

96422

Project Assistance Completion Report
(PACR)

EXPORT INDUSTRY TECHNOLOGY SUPPORT

(EXITOS)

(Project Number 596-0165)

U.S. Agency for International Development
Guatemala City, Guatemala

Guatemala City, Guatemala

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EXECUTIVE SUMMARY¹

The USAID/ROCAP mission signed the Non Traditional Agricultural Support Project (596-0108) with Chemonics International, Inc. in September 1986. During the first months of project inception the name, "PROEXAG" - PROMotion of EXport AGriculture - was created to represent the contract team. From October 1986 through September 1991, the PROEXAG team provided technical assistance to the Central American NTAE industry through a skillful, energetic and well-targeted campaign of promotion and technical assistance. The project introduced new crops, new methods, new growers, new exporters and new markets. The focus was on horticulture including fruits, vegetables, ornamental crops, specialty crops and propagative materials.

The strategy for the delivery of technical assistance evolved until it was based solely on the produce "deal," which became the cornerstone of the project. The project provided the "know how" to establish successful deals through direct technical assistance, training, and market information. The delivery methods for providing this "know how" and the recipients were the focus of PROEXAG and provided the foundation for the follow on Export Industry Technology Support Project (Number 596-0165) - EXITOS.

The EXITOS project was signed with Chemonics on October 1991 with the same PROEXAG team intact. Because of the continuity of the Non Traditional Agricultural Export and the Export Industry Technology Support Project the term PROEXAG was widely used and accepted as the relevant acronym for both projects. Being a member of the PROEXAG team, especially for the Central American local hires was seen as a badge of honor and a highly respected addition to one's career, comparable to being a graduate of Zamorano.

As a follow on project, the EXITOS strategy for delivery of technical service varied little from that of the NTAE project: deals and provision of know how still were the central focus. Major results of the project included the following:

- New country - crop combinations were established in every country of Central America, thereby diversifying the economy and providing increased job opportunities, better economic stability, more foreign exchange, and

¹ This PACR borrows freely from the final report for PROEXAG (596-0108) written by John Lamb and the final report for the EXITOS project (596-0165) written by Bruce Brower. No reference is made to ideas gleaned from these reports unless it is a direct quote. It is also longer than most in that it is meant to provide sufficient information for the final report; final semi annual review, the project officer final report; any internal evaluations and a wrap up for the combined PROEXAG-EXITOS project 1986 - 1995.

tangentially, greater political stability.

- The project encouraged the production of products counter-seasonally to production in the United States, thereby complementing the supply of fresh produce and making more items available year around to the U.S. consumer.
- A conservative calculation estimated that each one dollar of U.S. taxpayer money spent on the PROEXAG and EXITOS had a return of \$8.82 to the economies of Central America and \$13.08 to the economy of the United States.
- Over 10,000 farms received some sort of assistance from the PROEXAG and EXITOS projects. Over 8,000 of those farms were of one hectare or less in size.
- Farms and businesses in Central America receiving project assistance employed over 80,000 individuals. A preponderance of those jobs were in rural areas. A majority of the jobs went to women.
- Over 5,300 permanent jobs were created in the United States by the economic activity directly attributable to the PROEXAG/EXITOS projects. No U.S. jobs were lost to Central America due to project activity.

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LIST OF ACRONYMS

AGREQUIMA	A pesticide information program funded by chemical companies designed to promote safe agricultural chemical usage
APENN	Nicaraguan Association of Producers and Exporters of Non-Traditional Products
APHIS	Animal Plant Health Inspection Service
BABCO	Belize Agri-Business Company
BEIPU	Belize Export Investment Promotion Unit of the Chamber of Commerce
CADEXCO	The Costa Rican Chamber of Commerce of Exporters
CATIE	Tropical Agriculture Research and Teaching Center
CD-ROM	Compact Disk - Read Only Memory
CINDE	Costa Rican Coalition for Development Initiatives
CNAA	National Agricultural Chamber of Costa Rica
CPD	Commodity Price Database
DIVAGRO	Agricultural Diversification Division
EAP	Panamerican Agriculture College (ZAMORANO)
EARTH	School for Agricultural Research on the Humid Tropics
EPA	Environmental Protection Agency
EXITOS	Export Industry Technology Support
FDA	Food and Drug Administration
FPX	Federation of Associations of Agricultural and Agricultural and
FUSADES	Foundation for the Economic and Social Development of El Salvador/Agricultural Diversification Division.
GEXPRONT	Guild of Exporters of Non-Traditional Products of Guatemala

GREXPAN	Guild of Exporters of Non-Traditional Crops of Panama
NAFTA	North American Free Trade Agreement
NTAE	Non-Traditional Agricultural Export
PACA	Perishable Agricultural Commodities Act of the United States
PAD	A test for pyruvic acid in onions which is a reasonable measure of pungency
PMA	Produce Marketing Association
PROEXAG	Promotion of Export Agriculture project
ROCAP	Regional Office for Central American Programs
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USDA/AMS/MNS	Market News Service
USDA/APHIS	U.S. Department of Agriculture's Animal Plant & Health Inspection Service
UFFVA	United Fresh Fruit & Vegetable Association (UFFVA)
ZAMORANO	The Panamerican Agricultural School

PROJECT ASSISTANCE COMPLETION REPORT

1.0 PROJECT OVERVIEW²

PROEXAG had its origins in three inter-related sets of circumstances: (1) the failure within Central America during the late 1970's and early 1980's of economic development strategies adopted in earlier years; (2) the promulgation by the United States of policies and legislation that aimed to promote export-led growth in Central American countries and elsewhere; and (3) major shifts in supply and demand patterns for horticultural products in markets potentially accessible to Central American producers.

Even before the PROEXAG project was designed in early 1986, high-value horticultural products had been identified as a most promising sector for attention under the CBI Initiative: per capita consumption of horticultural products was rising in the U.S.; population growth was leading to an increase in total consumption of horticultural products; supermarkets had begun to realize that horticultural products are among their most profitable products, and were exerting pressure to obtain year-round supplies of consistent quantity and quality; domestic producers were looking to expand their supply to reduce seasonality and maintain client relationships; horticulture would make good use of some of Central America's, most important natural endowments--land, soils and climate; and horticulture is generally labor-intensive and has a high local value-added, and its adds diversify to the country's crop mix.

One of the concepts that evolved in the first year of PROEXAG was that technical assistance should be based on the produce "deal," and this became the cornerstone of the project. The project provided the "know how" to establish successful deals through direct technical assistance, training, and market information. The delivery methods for providing this "know how" and the recipients were the focus of PROEXAG and provided the foundation for the philosophy behind the follow on EXITOS project.

