEC, INTERAMERICAS, PMA and UFFVA. Based in Guatemala City, the project team consisted of six expatriate specialists in the fields of production, postharvest management, marketing, management information system and institutional development.

This document is the final report of the Institutional Development Advisor, who is a specialist supplied through the INTERAMERICAS sub-contract, covering his activities during the period from January 1992 to February 1994.

### **II. Terms of Reference (TOR) of the Institutional Development Advisor**

As per project document, the initial TOR or responsibilities of the Institutional Development Advisor with a level of effort up to 24 months is listed as follows:

The Institutional Development Advisor will oversee the strengthening of institutional capacity at the export support organizations, the crop associations, and within EXITOS.

Specific tasks may include:

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- Develop and/or revise the institutional development component of Country Action Plans, Annual Work Plans, and the LOP Implementation Plans. Participate in planning and reporting process.
- In collaboration with INTERAMERICAS advisors, assess overall strength and need for assistance of the export support organizations and, as appropriate, make specific assessments of the financial status and institutional self-sufficiency, staff and membership development needs and service requirements of the members.
- Define critical issues of government relations both domestic and in target countries.
- Supervise visits by UFFVA and PMA management and staff during trips to the region.
- With the help of counterpart entities, conduct an inventory of all relevant NTAÆ crop associations in the region, analyze their services, and design and execute a plan to strengthen them.
- Coordinate training events concerned with fund raising, definition, delivery of services.
- Coordinate crop association and other selected tours to be held in the United States.

### **III. Activities in compliance to the TOR**

Evaluation of the PROEXAG I project showed that an additional specialty should be designed into the on going EXITOS project, that of institutional development. Significant support had been provided to the counterpart organizations in the technical specialties supplied through PROEXAG I. However, one of the weaknesses noted was the institutional inability to structure and manage itself and its programs in an effective high impact and cost effective way. The counterpart organizations to be worked with are as follows:

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| GEXPRONT | (Gremial de Productores y Exportadores de Productos No Tradicionales, Guatemala).      |
| CINDE    | (Coalición Costarricense de Iniciativas de Desarrollo, Costa Rica).                    |
| FPX      | (Federación de Productores y Exportadores Agropecuarios y Agroindustriales, Honduras). |

FUSADES	(Fundación Salvadoreña de Desarrollo Económico y Social, San Salvador).
APENN	(Asociación Nicaragüense de Productores y Exportadores de Productos No Tradicionales, Nicaragua).
GREXPAN	(Gremial de Exportadores de Productos No Tradicionales, Panama).
BCCI/BEIPU	(Belize Chamber of Commerce and Industry/Belize Export and Investment Promotion Unit).
CADEXCO	(Camara de Exportadores de Costa Rica).
CNAA	(Camara Nacional de Agricultura y Agroindustria).

Soon after the Institutional Development Advisor joined the project and working with advisors from INTERAMERICAS, it was decided that the major thrust of institutional activities should be assistance with the self-sufficiency issue. With the pacification of Central America in the early 1990's, it was becoming obvious that the high level of USAID funding for the region was going to be reversed. This meant that the USAID created and funded institutions involved in NTAE throughout the region, which were the EXITOS counterpart institutions, were going to have to look for new funding sources and/or drastically down size their operations.

Initial reconnaissance trips were made around the region to meet the principal players at each of the project counterparts and to assess quickly their positions on the self-sufficiency issue and how they would fair under a reduction of USAID funding. Eventually full assessments of four of the seven original counterpart organizations were completed: CINDE, FPX, GEXPRONT and BCCI/BEIPU. Later in the project two more counterpart institutions were brought into the project in Costa Rica: CNAA and CADEXCO.

