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**JOINT MID-TERM PROJECT EVALUATION  
ACCESSING INTERNATIONAL MARKETS (AIM)  
AND  
MOROCCO AGRIBUSINESS PROMOTION (MAP)  
FINAL REPORT**

Prepared for the Office of Economic Growth/USAID/Morocco

Delivery Order 03: LAG-4200-I-00-3058-01

October 23, 1995



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## PROJECT IDENTIFICATION DATA SHEET

1. Country: Morocco
2. Project Title: Accessing International Markets (AIM)
3. Project Number: 608-0219
4. Project Dates: July 1992 - July 1997
  - a. First Project Agreement: N/A
  - b. Final Obligation Date: Done
  - c. PACD: July 1997
5. Project Funding: \$6.5 million
  - a. AID Bilateral: \$6.5 million
  - b. Other donors: None
  - c. Host Country: -
6. Mode of Implementation: Cooperative Agreement/IESC
7. Project Designers: IESC/USAID/Morocco
8. Responsible Mission Officials:
  - a. Mission Director: Michael Farbman
  - b. Project Officer: Susan Riley
9. Previous Evaluation: None

## PROJECT IDENTIFICATION DATA SHEET

1. Country: Morocco
2. Project Title: Morocco Agribusiness Promotion (MAP)
3. Project Number: 608-0210
4. Project Dates: July 1992 - July 1999
  - a. First Project Agreement: 1991
  - b. Financial Obligation Date: Done
  - c. PACD: July 1999
5. Project Funding: \$19.5 million
  - a. AID Bilateral: \$17.7 million obligated
  - b. Other Donors: None
  - c. Host Country: \$5,262,000
6. Mode of Implementation: Contract w/ DAI, PASA w/USDA, and contract w/ University of Minnesota
7. Project Designers: Development Alternatives, Inc. with USAID
8. Responsible Mission Officials:
  - a. Mission Director: Michael Farbman
  - b. Project Officer: Allen Fleming
9. Previous Evaluation: None

## LIST OF ACRONYMS

AATOM	American Association of Tour Operators to Morocco
ABLE	American Business Linkage Enterprise
APHIS	Animal and Plant Health Inspection Service
AIM	Accessing International Markets
AMI	Agribusiness-Marketing-Investment
ANAF	Association Nationale du Froid
APEFEL	Association des Producteurs-Exportateurs des Fruits et Legumes
AMPEXFLEURS	Association Marocaine des Producteurs et Exportateurs des Fleurs
ASPEM	Association des Producteurs-Exportateurs des Maraichages et des Primeurs du Maroc
BDS	Business Development Services
CASEM	Comptoir Agricole-Semence Marocain
CGEM	Conseil General des Employeurs au Maroc
CPS	Country Program Strategy
DAI	Development Alternatives, Inc.
DPAE	Direction de la Programmation et des Affaires Economiques
DPV	Division de Production Vegetale
DPVCTRF	Direction de Protection des Vegetaux, Controle Technique, et Repression des Fraudes
EACCE	Etablissement Autonome de Controle et de Coordination des Exportations
EEC	European Economic Community
EU	European Union
FDA	Food and Drug Administration
FICOPAM	Federation des Industries de la Conserve des Produits Agricoles du Maroc
GATT	General Agreement on Trade and Tariffs
GENESYS	Gender in Economic and Social Systems Project
GMP	Good Manufacturing Processes
GOM	Government of Morocco
HACCP	Hazard Analysis and Critical Control Points
IAV	Institut Agronomique et Veterinaire Hassan II
IESC	International Executive Service Corps
IQF	Individually Quick Frozen
ISTI	International Science and Technology Institute, Inc.
LOL	Land O'Lakes
MAMVA	Ministere de l'Agriculture et de la Mise en Valeur Agricole
MAP	Morocco Agribusiness Promotion Project
MTDC	Morocco Trade Development Center
MUST	Morocco-United States Tourism
NED	New Enterprise Development Project
NICRA	Negotiated Indirect Cost Rate
ONT	Office National du Transport
ORMVA	Office Regionale de Mise en Valeur Agricole
PACD	Project Assistance Completion Date
PASA	Participating Agency Service Agreement
PIF	Promotion and Investment Fund
PO	Program Objective
PPQ	Plant Protection and Quarantine