When "know how" is applied to a business it encompasses data, technology and competitive intelligence as well as the skills needed to effectively use these tools in the pursuit of profitable opportunities. The deficiencies that undermine the viability of an NTAE enterprise can be traced to a lack of know how, whether it be related to products, markets, technologies or management. The lack of know how is most critical at the conceptualization stage when many assumptions and decisions must be

² Loosely taken from the final report for the Non traditional Agricultural Export Project submitted by John Lamb for Chemonics International Consulting Division, January 1992.

products, markets, technologies or management. The lack of know how is most critical at the conceptualization stage when many assumptions and decisions must be made on incomplete knowledge. One of the key functions of the PROEXAG projects was to provide export entrepreneurs with the know how they lacked, not only during the early stages of business development, but also at critical junctures throughout execution.

Know how required at the enterprise level tends to be: 1. crop specific - a rose producer would never presume to understand snow peas production; 2. form specific - fresh snow peas are marketed different from frozen snow peas; 3. area specific - growers of carnations in Columbia will not be successful in Guatemala if they simply transfer technology; and 4. target market specific - United States consumers prefer green asparagus with large diameters while in some European countries the preference is for white asparagus with small diameters.

In commercial horticulture, business turns on "deals." In its simplest form, a deal represents a combination of production area, crop, product form, seasonality and target market. A typical example would be the "South Texas cantaloupe deal." The unique characteristics of each deal determine what a grower, grower/shipper, exporter or receiver needs to know to be successful at that particular deal. Since most commercial enterprises are built around one or more deals, it is the deal that determines the viability of the enterprise.

That being the case, since the decision was made under PROEXAG to promote the viability of NTAE enterprises, the main focus under PROEXAG (and subsequently EXITOS) was making sure that as many deals as possible were well conceived and well executed. That meant that the essential task faced under PROEXAG was to help entrepreneurs identify and acquire the data, information, and technology critical to each type of deal they were pursuing, then assist them to apply that knowledge appropriately.

Since a wide variety of inputs and skills must fit together to make a successful enterprise, PROEXAG adopted an holistic perspective in providing technical assistance. Therefore, rather than viewing PROEXAG as an agricultural development project devoted to specific growers and exporters, PROEXAG became an enterprise development project concentrating on selected agricultural businesses. Initially, the PROEXAG approach was described as deal making, however, since the project provided advice not only in marketing but also production, post harvest handling, transport and general management the phrase "deal facilitation and support" better describes the approach to NTAE development that was used.

"Sustainability of NTAE" as a whole depends on the viability of individual growers, shippers, and exporters. Viability at the enterprise level could be defined as: 1. the ability to identify, penetrate, maintain and expand markets for locally produced

horticultural crops or products in the face of competition and changing circumstances; 2. the capacity to withstand losses during start-up and bad seasons; and 3. the ability to generate an acceptable return on capital invested over the medium to long term."

1.1 PROJECT STATUS

1.1.1 Project Goal

The goal to which EXITOS will significantly contribute is Strategic Objective II of the LAC 2000 Strategy of Central America, i.e., "broad-based, sustainable economic growth in Central America." EXITOS will specifically and directly contribute to this goal by (1) stimulating agricultural production and trade; (2) strengthening private sector organizations promoting trade and investment; and (3) increasing investment in market information systems and technology development and dissemination.

1.1.2 Project Purpose

The specific Purpose of EXITOS, was "to increase the sales and/or volumes of Central American non-traditional exports". This purpose was a central element of several iterations of ROCAP's regional trade strategic objective.

2.0 CONTRIBUTION SUMMARY

2.1 Funding

The EXITOS project was initially funded to a maximum level of \$8.5 million, to be expended over a four-year project spanning the period from October 1, 1991 to September 30, 1995. In 1993, it was agreed that the project would increase the draw down on project resources: using the same amount of man months as stipulated in the project paper but over a shorter period on time. FY 1994 funding was cut by \$665,000 which eliminated any special studies, evaluations and audits that were to have been carried out under the project. In July of 1995 the total funding of the Chemonics contract was reduced by \$170,000.

Total funding (LOP)	\$8,500,000.00
Total amount obligated	\$7,759,991.00
Total amount disbursed ³	
Unobligated	\$740,004.00

Over and above the Chemonics contract, funds available under this project were

³ figures to be provided by Controller's upon receipt of last Chemonics Voucher on or about August 1995.

used to cover the costs of contracting a Project Liaison Officer for a period of approximately three years and financing one-fourth of the cost of the Miami Reporting Office of USDA's Market News Service and other related USDA market news services.

There was also a "buy in" provision for up to \$5,000,000 in the original project paper. Of this amount the total used was:

USAID Costa Rica	\$159,990
USAID Guatemala	\$103,983
USAID Nicaragua	\$49,982

2.2 Personnel Provided

Under the Chemonics prime contract and associated subcontracts, a total of 192 person-months of long-term effort was actually provided over a forty-month period. Key personnel assigned to post in Guatemala included: (1) a Chief of Party-Information Management/Computer Utilization specialist for 40 person-months in all; (2) a Tropical fruit Production Specialist for 24 person months; (3) a Marketing Specialist for 18 person-months; (4) a Post-harvest/marketing Specialist for 39 person-months; (5) a Vegetable Production Specialist for 27 person-months; (6) an Institutional Development Advisor for 24 person-months; and (7) an office administrator for 19 person months. In addition, Chemonics and its two subcontractors provided more than 350 person-months of professional short-term effort through a combination of home office staff, expatriate and Central American experts hired on an intermittent basis for specific assignments, and local hire professionals hired within Central America as internal counterparts to the resident advisory team. The following table shows the breakdown of the level of effort planned compared to that delivered.

LEVEL OF EFFORT CONTRACTED AND DELIVERED			
Category	Contract	Delivered	% Delivered
Long term advisors	192	192	100
Short term advisors	58	99	171
Project Supervision	29	14	48
Local Professionals	252	241	96
Total	531	546	103

2.3 Projects in Agricultural Research

The project also funded over \$75,000 worth of applied agricultural research. Most of the funds were applied to the procurement of planting material used to test the adaptability of different cultivars of priority crops especially tropical fruit trees. Funding was also used for asparagus, artichoke, onion and raspberry research as explained in more detail later.

2.4 Training

About \$130,000 was spent on training. Over 6,500 men and 1,500 women were trained in a variety of activities in more than 200 discreet seminars, workshops and field days formally organized by PROEXAG; which included over 15 regional conferences on different themes; participation by the PROEXAG team and selected counterparts at industry conferences; and more than 10 observational tours to the U.S. and Europe.