It was determined early on that institutional development and particularly work on the self-sufficiency issue required working with the highest levels of institutional management and not necessarily just with management of the agricultural division or group within the institution. Two of the counterpart organizations signed buyin agreements with EXITOS for INTERAMERICAS assistance to do full institutional studies to develop long term self-sufficiency strategies. These were CINDE and GEXPRONT. INTERAMERICAS teams were put together to conduct the studies with institutional management and key personal. Assessments of mission, organizational structure, finances, communications, membership, service menu, programs and activities were made. Recommendations on a future course of action were prepared which would assist the institution to attain self-sufficiency.

In the case of BCCI/BEIPU the preparation of the institutional assessment and financial projections provided the basis for a workshop with the Board and Senior Managers to prepare a long range institutional plan for self-sufficiency. The workshop was conducted by an EXITOS and INTERAMERICAS team. An outcome from this workshop was the conducting of the first National Private Sector Conference to Set the Development Agenda for the Private Sector.

A serious limitation to carrying out regional institutional strengthening activities was the changing of top management of several of the counterpart organizations. This made it difficult to work with some institutions as institutional strengthening depends heavily on relationships and rapport established over a period of time and the building up of confidence of managers to listen to recommendations of outside consultants.

Significant assistance was provided to APENN to develop a long term institutional strategy. Change in management slowed the process but it is finally getting back on track and a strategy is now nearly ready.

FUSADES is a case in point. With the continuing promise or at least impression that new funds would be forth coming for the institution, management was not concerned about the self-sufficiency issue. Several presentations were made on the need to address the issue and to prepare the institution for the day when funds become scarce. FUSADES contracted directly with INTERAMERICAS to assist them with the development of a sustainability strategy.

With FPX conferences were held to assist management and the Board to better understand the self-sufficiency issue. Soon after this, FPX hired a new very professional manager who had the experience to address the organizational needs of the institution and prepare a self-sufficiency strategy for their future.

Initially assistance was provided to look at the institutional needs of GREXPAN. Much of their institutional growth and capacity ;to carry out programs was dependent on securing additional funding from the USAID mission. A considerable amount of time and effort was expended to negotiate a program with USAID. The Board was not able to come to an agreement with USAID and no funds were forth coming.

A major amount of time was spent meeting with USAID officials throughout the region to explain what self-sufficiency really meant for the USAID created and funded development institutions. Institutions had been created without a full understanding of how to convert them to sustainable entities with some capacity to carry out development activities. It became very obvious that self-sufficiency was difficult to achieve without some sort of donor support or endowment unless all development activities were dropped. This remains an issue which is not universally understood.

Early in the consultancy it was found that many countries in the region were interested

in developing export certification programs but really didn't have a feel for what was involved. Assistance was provided to various countries and institutions to create the institutional capacity and programs for export certification. Pioneer phytosanitary export certification programs were created for melon exports in Costa Rica, Guatemala and Honduras through the assistance of the institutional development specialist. El Salvador and Nicaragua are interested in starting an effort in the near future. The seed has been planted for certification in the region and strategies and procedures have been developed for each interested country. The ultimate goal is to establish modified APHIS preclearance programs where the presence of US. inspection personnel will not be required. This will mean the programs can be economical enough for local producers at the present relatively low level of exports. Costa Rica, through the efforts of CINDE, is now pioneering an effort in quality certification of melon, mango and pineapple exports. This effort will catch the interest of all of Central America.

As a prerequisite for a certification program, producer associations had to be established. Several strong associations were created to unite the industries to back and carry out such programs.

It was decided that the supervision of the UFFVA and PMA visits would be coordinated by the Marketing Specialist except in the case of the PMA working with CADEXCO in Costa Rica to establish an ornamental plant/cut flower trade fair. CADEXCO is in the process of organizing and securing industry support for the event.

#### **IV. Acknowledgements**

The Institutional Development Advisor would like to thank USAID, CHEMONICS and INTERAMERICAS for the opportunity to work with the EXITOS team. It is a very profession, capable, creative and dynamic group to work with. It has been a tremendously enriching experience for me to work with such a talented knowledgeable group. There is no doubt in my mind that NTAE in Central America was greatly benefitted by the EXITOS project and that the impact of the project will be felt for many years into the future.