<b>PSA</b>	<b>Program of Support to Agribusiness</b>
<b>PVO</b>	<b>Private Voluntary Organization</b>
<b>GDP</b>	<b>Gross Domestic Product</b>
<b>RAM</b>	<b>Royal Air Maroc</b>
<b>SASMA</b>	<b>Societe Agricole de Services au Maroc</b>
<b>SIS</b>	<b>Special Impact Study</b>
<b>SO</b>	<b>Strategic Objective</b>
<b>STTA</b>	<b>short-term technical assistance</b>
<b>TIS</b>	<b>Trade and Investment Service</b>
<b>USDA</b>	<b>United States Department of Agriculture</b>
<b>VE</b>	<b>Volunteer Executive</b>
<b>VETA</b>	<b>Volunteer Executive Technical Assistance</b>

## EXECUTIVE SUMMARY

### A. Introduction

This report constitutes the combined midterm evaluations of two private-sector and export oriented projects. The **Morocco Agribusiness Promotion Project (MAP)** is a seven year, \$19.5 million project with three components and project implementors. The lead component, Agribusiness-Marketing-Investment (AMI), is implemented by Development Alternatives, Inc. (DAI). The United States Department of Agriculture (USDA) contributes support to the Ministry of Agriculture under a Participating Agency Services Agreement (PASA). The University of Minnesota and Hassan II Agro-Veterinary Institute implement the Program of Support to Agribusiness (PSA).

The **Accessing International Markets Project (AIM)** is implemented by the International Executive Services Corps (IESC), a U.S. private voluntary organization specializing in providing the resources of retired American executives. The project has three components: Volunteer Executive Technical Assistance (VETA), Business Development Services (BDS), and Moroccan-United States Tourism Promotion (MUST).

The evaluation, managed by the International Science and Technology Institute, Inc. (ISTI) took place between May 24 and August 8, 1995. Evaluation activities included interviews with 75 participating Moroccan firms, as well as producer and exporter associations, government units, and university departments and institutes. These interviews were held in Rabat, Casablanca, Agadir, Marrakech, Meknes, Fes, Kenitra, and Larache.

### B. Projects' Impact on Exports and Employment

The MAP and AIM projects contribute significantly to increased exports, and diversifying markets and products. Both projects have (as of March 31, 1995) assisted \$37 million in exports. The majority of these exports are either to new markets or are new products. \$13.5 million has been directly generated by the new export agreements assisted by MAP. Of the \$25.1 in exports generated by AIM, \$12.9 million are the current results of agreements reached under IESC's predecessor project, and \$12.2 million are new export agreements brokered by AIM.

Employment impacts are significant. Current estimates are preliminary, but they suggest that more than 3,000 jobs are directly supported by the amount of exports the projects have generated thus far. All of the assisted export commodities are labor intensive, using a high proportion of unskilled and semiskilled labor, approximately 80 percent female. Certain commodities have extremely high labor use, especially fresh and frozen fruits and vegetables, due to the intensity of field labor. MAP's export totals account for approximately 1,500 jobs. The AIM project activities have so far generated approximately 1,500 jobs in fish processing, handicrafts, franchise employment, VETA-assisted jobs, and agribusiness.

### C. Morocco Agribusiness Promotion Project (MAP)

Overall project performance is excellent. The overall private-sector, export agriculture thrust of the project is on target, with all important scheduled activities accomplished. The lead contractor and implementor of the AMI component, DAI is providing thoroughly professional, creative, and responsive implementation of its component, as well as coordination and leadership for the larger MAP project. DAI

makes excellent use of its broad experience in USAID-funded agribusiness projects, its previous experience with the Moroccan agribusiness sector, and its specialized subcontractors to establish a strong reputation for the MAP project in Morocco.