3.0 DESCRIPTION OF PROJECT ACTIVITIES AND MAJOR ACCOMPLISHMENTS

The technical assistance was targeted at members of the export federations and export-oriented development foundations that had been designated by bilateral USAIDs as formal counterparts under PROEXAG the following are the organizations that were involved in project activities and received project assistance to varying degrees:

- In Belize, Belize Agribusiness Company (BABCO) and the Belize Export

Investment Promotion Unit of the Chamber of Commerce (BEIPU) and Belize Citrus Growers Association (BCGA).

- In Costa Rica, the Coalition of National Development Initiatives (CINDE); the National Agricultural Chamber (CNAA), the Costa Rican Chamber of Commerce of Exporters (CADEXCO), the Tropical Agriculture Research and Teaching Center in Costa Rica (CATIE), and the School for Agricultural Research on the Humid Tropics (EARTH).
- In El Salvador, the Agricultural Diversification Division (DIVAGRO) of the Salvadoran Foundation for Economic and Social Development (FUSADES) and the Cooperative League of America Cooperative CLUSA Project.
- In Honduras, the Federation of Agricultural and Agroindustrial Producer and Exporter Associations (FPX), the Honduras Foundation for Agricultural Research (FHIA) and the Pan American Agricultural School (Zamorano).
- In Guatemala, the Guild of Nontraditional Products Exporters (GEXPRONT) and the Agricultural Chemical Guild (AGREQUIMA).
- In Nicaragua from 1990 onward, the Nicaraguan Association of Producers and Exporters on Nontraditional Products (APENN)
- In Panama, from 1990 onward, the Guild of Nontraditional Exporters of Panama (GREXPAN) and the Panamanian Institute of Agricultural Marketing National Ag Marketing Institute (IMA).

3.1 END OF PROJECT STATUS

During the first year of project implementation some revisions were made to the output levels and to some of the specific corporate achievements. The following is the end of project indicators with examples of each output.

Planned EOPS

1. CIF POE export sales of EXITOS client NTAE business increases by 15% per year over LOP. Export federation staff can aggregate NTAE export sales for CA increase by U.S. \$60 million by EOP. POE NTAE export volumes increase by 40% by EOP excluding bananas, pineapples, and citrus products.

According to the Hardesty-Taylor report, An analysis of the Economic Impacts of NTAE in Central America: "over the period 1987 to 1994 period, the CIF value of export deals directly resulting from PROEXAG and EXITOS project staff involvement increased from \$250,000 to over \$36 million. The cumulative value of these deals

over this eight year period was approximately \$129 million." For the period of October 1992 - September 1993 compared to same period 1993 -94, estimated sales for cantaloupes, honeydews, raspberries, asparagus, and onions rose from \$115 million to over \$127 million. Total estimated sales for the same period for carnations and roses go from \$225 million to \$250 million.

Using this process demonstrates that during the life of the PROEXAG project, every dollar spent by the U.S. Government on the project, has generated a return of \$8.82 to the economies of Central America and \$13.08 to the economy of the United States. Considering the value of all of the commodities for which PROEXAG has provided assistance, it is estimated that over 6,900 new jobs have been created in the United States.

Project Outputs

20 new crop associations established and still in operation by EOP - accomplished 22

Some the Associations formed under PROEXAG guidance and still functioning in Central America

- The Guatemala Snow Pea Producer Association
- The Guatemala Berry Producer Association
- The Honduran Melon Shippers Association
- The Honduran Mango Producer Association
- The Panama Export Producer Organization, GREXPAN
- The Belizian Papaya Producers and Exporters Association
- The Central American White Fly Commission
- The Panama Sweet Onion Growers
- The Nicaragua Sweet Onion Growers
- The Honduran Sweet Onion Growers
- The Central America Tropical Fruit Association
- The Costa Rican Melon Growers Association

Example: The Central American Whitefly Commission

Melons have been exported successfully from Central America since the late 1970's. PROEXAG helped with some basic production and marketing assistance in both Costa Rica and Nicaragua to bring them to a par with their neighbors, but most of the expertise existed within Central America. However, white flies (which cause a deadly virus) began to show up throughout Central America during the beginning of the PROEXAG project. The PROEXAG team acted as a leader in the early days, coordinating with CATIE, Zamorano, the University of Arizona and other experts to set up measures to prevent further infestations. This effort included identification of the fly species, isolation of the primary virus, trapping techniques to measure

infestation levels and a host of other accepted IPM practices. Although white flies are still a very serious problem within the Central American melon industry, because of the PROEXAG effort there exists a Central American white fly commission that meets twice yearly for a three day meeting that normally attracts two to three hundred participants who all pay their own way. These meetings are to discuss new advances, local and national research on white fly and to share information on infestations, melon marketing etc.

250 NTAE businesses receive assistance - accomplished 421

Example: Cauque Farms Organic Vegetables

Although organic vegetables have been touted as a solution to "healthier, pesticide free" produce there was little interest among buyers in the U.S. and although some marketing investigation was done under PROEXAG I little production effort was carried out. In 1992 a Guatemala producer began supplying "clean" lettuce to local up scale restaurants. "Clean" meant free from bacteria or other diseases associated with stomach disorders. The producer also wanted to grow legitimate, "certified" organic vegetables. Although PROEXAG had given little assistance to producing organic vegetables it had played a major role in bringing organic buyers to Central America, and kept close track of organic sales and trends in the U.S..

Once Cauque Farms solicited PROEXAG's help, the team contributed a major effort to the production of these vegetables; extensive research and field trials on green manures, laboratory analysis of nitrogen content of green manures, intercropping, disease control with beneficial insects, plant spacing, packing materials, post harvest cooling and handling along with finding reputable buyers in the U.S.. As of the end of 1994, the enterprise was extremely successful and the owner had been hired under the auspices of PROEXAG to provide assistance to agrarian reform cooperatives in El Salvador growing organic vegetable for domestic consumption. An aside to this major effort was the intent to show the time, expenses, education and mind boggling care needed to grow organic crops. This was done order in part to diffuse the extremists who claim that the solution to problems faced by the peasant farmers is to grow organic vegetables.

200 new export market opportunities convey to NTAE businesses - accomplished 181

Example: The Grexpan/PROEXAG Rambutan Project:

Producers of rambutan for the local Panama market became interested in the possibility of shipping the fruit to Europe, yet no one had actually done full scale trials that included all the correct and proper procedures. With PROEXAG assistance, over 500 boxes were shipped in three separate trials. The trials proved that it is feasible both logistically and physically to send fruit to England with good acceptability of the

fruit in London markets. The local organization, GREXPAN, acquired the in-house capability and know-how to harvest, pack and ship rambutans. This limited project showed that many critical details that are extremely important in preparing a crop profile or commodity business plan simply cannot be discovered unless actual commercial trial shipments are made. This same type of trial was repeated with onions from Nicaragua and organic vegetables from El Salvador.

60 deals made over the LQP - accomplished 102

As explained above, in commercial horticulture business turns on "deals." In its most simplest form, a deal represents a combination of production area, crop, product form, seasonality and target market. In very general terms some of the major deals that were begun through PROEXAG assistance and are still ongoing today involved melons, asparagus, berries, organic vegetables, cut flowers and sweet onions.

Cumulative value of PROEXAG deals for fruits and vegetables exported to the United States only as of the 1993 -94 export season

Guatemala	\$58,000,000
El Salvador	\$20,000,000
Honduras	\$5,300,000
Costa Rica	\$11,600,000
Panama	\$2,000,000
Nicaragua	\$33,600,000
Total	\$130,500,000

Example : The Central American Sweet Onion Deal

During the original PROEXAG little or no assistance was given on onions. However, a change in U.S. market coupled with new technology to measure the pyruvic acid which determines the "sweetness" of onions caused PROEXAG to push the introduction of sweet onion production throughout Central America. The team worked with grower associations in Central America and four reputable firms in the U.S. and in the last few years, sweet onions have become a major export crop from Central America: sales in 1994-95 will probably exceed \$10,000,000. The original project started in Nicaragua and quickly spread to Panama, during 1993 onions were planted with agrarian reform cooperatives in El Salvador and limited plantings in Guatemala and Costa Rica. Agrilabs, in Guatemala, was provided with the pyruvic acid analysis technology so they could start to provide pungency analysis to growers in Guatemala; for the 1994-95 season, PROEXAG produced and distributed an analysis of the onion season and market response for Central American product; a grower survey was done to forecast the Central American onion production and Petoseed, one of the major seed producing companies in the world was convinced to

carry sweet onion varieties in support of the budding industry in Central America.

50 adoptions of key production/marketing technologies by NTAE businesses - accomplished 70

Example: Quality Assurance Programs

Extensive assistance was provided to Guatemala, Costa Rica, and lesser assistance to other countries, to help establish melon and pineapple certification/quality assurance programs. This important effort is a preventative measure to lower the number of bad arrivals and non-conformance to U.S. phytosanitary or residue standards. Work continued in the region with export organizations, Ministries of Agriculture, APHIS and the growers to move along the melon certification program. This effort is intended to establish a modified preclearance program for melon exports, thereby reducing the need for inspection in the United States by assuring only APHIS compliant product is exported.

20 new NTAE crops and/or crops product-country combinations exported for more than one season over LOP - accomplished 25

Artichokes were introduced and successfully exported from Panama, Guatemala and Honduras. Small quantities of asparagus were exported from Costa Rica, Honduras, Nicaragua and Panama. Colored calla lilies were introduced and successfully exported from Panama, Guatemala and Costa Rica and although small in area have become a very profitable industry. Off season mangoes have been successfully exported to Europe from Costa Rica, Honduras, Guatemala and Nicaragua and as hot water treatment plants are being installed will soon be exported into the U.S.. Both cantaloupe and honey dew melons were introduced and exported from Nicaragua and are now one of the principle crops in the once cotton growing areas of the country. Blackberries and raspberries have become a major export product from Guatemala, so much that Guatemala is the leading producer of fresh blackberries to the U.S. and will probably soon replace Chile as the leading exporter of fresh raspberries.

Example: Guatemalan Raspberries

Raspberries were identified as a potential NTAE during the start up of PROEXAG, at that time there was only one raspberry "farm" in existence in Central America. PROEXAG introduced variety trials during the first two years of the project, but came across a major agronomic problem in that the plants would produce multiple flowering (resetting) after being pruned causing stunting of the plant and no commercial production. Extensive research was done on solving this problem. In the meantime, the blackberry industry that had existed as a cottage-garden type industry took off, and most producers abandoned raspberries. The blackberry market also was very good. In 1992 there were less than 5 hectares of raspberries in Guatemala and fewer

elsewhere. However, as more people entered the blackberry market the price dropped somewhat as the raspberry market remained stable. There are over 150 hectares of raspberries now planted in Guatemala with annual sales in excess of \$1 million. Most raspberries are marketed through a local Guatemalan firm that also provides technical assistance. During the last season, Guatemala has replaced the South American exporters of blackberries and raspberries in fresh form.

7500 NTAE businessmen from 500 companies trained - accomplished 6750 men and 1500 women

Example: Tropical Fruit

Since the inception of the CBI in 1983, U.S. buyers have looked to Central America for new, exotic type fruits. Unfortunately, few Central Americans responded preferring short term winter vegetables to the long term invest needed for fruit trees. PROEXAG also suffered from the pressure to have immediate results and concentrated on short season crops. Fortunately, the last year of PROEXAG and in the design of EXITOS, a component was built in to provide for research on tropical fruit exports. An inventory of all existing tropical fruits was done in Central America with the conclusion that although many varieties existed most were introduced in the 1930 and 40s by gardeners or hobbyists working with the banana companies and all lacked consistent, quality fruit. As a follow up, selected Central Americans went on a training/research trip to Hawaii to study tropical fruits.

In addition to planning the program, the project also paid for local transportation in the form of vans. Team members traveled with the participants as guides as well as instructors, facilitators, information synthesizers and evaluators. The growers who participated paid their own airfare, hotels and meals. This model proved to be very effective. Only the really serious would participate since most of the cost of the trip was born by them. However, the opportunity of the contacts and assistance provided by the project was attractive since it is not something they could do their own. The camaraderie among participants often led to cooperation and collaboration among Central American businessmen, even across countries, that had not been anticipated.

Following the contacts and arrangements made on these trips, the project began the introduction of tropical fruit cultivars to the region. Cultivars that were imported from Australia, Hawaii and Florida and introduced were carambola, lychees, mangosteen, durian, longan, rambutan and atemoya. These were distributed to public institutions and private producers throughout the region including the agricultural school at Zamorano. The interest generated by these early introduction spawned enough interest that a number of producers obtained additional tropical fruit trees, at their expense. Although none of the trees introduced were producing fruits at project's end it is expected that these introductions will lead to a major export crop in the late 1990s.

3.2 OTHER ACCOMPLISHMENTS

As in the original PROEXAG project, areas of assistance were based either on priority crops or on priority themes. The following is a break down of some of the major accomplishments under the follow on project not including those accomplishments or projects (with the exception of deals) started during 1986 - 1991.