The AMI/DAI advisors are excellent, all possessing the appropriate private sector oriented experience and interpersonal skills that have allowed them to establish credibility among a skeptical clientele. A number of the specific planned inputs and outputs are proving irrelevant, unnecessary, or unworkable. Areas where performance indicators should be adjusted include use of the Promotion and Investment Fund (PIF), assistance to privatization, training, and targets for joint ventures. Fortunately, the performance-based structure of the lead contract and the flexible leadership from USAID management have allowed MAP to alter its activities in response to the most promising opportunities.

USDA, as the implementor of the PASA component, providing assistance to its counterpart departments in the Ministry of Agriculture, has performed 14 task orders to date, including procurement of hardware and software, training on Food and Drug Administration (FDA) requirements and plant quarantine systems analysis, and study tours for Moroccan personnel. Overall, however, the PASA is well behind schedule for its activities.

The Program Support to Agribusiness component led by the University of Minnesota and Hassan II University is only now beginning implementation.

#### **Summary of Recommendations for MAP**

1. USAID project management and contractor/implementor leadership should review and revise contract outputs and targets, especially those affected by PD 20,<sup>1</sup> and those determined by experience to be unworkable or unnecessary.
2. USAID should arrange for a second study of women and labor in agribusiness soon, and this second study should focus on field labor.
3. In developing indicators and systems to track impacts in relation to new USAID strategic objectives, AMI should model the labor structure of the major export products only. It need not spend its scarce time and resources creating detailed models of all products and activities directly and indirectly involved in the sector.

#### **D. Accessing International Markets (AIM)**

The BDS program, linking field personnel knowledgeable about the Moroccan industry with the unique resources of the IESC retired executives in the U.S., provides an effective and cost-effective resource for brokering new export agreements.

The Volunteer Executive program is largely on schedule. Most volunteer assignments improve the competitiveness of the Moroccan firms, which employ mostly women and below median income people.

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<sup>1</sup> USAID Policy Determination 20 (PD 20), "USAID Guidelines to Assure USAID Programs Do Not Result in Loss of Jobs in the U.S.," spells out USAID's formal policy for implementing and extending Section 547 and 599 which prohibit the use of foreign assistance funds to provide incentives to U.S. business to relocate abroad if these activities were likely to result in the loss of jobs in the U.S.

Quantifying this impact is very difficult, given the nature of the intervention. Problems with the short duration of assignments lead to unacceptable percentages of project "failures" and to increased program costs. The Moroccan-U.S. Tourism pilot program suffered from both design and implementation flaws and has been largely terminated.

IESC has failed to provide consistent and continuous leadership in the important position of project director. As a result, there has been a problem regarding reporting and accounting, and lost opportunities for coordination of the activities of AIM components. The key professional and technical staff of AIM are impressive in their commitment to their work and in their detailed knowledge of and networks with the Moroccan private sector. Since the AIM project will run for approximately one year, some recommendations for IESC may be more beneficial for IESC in the context of their programs elsewhere in the world. This is particularly true for recommendations concerning tracking VETA impact and improving the VETA program.

### **Summary of Recommendations for AIM**

1. USAID project management and AIM project leadership should revise the cooperative agreement targets and outputs, as part of the process of reviewing the Year IV work plan and deciding future funding. These revisions should take into account the effects of PD 20, AIM's ceding the high employment fresh and frozen subsector to MAP, the reduction of the MUST program, and the recommendation (below) regarding VETA targets.
2. The VETA program should focus its efforts on fewer projects of greater average length. Its output targets should be expressed in terms of total person-days of assistance, not in terms of number of volunteer projects. Fewer numbers of longer-lasting, better prepared (by the client), and more selective volunteer projects will increase the overall impact and provide a better experience for the firms and the volunteers alike.
3. Regarding the monitoring and tracking of impacts, the BDS export program should continue its efforts to record the exports deriving from its assistance, present and past. It should use models developed by MAP for agribusiness, and develop similar models for fish products and handicrafts, contracting with Moroccan economists if necessary. As part of this process, they will need to bring more uniformity into the way quantities (barrels, cases, tons, containers) of its disparate products are recorded, as this will assist in the calculations of the labor impact.
4. The next gender and employment study should, with assistance from IESC, include fishing and fish processing in its labor study and an input-output model for fish should be prepared.
5. The VETA and franchise/technology transfer programs should document case studies of impact for the strongest 20 percent of the projects, since the majority of the impact will derive from these instances. Trying to get adequate data on 60-100 diffuse, one-shot volunteer assignments in a wide range of subsectors is not practical.