Enterabilities

A major conference was held to try to resolve the issue on admissible crops from Central America into the U.S.. USDA prohibits the entry of any crop that may have an economically significant impact on U.S. agriculture regarding pests and/or diseases. The existence of many types of fruit flies in the region and crops unfamiliar to USDA, made this an overly burdensome task. Not only was scientific evidence necessary to document every crop from each individual country but under the Bush administration the bureaucratic process came to a virtual standstill. With numerous visits to USDA and a close coordination with the regional Ag attaches and the Ministries of Agriculture many new crops were granted admissibility into the U.S. in 1994 using a less cumbersome bureaucratic process.. PROEXAG also supported research work done by FHIA to support the thesis that neither rambutan nor pithaya were fruit fly hosts - which would also allow for their entrance.

Tropical Flowers

Along with the tropical fruit introductions, new flowers from Australia and Indonesia were also introduced. The most promising are colored calla lilies with full scale production presently in Guatemala, Panama and Costa Rica. This has also led to an off shoot industry which is the production of bulbs to be sold to flower producing enterprises. Other flowers introduced but not yet in commercial production are sandersonia and proteas. PROEXAG also gave technical advice on birds of Paradise and ornamental plants.

The United Fresh Fruit & Vegetable Association (UFFVA) and the Produce Marketing Association (PMA) PMA and UFFVA.

A unique aspect of the EXITOS contract was the inclusion of UFFVA and the PMA - the major produce industry associations, as subcontractors. Both organizations were well known in Central America so they brought a credibility and prestige to the project. Much of the work done with regional trade shows and their success can be attributed to PMA, supermarket tours and marketing buyer introductions with Central American were facilitated by UFFVA as was their assistance in improving the process for enterabilities.

Library/Computer Information

The project had a continually expanding library which is used to support team members, short term consultants, the export industry of the region, and the bi-lateral AID missions. Packets of information were periodically sent out to important project clients and contact organizations. An agreement was reached with USDA to receive their daily reports in database format. The data are automatically passed from USDA to the Chemonics Office in Washington, D.C. The project is the only organization, outside of USDA, which has access to these data in database format. The project generated reports on the f.o.b. prices in England were sent to the USDA Fruit and Vegetable Market News Service. After extended delays, equipment was obtained to begin the process of scanning the project library. It was installed first in Miami for testing, then brought to Guatemala in July. The entire scanning process is a relatively new technical adventure and many difficulties have been encountered. About 40% of the PROEXAG library will be available to counterpart institutions at project end. As part of the continuing information dissemination process, Spanish copies of the Exotic Tropical Fruits Manual, the Blackberry Production Guide, Post-Harvest care and handling of Cut Flowers, and the Raspberry Production Guide were distributed and the work on the analysis of berry diseases and artichoke diseases in conjunction with Universidad del Valle and Agrilabs was practically completed.

NTAE Domestic Markets

Although the project is concerned with non traditional EXPORT crops, these same crops are opening new profitable domestic markets: partially from the seconds or culls, and recently from new crops introduced with assistance from EXITOS. Red onions, artichokes and calla lilies planted in Panama for export were more profitable to sell on the local market, raspberries and organic vegetables in Guatemala, onions in Honduras, Solo papaya in El Salvador are also all examples of this phenomena. These domestic sales for crops deviated from export market for local market sales are well in excess of \$1 million. Intra regional trade of export quality produce has also begun: El Salvador onions to Guatemala; Panama onions to Costa Rica, Guatemalan asparagus to Panama, etc.

Buy-ins

A significant part of the EXITOS project was the provision for buy-ins. However, budget cut backs in all missions greatly reduced the use of the buy in concept. Only three missions used the buy in provision: Costa Rica to assist in the sustainability plan of CINDE; Guatemala to map out a strategy for the long range plans of the Gremial and Nicaragua to set a strategy and goal oriented operational plan for APENN.

Assistance to Bilateral Missions

A considerable effort was spent by the project team assisting bilateral missions on a number of projects that never came to fruition: the PL 480-APENN project in Nicaragua where the entire team spent a week working with the bilateral mission and APENN board in late 1993 as of the end of the project nothing concrete had been generated. Countless days were spent with the Panama bilateral mission on activities with the mission supported entity, ANDE trying to design a project for GREXPAN - PROEXAG supported organization. After more than two years of work with no results GREXPAN withdrew in membership in ANDE and gave up on project assistance from the bilateral mission. The PROEXAG spent three days with the El Salvador bilateral missions and its three NTAE projects to help devise a unified strategy for NTAE development project in El Salvador. Part of the outcome of this meeting helped in the design of the new CRECER project.

Information

Project designers named the lack of information as a critical blockage to the development of NTAE. In response, the project became an information conduit for Central America. Periodical literature, market information, regulations, industry developments, technology developments, IPM, post harvest technologies, packaging, transport, and every other aspect of the industry information was actively sought for. The project collected and distributed pounds of such information at least every month to all of the project counterparts, to USAID missions, to industry leaders, and every other pertinent organization in the region which could be identified.

USAID has a library management program called MicroDIS. The project paid for programming updates to that program to make it more useful in the Region. It was installed in all the counterpart organizations. All of the distributed information packets had those items which were considered of importance to include in the counterpart organization's information centers were pre-classified in MicroDIS and a diskette sent with the information packet. In that way, the receiving organizations did not have to all re-do the work of classifying the information, and it was accessible in their search system from the day it arrived.

U.S. Businessmen

This project was organized to target Central America. However, in its execution, it also became an important resource for businessmen wishing to do business in Central American NTAE. The project provided U.S. businessmen with appropriate local contacts. It helped many U.S. businessmen think through the advisability of proposed deals. It provided a set of eyes and ears on the ground for U.S. businessmen who could not afford to keep a person in the Region. It provided information about political conditions, production areas, breaking opportunities, language translation and every other aspect of the business. A number of businessmen stated that they could never have gotten into business in Central America without the project's assistance.

Counterpart organizations/AGRITRADE

Following some confusion, early in the life of PROEXAG, regarding the appropriate relationship between the project and the counterpart organizations, a method of operation was devised which worked well. The project served as a resource to the counterpart organizations. They were encouraged to call on the project for assistance with any aspect of their operations and functions. Importantly, the relationship was collegial. The project exercised no control over the counterparts and they exercised no control over the project. The project administered no funds that could be accessed directly by the counterparts and visa versa. On the other hand, the project team was aware that project success was closely linked to counterpart success.

The project served as a source of technical assistance to the counterparts. The determination of what technical assistance was provided and on what schedule was mutually worked out consistent with the demands of both programs. Information services were actively developed in the project and provided to the counterparts in the form of library information, computerized data, and access to breaking news about the industry. Continuous coordination adjusted project assistance to the changing needs of the federations. The fact that the federations learned the project was a valuable resource and adjunct to their programs, and that they exercised no direct control nor veto power over the project resources, created an atmosphere of professional collegiality that was pleasant and invigorating work environment for both parties.