## **E. MAP and AIM Project Overlap and Complementarity**

Although both projects work in the agribusiness sector and both are strongly private-sector oriented, they have complementary styles and points of intervention. The MAP project takes a broad subsector view, identifying access points for leveraged assistance in the production-marketing chain, including working with regulatory, financial, producer associations, research, training, and extension institutions besides work with individual firms. AIM is largely a business to business operation, responding to the felt needs of individual Moroccan firms.

Overall, the evaluation did not find that the similarity in objectives or the duplication of clients presents a serious problem to the USAID program in this area. They have agreed that MAP alone will work in the fresh and frozen subsector, and that AIM alone will work in the fish sector. Other areas of overlap are minimal. The projects cooperate on arrangements for trade fairs. Disagreements have taken place between the projects, especially regarding assistance to meet changing nutritional labeling and food safety requirements.

### **Recommendation:**

AIM and MAP should establish guidelines on project involvement in food safety requirement issues.

## **F. Overall Conclusions and General Recommendations**

### **1. Projects' Relevance and Importance**

The private-sector, export agribusiness focus of the AID program, as implemented through these two complementary projects clearly is:

- Valid and effective despite difficult economic and climatic conditions;
- Appropriate in light of recent research data from AID comparative studies;
- Relevant to USAID's new Country Program Strategy (CPS) stressing the expansion of the base of stakeholders in the economy and increased competitiveness of Moroccan firms; and
- Responsive to the concerns of U.S. business interests as represented in Section 547 and 599 and AID Policy Directive 20.

The project activities directly assist key industries, especially the agricultural export industry, to diversify and improve their products, to diversify and expand their markets, enabling them to increase their employment of field and factory workers.

### **2. Country Program Strategy Indicators**

Overall, indicators defined in the USAID/Morocco CPS were found to be appropriate. Indicator changes that should be made include:

- Drop market share as an indicator of project impact since this is affected by too many events outside the control of the project.

- Drop growth in horticultural products to nontraditional markets as a percentage of total horticultural exports, because the projects probably do not affect the performance of the entire sector.
- Eliminate Moroccan exports of new horticultural products as a percentage of total horticultural exports because the projects probably do not affect the entire sector. Instead, to show the impact on product diversification, projects should report the value of exports they promote of products which had a small share (less than three percent) of total exports in a baseline year, or those which accounted for less than a certain amount, say \$1 million in the base year.
- Collect qualitative information concerning savings attributable to new USAID promoted technology.
- Construct labor models only for major exports.

### **3. Environmental Concerns: Addressing the Water Problem**

USAID, MAP, and AIM personnel are rightly concerned with the possible ground water level crisis, and with the implications of heavily supporting a water-intensive industry without adequate attention to this environmental issue.

#### **Recommendation on Water Problem:**

USAID should take the lead, and, using the resources of the MAP and the Tadla projects, and also a buy-in to the regional environment project, PRIDE, or the soon to be awarded central project FORWARD, organize a workshop reviewing the situation, especially for the Souss valley and the Marrakech plain.

## **I. INTRODUCTION**

The following is the midterm evaluation of two projects: the Accessing International Markets Project (AIM) and the Morocco Agribusiness Promotion Project (MAP). Both projects are strongly transaction oriented, differing greatly from earlier projects that mainly focused on strengthening public sector institutions. AIM and MAP provide specialized technical and marketing assistance to their clients. Although the approach of each project is considerably different, the objective of each is to help the Moroccan agribusiness sector (and for AIM, the manufacturing, fish and tourism industries) respond to international markets, diversify products and markets when required and improve their competitiveness.

### **A. Summary of Projects and Implementors**

The AIM Project is implemented by the International Executive Service Corps (IESC) under a \$10.4 million, five year Cooperative Agreement. The Project has three components: Volunteer Executive Technical Assistance (VETA), Business Development Services (BDS), and Moroccan-U.S. Tourism Promotion (MUST). IESC works with many sectors in the country including agribusiness, manufacturing, the fish industry and tourism. AIM's approach to assistance to Moroccan companies is client driven and has a strong focus on deal-making and service to individual clients.

The MAP Project is a seven-year \$19.5<sup>2</sup> million development assistance grant for assistance to land-based agribusiness. MAP has three primary implementing institutions.

1. Development Alternatives, Inc. (DAI) is the MAP primary contractor and project implementor. DAI has a five-year \$13.6 million contract that includes inputs for most of the MAP project modules. DAI also plays an important coordination role for the project.
2. A \$1 million Participating Agency Service Agreement (PASA) with the U.S. Department of Agriculture addresses specific agricultural product policy, regulatory and phytosanitary requirements of MAP.
3. The \$2.4 million Program of Support to Agribusiness (PSA) has just begun. This portion of the project will address specific human development and agribusiness service needs and is currently implemented by the University of Minnesota and the Hassan II Agro-Veterinary Institute.

MAP takes an analytical approach to implementation and works at the industry sector level. This strategy identifies promising commodities and markets through subsector studies that are discussed with the industry. Leverage points are identified and specialized assistance is provided at these points. The result is expected to be a Moroccan agribusiness sector that is better able to respond to international markets while remaining competitive.

### **B. Purpose of the Evaluation and Primary Issues Examined**

The overall purpose of the evaluation is to measure each project's level of accomplishments to date (See Annex I for complete scope of work). Project duplication and capitalizing on the comparative advantage

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<sup>2</sup> Of this \$17.7 has been obligated. In addition to funding to the three components described, there are funds managed directly by USAID/Morocco for evaluation, audits, buy-ins, some equipment and training.

of each project is a concern for the MAP and AIM projects as well for USAID and is the reason for a joint evaluation of the two projects. The evaluation looks specifically at four elements.

- **Performance and Management:** Through project papers, contracts (Cooperative Agreements) and work plan sessions, performance indicators have been established for both AIM and the MAP Project. These indicators address questions of efficiency. Is the contractor completing the tasks outlined and if not, why not? Are the targets still valid?
- **Impact:** Impact is essentially an effectiveness measure and is based on the linkages between performance indicators and project purpose indicators. Current purpose level indicators include exports, foreign investment, employment, market share and increased productivity. The question to answer is whether the projects are doing the right things to effect these indicators. Another question is, are these appropriate indicators?
- **Strategic Objective 3: Expanded base of stakeholders in the economy, especially targeting people of below-median income:** The Morocco Mission recently developed a new CPS and strategic objectives. MAP and AIM are cornerstones of USAID/Morocco's Economic Growth Office and are expected to contribute significantly to the advancements of the objectives outlined.
- **Sustainability:** As both the AIM and MAP Projects pass their midterm point, the question of sustainability is an increasingly burning issue. What constitutes sustainability? Will the project accomplishments continue without continued project assistance? Will similar services also continue?
- **Issues:** The evaluation team has come to a number of conclusions and for some, made recommendations. Besides summarizing the accomplishments of the AIM and MAP projects, the following questions are discussed: Why fund agribusiness? What is the best way to measure project impact? Is there a conflict or duplication of effort between AIM and MAP? How can the effectiveness of IESC volunteers be improved? Are there important environmental issues that the projects should address?