The downside of the relationship between the project and the counterparts was the degree of dependence which developed between project and the counterparts. In many instances, the project team acted as the technical arm of the counterpart. This relationship was not resolved satisfactorily by the close of the project, leaving an unfilled need on the part of the counterpart organizations.

Perhaps the most significant example of the project's effort to support counterpart programs was Agritrade. This regional trade fair is part of GEXPRONT's program. Over the years it has become the single most important NTAE event in Central America. It attracts hundreds of foreign buyers and local growers. The project supported that effort by encouraging and helping counterparts from other countries of the Region to participate, by providing speakers, by assisting with the planning and by helping with the international promotion.

The project sought opportunities to bring together leaders from its counterparts. This proved to be a particularly fertile effort. Following one of the project's Regional Meetings, Guatemalan producers decided to open up their annual produce event, AGRITRADE, to producers and organizations from throughout the region. PROEXAG encouraged and welcomed this decision and renewed efforts to assist in the organization of the event. Staff from both the PMA and the UFFVA held seminars

throughout the region on how to participate in trade events, including the design and setting up of booths, promotional materials, member participation, etc. These same institutions provided advice to the Guatemalan AGRITRADE committee to assure the event's success. For AGRITRADE 1994, PROEXAG assistance was limited to giving advice and backstopping, the event was a success and has become an international event with regional backing.

4.0 PROJECT MONITORING AND EVALUATION

As mentioned earlier, as a result of budget cutbacks, \$210,000 that was to have been used for evaluations and audits was eliminated. Nonetheless, there were three evaluations done during EXITOS that included part of the PROEXAG activities and one done during the close out of PROEXAG (1991).

Some quotes from the studies:

IMPACT OF PARTICIPATION IN NON-TRADITIONAL AGRICULTURAL EXPORT PRODUCTION ON THE EMPLOYMENT, INCOME, AND QUALITY OF LIFE OF MEN [AND WOMEN] IN GUATEMALA, HONDURAS, AND COSTA RICA, Amalia Alberti, October 1991.

"From a gender perspective, NTAE production results in a positive sum gain for both male and female workers. NTAE production generally increases the number of person-days of labor required for the crop grown per measure of land in comparison with traditional export crops, thereby increasing labor demands. Men benefit through increased employment opportunities, particularly for field work, whereas women benefit as the preferred employees for packing and greenhouse activities and, secondarily, as potential field workers. NTAE qualitatively improves women's work options and quantitatively improves options for men.

Because women are actively sought and deliberately selected for NTAE activities, they are assured participation in the work force, and often given preference for the more desirable jobs while the preponderance of field activities assures employment opportunities for men. Hence, when NTAE workers benefit, both men and women benefit, a situation that does not necessarily occur in other kinds of employment."

AGRIBUSINESS ASSESSMENT: GUATEMALA CASE STUDY, Fox; Swanberg; Mehen, USAID/LAC (1994)

"Promotion of production of NTAE crops by small farmers in the highlands directly addresses the low productivity of these producers, encouraging higher productivity per unit of land and increasing the labor input per unit of output.

At the same time, increases in NTAE serve to relieve the balance of payments constraint. Consequently, NTAE addresses the two key constraints facing Guatemala: the foreign exchange scarcity arising from the collapse of the traditional export sector; and the extremely skewed income distribution afflicting indigenous rural producers."

"The characteristic of the two central actors in the success of Guatemalan NTAEs - the Guild and PROEXAG - is not that they undertook specific actions foreseen in a project design that contributed to success, but that they undertook actions that contributed to success because they were able to continually experiment and adapt to the requirements of the situation. It was the fact that they chose particular actions that were strategically important at a particular time, rather than the actions themselves in an intrinsic sense that was the critical ingredient."

"an economic case could be made for U.S. promotion of Guatemalan agribusiness solely on the basis of benefits to U.S. consumers in lower prices and greater availability of perishable products during the U.S. winter."

"...technical assistance is a difficult instrument to use effectively. The relatively flexible mechanism established under the PROEXAG project appears to be a model for assuring timely and quality expertise. Its success depended on the very high quality of the PROEXAG team's wide-ranging contacts in the U.S. agribusiness sector."

Hardesty-Taylor report, An analysis of the Economic Impacts of NTAE in Central America:

"Because of the integrated structures of PROEXAG and EXITOS with existing bilateral missions and the existence of other development projects in Central America, it is difficult to differentiate the economic activity generated directly from the project from that attributable to NTAE promotion programs in general. However, based on internal project documents and discussions with project staff, some data on the value of export deals directly resulting from PROEXAG-I and EXITOS involvement were obtained. Over the 1987 to 1994 period; the CIF value of export deals directly resulting from PROEXAG and EXITOS project staff involvement increased from \$250,000 to over \$36 million. The cumulative value of these deals over this eight year period was approximately \$129 million. Given the project budget of roughly \$15 million, the export volume generated per dollar invested in PROEXAG and EXITOS is far greater than the \$1.67 factor estimated in a USAID field assessment of ten promotional institutions. Furthermore, it is estimated that almost \$10 million

of project expenditures flowed back to the U.S..

The effects of NTAE on the Central American economies were difficult to quantify. Given the magnitude of the increases in NTAE from the region, it is clear that USAID promotion efforts in general, and PROEXAG in particular, have been successful in their objectives. There is evidence of increased employment (both directly and indirectly created by NTAE production), gains in rural income, and improved rural living conditions. Development experts, however, have stated that efforts such as PROEXAG require ten years to achieve sustainable results. Nevertheless, it is clear that given the increases of the magnitude observed, and the relative size of the agricultural sectors in the economies of the region, NTAE are contributing to economic growth in the region.

"PROEXAG has functioned as a learning catalyst, technical backstop and deal maker. The foundation for sustainable economic growth in Central America has been laid. The project has generated significant economic activity in both the U.S. and Central America. If the entrepreneurial momentum and political stability can be maintained, further positive economic and social benefits are expected to accrue in Central America.

FINAL EVALUATION OF THE MARKET AND TECHNOLOGY ACCESS PROJECT (MTAP II), Vaughn, Sullivan, Berthin. 1993

"The USAID Mission [Guatemala] ... although nominally in support of private sector initiatives there was evident an underlying doubt or reluctance among many USAID field staff. Hard to measure or identify, this private sector phobia among USAID staff is nevertheless something to be reckoned with. It merges with some frequency in probing private sector performance.

But in spite of USAID's traditional ambivalence on promotion of the private sector, it had backed two phenomenally successful ventures related to Guatemala. These were so good they stood as models to be embraced, worked with, identified with or shamelessly copied.

Both of these USAID-backed successes stressed export promotion. One was a banking venture (LAAD)... Chemonics had found the formula for creating a breakthrough in non-traditional agricultural exports in its regional PROEXAG project."