### C. The Moroccan Economy: 1995

Agribusiness was one of USAID's focuses in the late 1980's precisely because Morocco had ideal conditions for its development. Morocco was emerging from one of the World Bank's most successful structural adjustment projects, and economic growth was steady. Low labor costs, a favorable climate, large areas under irrigation and a close European market made prospects of agribusiness development attractive. In the 1990's, some circumstances have changed that make attention to agribusiness development even more important.

While Morocco continues improvements in the policy and regulatory environment, it is suffering from drought, a European recession and barriers to entry of its exports to its most important market, the European Union. Fishing has been severely hit with the reduction of offshore fish supplies, whether due to over-fishing, competition from Spanish fishing fleets, the migration of fish populations southward or a combination of all three. Horticultural crops are not devastated by drought like cereals because they are mostly irrigated. However, the water supply from dams has been cut off in the Souss region, water tables are going down, and salinity increases in isolated areas and pollution from industry and fertilizer use is a growing problem.

#### **D. Evaluation Methodology**

The evaluation took place from May 25, 1995 to August 8, 1995. The team spent one day in Stamford, Connecticut at the headquarters of IESC. The evaluators discussed worldwide IESC activities and AIM with the IESC staff responsible for administrative backstopping, BDS and MUST activities. The team also spoke to the Washington-based USDA PASA manager who provided an account of his recent trip to Morocco. Finally, the evaluation team met with Development Alternatives Incorporated, in Bethesda, Maryland. DAI staff responsible for project administrative backstopping attended the session, as did the staff of the Bethesda-based Morocco Trade Development Center (MTDC).

The evaluation team's first week in Morocco focused on the evaluation work plan, reading of background documentation and meetings with the General Manager of IESC/Casablanca, the DAI Chief of Party and the Ministry of Agriculture. The team met with Senior Mission management twice to discuss the evaluation methodology and finalize their work plan.

The work plan established included an evaluation report outline and a schedule (see Annex II for evaluation work plan and schedule). The outline takes into consideration all of the concerns presented in the evaluation scope of work and those discussed in the various meetings held before its finalization. The schedule is based on the evaluation team's decision to interview as many DAI and IESC clients and project beneficiaries as possible. Although there are substantial amounts of information — especially on IESC activities, because of the recent IESC Special Impact Study and a Midterm Management Review, the evaluation team felt that getting firsthand information was important.

Four weeks were spent interviewing project clients, collaborators, and staff in Rabat, Casablanca, Agadir, Marrakech, Fes, Meknes, and Larache. A set of questions was constructed to guide the discussion. The team opted to have the key project staff join most interviews, since in this culture people are more likely to speak freely to known collaborators than to strangers during an investigation. Evidence indicates that the presence of project personnel did not impede criticism of the projects.

The evaluation team held 35 interviews with IESC clients, and 40 with DAI project participants. Of these interviews, 15 were with companies that both IESC and DAI assist. A wide range of activities and sectors was covered. Interviews were targeted to look at each of IESC's activities, VETA, BDS, and MUST individually, and some overlapping activities. In these cases, interviews with the agricultural processing, manufacturing, tourism, handicrafts and fish sectors were held. Interviews concerning the MAP Project included many members of the private sector, professional associations, agriculture extension organizations, university staff, and the Ministry of Agriculture. Finally, substantial amounts of time were spent with the AIM and MAP project staff.

Information for project-assisted exports and the estimate of employment supported through those exports was taken from the MAP subsector studies and other project documentation. Both the AIM and the MAP projects keep statistics on exports assisted by the project. These are compiled by project staff through contacts with past and current project participants. Both projects have also started to construct models to demonstrate the employment impact of specific products. In all cases the evaluators have verified project data to the furthest extent possible.

Since this evaluation looks at two projects, the report is organized to examine the projects individually and collectively. First, the AIM and MAP projects are each described and performance to date is assessed. Impacts of the two projects on the agribusiness sector are dealt with collectively and also for each project. Because the AIM project also works with sectors other than agribusiness, Chapter Five examines project impacts in other sectors, especially nonagricultural export products and the impacts of

the VETA program. Joint MAP and AIM recommendations are provided for monitoring USAID's CPS indicators. Finally, conclusions and recommendations are given for individual projects and that encompasses both projects.

## II. AIM: ACCESSING INTERNATIONAL MARKETS

### A. Project Overview

The AIM Project is implemented by the IESC under a Cooperative Agreement (608-0219-A-00-2043) with USAID/Morocco. The Cooperative Agreement provides \$10.4 million for five years, beginning in July 1992. As of July 1995, \$6.5 million of the total have been obligated, and approximately \$ 4.9 million expended. This project is a follow-on from a previous project in Morocco (1986-92).<sup>3</sup> USAID has recently informed IESC that it should not plan on any additional obligated funds beyond \$6.5 million.

IESC is an American Private Voluntary Organization with 30 years experience providing technical assistance for business development in support of USAID country programs. IESC has been active in Morocco since 1984. As the "businessmen's Peace Corps," IESC is committed to the ideal that senior American executives, working one-on-one with private companies, can contribute substantially to improving company operations and strengthening overall economic development. IESC has sent more than 6,000 American volunteer executives to carry out such assignments in countries around the world. IESC is a business-oriented, people-to-people, voluntary organization that receives most of its funding from the U.S. Agency for International Development through a core grant and through additional Cooperative Agreements funded by USAID field missions.

The AIM Project Goal is *to promote broad-based, self-sustainable economic growth, leading to increased income and employment.*

The AIM Project Purpose is *to assist Moroccan companies to successfully manage entry and increase their competitiveness in international markets (particularly the U.S. market), by increasing their ability to adopt new technologies, produce more efficiently, attract foreign investment, export, contribute greater value added, and create jobs.*

### B. Description of Project Components

The AIM Project has three components: Volunteer Executives Technical Assistance (VETA), BDS, and Moroccan-U.S. Tourism Promotion (MUST). All three components are direct continuations of successful activities carried out under the previous project (1986-1992).

#### 1. Volunteer Executives Technical Assistance (VETA)

The VETA program is the heart of IESC programs around the world. It is supported by a roster of more than 13,000 retired American executives who are willing to volunteer their services in providing technical assistance directly to private firms in developing countries for one to three months. These volunteer executives receive no remuneration for their services other than travel and per diem expenses for themselves and their spouses.

The VETA program in Morocco, under this second grant, provides approximately 25 volunteer executives a year to work directly with Moroccan firms. These VETA "projects" respond to the felt needs of Moroccan businesspeople. Most often the requests are for American technical experts to help solve production problems, or to help improve the quality of the product or of its packaging. Sometimes the

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<sup>3</sup> This report refers to Grant I as IESC's first cooperative agreement (1986-92) and Grant II as the current cooperative agreement.

Moroccan businessperson requests an expert to help develop or evaluate a potential new product. Other experts are requested to provide assistance in the realm of management improvements. Whatever the specific request, it is generally expected that the American expert, drawing on his 30-40 years of experience in the industry, will contribute a range of general advice and perspective, and, often provide the Moroccan firm with industry contacts as potential export clients or as sources of production equipment.

**Marketing and Recruitment.** IESC markets its VETA program in Morocco by calling on hundreds of businesses and presenting the IESC service possibilities. When the presentation generates interest in a VETA project, the IESC staff and the business owner work together to develop a scope of work, and to prepare the professional profile of the required expertise. This profile is sent to IESC headquarters in Stamford, where volunteer executive recruiters, often specializing in the specific industries of their careers, identify one or more suitable (and available and interested) candidates from the IESC roster. Once the businessperson and the IESC field staff agree on the VETA selection, project implementation begins.

**Managing the VETA Project.** The volunteer and his or her spouse receive orientation material on Morocco, material on the specific locale of the assignment, as well as material on the company. Upon arrival, the volunteer is met by IESC staff, oriented and housed in a hotel, and introduced to the Moroccan client. This initial meeting reviews the scope of work, and addresses logistical and communication issues. A midproject meeting is held approximately ten days later to ascertain if things are on track, and to adjust the scope of work to suit the volunteer and the client, if that seems mutually desirable. At the completion of the assignment, the volunteer produces a final report and recommendations, which are commented on in writing by the client, and a final meeting is held. Follow-up contacts are later made with the volunteer and the client.