5.0 LESSONS LEARNED

The final report for the original PROEXAG project has an entire section on lessons learned. Since the EXITOS project was a follow on project most of the lessons

learned are the same or an extension of those from PROEXAG.

"Growth in the NTAE subsector as a whole depends above all on the establishment of viable NTAE-oriented businesses, and although the establishment of appropriately conceived NTAE support institutions can help catalyze, accelerate or guide the natural evolution of the NTAE subsector, long-term sustainability in the subsector depends on the viability of NTAE enterprises themselves.

Non-traditional agricultural export businesses are high-risk ventures because they: (1) usually involve relatively new crops that require unproven technology and considerable local adaptation; (2) are subject to unpredictable weather and ever increasing pest/disease problems; (3) generally involve highly perishable crops; (4) allow relatively little margin for error and correction (5) do not lend themselves to continuous learning throughout the year; (6) usually require carrying key personnel through the off-season (thereby raising fixed costs); (7) tend to aim for short market windows that shift each season and may disappear with time; and (8) are prone to sudden and marked price changes caused by uneven supply in localized end-markets or intermediate distribution points.

In the NTAE arena, each combination of crop, product form and end-market is a different business--a reality that development projects and institutions have often ignored. Lack of know-how (product, market, technical and managerial) is the principal cause of failure in NTAE enterprises in LDCs."⁴

FACTORS THAT LED TO PROEXAG'S SUCCESS

The Central American situation

During the late 1980's, even though Central America was a region still suffering from wars, poverty, lack of education and other social ills there were conditions that positively affected the project outcome.

Basic infrastructure was in place; although not all roads were paved, decent roads existed, maritime transportation was well established and air freight if not the best was in place, electricity was available and normally at subsidized rates, and skilled production labor was readily available.

A workable policy environment existed and government regulations, though at first seemingly outmoded and not geared towards NTAE, were not overly burdensome.

⁴ Loosely taken from the final report for the Non traditional Agricultural Export Project submitted by John Lamb for Chemonics International Consulting Division, January 1992.

even in the case of Nicaragua after the end of Sandinista period.

A very important, often overlooked, ingredient was the close affinity to the United States. If this closeness did not mean an acceptance of U.S. ways and standards for doing business at least there was an understanding of the "American way" of doing business.

The United States winter, counterseasonal market was real and not something that had to be marketed or promoted. Consumers in the U.S. began to expect fresh fruits and vegetables during the winter months. A political backlash from U.S. producers was always anticipated but never materialized, in fact some of the biggest supporters of the project and investors in Central America were NTA producers from Florida and California. Many of these U.S. businessmen looked to PROEXAG as a Central American service industry - assisting them in their ventures.

At the same time it must be mentioned that a major impediment to pushing the benefits of NTAE lower in the economic structure was the lack of capital and access to credit, especially medium term. Most successful exporters had access to land and credit on easy terms that greatly lowered the risk. As mentioned earlier a typical 5 year ag cycle has two bad years and one good year. Those with no access to medium term credit could not withstand one bad year.

Mission statement/purpose/goal.

Even though the original NTAE project paper had a goal, purpose and scope of work it wasn't until about a year into the project that a workable purpose and realistic work plan was established. The purpose was simply to increase NTAE volume exported. The team then established priority crops and themes based on their experience and provided assistance based on the produce "deal."

In the very beginning the team not only did not receive support from the bilateral missions, but in fact most missions were against the project. Yet as the project came to an end ALL the bilateral missions were great supporters of the project. One of the reasons for this switch in attitude among the bilateral missions was that all their administrative - typically bureaucratic AID tasks were handled at the regional level and the bilaterals were free to concentrate on the technical aspects of the project. The regional mission only concerned itself with administrative issues and did not get involved in the technical issues - a perfect match. The team also responded quickly to the bilateral mission requests as long as they fit the purpose of the project.

The Team

One of the reasons for the success of the PROEXAG projects was the calibre of people who worked on the core team. Although there were four distinct areas

covered: production, post harvest, marketing and information management, all team members covered all disciplines according to their expertise and experience. The original project paper and RFP had broad, generalized scope of works, yet wanted team members with unique skills. In practice, each team member brought such a depth of capacity and experience across many of the professional positions that most of the team members could be thought of as the whole team in one body. This allowed the team to be responsive and timely in ways that would not have been possible if team members had been highly specialized. So a greater flexibility and/or adaptability was incorporated in project implementation. For example, if some of the broad ideas envisioned for post harvest in the project design were not a strong point of the post harvest expert hired, those areas were dropped or covered by another. The post harvest specialist had more expertise in melon production than the production specialist so he was responsible for coordinating all melon activities, and although strawberries were thought to be a potential crop none of the experts had experience with strawberries and that coupled with the reality of Central America they were dropped from the list of crops receiving assistance.

The team was also vertically integrated: the production expert depended on the post harvest expert who depended on the marketing expert who depended on the production expert *ad infinitum*. However, these areas were also integrated in that each expert was also assigned as the leader for certain crops and certain themes, e.g. the post harvest expert was in charge of melons and asparagus the marketing expert in charge of berries, etc. This dividing of the areas of responsibility into priority crops and priority themes and having each team member responsible for a certain area including all disciplines provided a continuity and follow through that was important in providing assistance.

All team members had enough skills or experience in the other's discreet areas that most project decisions were done by consensus. This also led to an important part of the project implementation: because of the high level of skills and experience (at one time, seven team members had a combined 125 years experience in Central America working with fruit and vegetables) both training functions and feasibility studies varied from the standard project practice.

On more than one occasion, other USAID projects and counterpart organizations, impressed with the project's track record, asked for copies of the project's studies which led to the successful selection of crops the project was promoting. The answer was, "There were no studies." This highly qualified group of people meant that team did not have to undertake studies or protracted evaluations of crop alternatives and opportunities. Rather it relied on the combined judgement of its team members. With the level of experience and expertise existent in the team, it was possible to make crop and activity decisions without undertaking additional studies. This does not mean that those things the team selected to do were the only good choices, but that the things they did decide to do had a high probability of success.

Formal classroom, pre packaged training courses were abandoned shortly after the start of the second year in favor of hands on, in field classes or a short lecture on very specific items related to the field visit. Typically, a team member would participate in an introductory lecture on a specific topic then make field visit to individual producers and then have a wrap up session with all producers in the field to demonstrate certain activities. In the later years of the project the team participated in seminars to give specific lectures on specific themes.

Each major crop or theme also had a short term expert to provide assistance. Early on it was discovered that the "putting out fire" approach to NTAE would not work, so renown experts in certain fields were chosen to do repeat work. These experts coordinated with the long term experts who provided continuity and follow up to specific actions. The long term resident experts would decide on the areas that they needed more specific help and "recurrent" short term experts would be found who would assist the long term experts. If very specific problems arose, a short term expert would be brought in for a one time visit. As an example, the resident experts determined that blackberries could be produced in Central America. After the preliminary work was done to determine where they could be planted, a "blackberry" expert from Louisiana was hired who made numerous visits to the region throughout the life of the project. However, when he needed more assistance on blackberry diseases another specialist was found to assist him. All the work was coordinated and supervised by the long term resident advisor.

This procedure for providing assistance was found to be very effective. It should also be mentioned that the level of short term experts hired were almost without exception, world class experts which added much to the credibility of the project. As it was a regional project it was easier to get world class experts who were willing to travel through the entire region.

The PROEXAG project paper called for counterpart long term experts in each of the federations - in effect a "clone" of the resident expert. However, for a variety of reasons, this concept was impossible to implement, so each PROEXAG expert had a Central America professional to assist them. This concept of training local professionals was another important milestone in project implementation and was greatly expanded upon in EXITOS. Central Americans were able to do much of the time consuming, tedious work of the long termers which allowed the resident experts more time to concentrate on those matters requiring a higher level of experience and knowledge while the local hires gave lectures, answered telephone requests, did in house research, wrote general papers and supervised field trials. These local hires also learned from the long term experts to the extent that the local hires became an ad hoc group of consultants after they left the project.

The team members had the flexibility to move into new crops and themes areas as the markets changed. Team management was also given flexibility in the way they

managed the project. There was very little direct AID oversight or micro management of the project. The team was able to move quickly into areas of importance and had the home office support and connections to quickly find experts in areas that sprang up as markets changed. Because the project had flexibility built into it and the team was adaptable to many crops and themes, the bilateral missions, project counterparts and producers found that they could get fast answers to their questions without having to go through overly bureaucratic channels. Since the team was in place for almost eight crop cycles, they were able to provide continued support to producers in a very fragile industry. Ag production in a five year period will typically have one good year two or three break even years and one bad year. The project was able to preserve and assist those producers who had bad years in the beginning.

Last of all, every member of the team was a competent, bi-lingual English-Spanish or Spanish-English speaker. The value of having a team which can effectively communicate without the need for translators can not be overestimated.

Once the project got underway, demand for the advisory services rapidly outgrew the available time and resources - the more people were assisted, the more people came to seek help.

By mid 1987, the core PROEXAG team was in place. After initial trips through the region and overcoming some of the skepticism on the parts of the bilateral missions and counterparts, the NTAE producers realized the value of the team. The assistance was delivered rapidly on demand and was by and large something needed. The demand for the team became so great that the level of effort supplied by the team was constant and remained undiminished until the EXITOS projects end. The team provided the majority of the assistance for free, and it was top level world class assistance.

Because team members constantly traveled throughout the region to visit all the major NTAE producers they had a credibility among producers and also a confidence in them. Thus the team had a network and connections among principle producers and because they were neutral were able to openly give advice and criticism that was received.

The team ending up functioning much like the United States ag university extension service, assistance was free in the beginning and the experts decided on the type of service to be given and in what areas. The quality of the PROEXAG service was such that during the life of the project at least 5 producers tours were organized to growing and marketing areas in which the producers paid all their costs yet in every case Central American were turned away for lack of space. Another factor in the PROEXAG experience was that the assistance given was "hard" - it was a "hard" development where very concrete advice is given and results are seen almost immediately and responsibility is also immediate. A team member recommends that

onion be planted at a certain altitude at a certain time for delivery to certain market. Within four months of giving the recommendation there are concrete results. It is a very hands on, in some way risk taking style of development yet the rewards are immediate. This in contrast to other "soft" types of development that deal on a macro economic or policy levels.

Economy of Scale

This project was designed as a regional project. This resulted in a number of significant benefits. The Region of Central America has no more agricultural diversity across the region than typically exists in any one country. By scoping this project on a regional basis, USAID captured a significant economy of scale. It was not necessary to try and replicate the project capabilities through individual programs in every country. The regional nature of the project allowed for an efficient use of technical resources. The team could dedicate time to crops in countries which would not be sufficiently significant to warrant a country specific program. Consultants brought to the region could be used more efficiently than replicating their assignments for multiple countries through the bi-lateral missions. For example, bringing a specialist on tissue culturing techniques, even if that person did not make a presentation or provide direct technical assistance in every country, resulted in benefits to every country through the propagation efforts of the long term team. There was also the obvious economic efficiency of using consultants among countries as needed rather than having to develop independent assignments with all the separate travel, administrative and reporting overhead.

The regional nature of the project allowed the project to encourage some degree of specialization and coordination among countries. Some crops received team emphasis in one country over another, not because the second country might not have an opportunity in that crop but because the team deemed there was a comparative advantage of one country or region over another. The project could therefore encourage activities which it felt offered the greatest opportunity for overall success to a country when compared to the rest of the region.

Bi-Lateral Benefits

The fact that this was a regional project meant that the administrative oversight and responsibility lay with the regional mission. By and large, the bi-lateral missions of the region did not attempt to exercise administrative control over the project activities. The relationship between the project and USAID officers among the bi-lateral missions was largely technical in content and related to outputs and not burdened nor colored by a mission need to administer the project.

USAID officers in the bi-lateral missions could interact with the team in terms of what they wanted to have happen in their countries without concerning themselves much

with the administrative implications. They could concentrate on what they wanted and when they wanted it without having to worry about how to make it happen. Because they were dealing with a project that was underway, with resources in hand, many of the missions found they could use the project as their "firemen" to attack rapidly emerging problems in their countries which they could not possibly respond to in a timely fashion if they first had to satisfy the needs of their own internal administrative overhead.

The bi-lateral missions also came to use the project as a touchstone for placing their own programs in perspective. The project was frequently called upon to make suggestions and evaluate bi-lateral programs in terms of what was working elsewhere in Central America or what adjustments might be advisable to improve the local opportunity for success.

Through these mechanisms, USAID effectively used the project to increase the efficiency of bi-lateral programs, to avoid duplication or to create economies of scale, and to quickly respond to immediate issues or opportunities.

6.0 POST PROJECT MONITORING

There are no outstanding project activities. Funds were cut that might have been used for a project evaluation. No audits are pending as the Chemonics home office in Washington, D.C. is audited on a routine basis. There were at least two audits of Chemonics that included portions of the PROEXAG projects. All equipment was donated to counterparts institutions and these records are on file. All technical reports are on file in the ENR project office and a copy of the PROEXAG CD ROM library was left with the EXO office. The final voucher from Chemonics is expected to be presented in July. There will be approximately \$75,000 to deobligate.

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