**Additional Volunteer Activities.** Volunteer executives also carry out a number of subsector surveys in Morocco in support of IESC's overall AIM Project, and have performed studies and work in the U.S. in support of the MUST and BDS components. Volunteer executives in the U.S. are also used for the American Business Linkage Enterprise (ABLE) program. This program provides a thorough market survey and product assessment at the request of a Moroccan client. The document, including the names, addresses, and telephone numbers of potential U.S. clients, information on competitors' products and market share, and so on, is delivered to the Moroccan client as a proprietary document.

**VETA Staffing.** The VETA program is directed by an expatriate advisor with more than eight years experience in running the program. He is supported by two Moroccan professionals who carry out much of the marketing and follow-up effort. All three staff members are trilingual and extremely knowledgeable regarding the Moroccan private sector.

**Fees.** The Moroccan clients pay \$3,000 per month for the VETA technical assistance. The actual cost is approximately \$25,000 per Volunteer Executive (VE) project, including marketing, recruitment, administration, and travel and per diem for the volunteer and spouse. Clients are charged for the ABLE reports according to the number of hours of preparation. The average cost is about \$4,000.

## **2. Business Development Services (BDS)**

BDS (originally called Trade & Investment Service [TIS]) provides two basic types of activity: Export Marketing and Technology Transfer.

**Export Marketing Assistance.** The Export Marketing activity works directly with Moroccan firms interested in starting to export, expanding their exports, or, most important, diversifying their export products and markets. The BDS staff carry out key facilitative activities with their Moroccan clients to help them secure new export agreements. Most directly, the BDS staff identify overseas buyers for Moroccan products and introduce the Moroccan products and firms to the potential overseas clients. As part of the process, BDS staff advise the Moroccan firms on a range of issues including product quality requirements, packaging, import regulations, advertising, and so on. A key activity is facilitating participation at appropriate trade shows in the U.S., Europe, and Israel. These shows provide Moroccan businesspeople an opportunity to examine the competition for their products, present samples of Moroccan potential export products, and make direct contacts with interested importers.

**Technology Transfer Assistance.** The second activity, Technology Transfer, works with Moroccan and American firms interested in licensing agreements for new technologies, or franchising arrangements in Morocco. This program has moved away from sponsoring joint venture investments, in response to U.S. legislation against the use of USAID funds to stimulate U.S. investment overseas at the expense of U.S. jobs.

The Technology Transfer program assists Moroccan business people to identify American products for import to Morocco. Morocco has long been a protected consumer market dominated by French products. Many American products can potentially compete with the French imports, providing equal quality, more selection, and lower prices. Fast food franchises provide another type of technology transfer, transferring the techniques of quality control and service characteristic of such operations. The Technology Transfer program holds seminars explaining the commercial potential, legal aspects, and investment requirements of franchising, and helps serious candidates for franchises negotiate with the American franchisers.

Overall, the BDS program functions in a strongly commercial mode, bringing American and Moroccan parties together, assisting in exchanges of price information and product samples, buyer visits, and seller visits until a deal is struck and an initial order passes hands. BDS staff continue to provide assistance for several subsequent orders until an ongoing commercial relationship is well established.

Both the Export Marketing and Technology Transfer activities of the BDS program rely strongly on the IESC network of volunteers in the United States, who provide contacts, appraisal services, and carry out Moroccan subsector surveys and U.S. market studies.

**BDS Staffing.** The BDS staff in Casablanca consists of two marketing managers, one handling agriculture, and the other handling seafood and handicrafts; a technology transfer manager responsible for franchising and import licensing arrangements; and a research manager responsible for tracking program impacts. Three of these professionals are expatriates and one is Moroccan. They are all at least bilingual and well acquainted with the Moroccan private sector in their area of responsibility. They are supported by two full time staff people in Stamford who provide the necessary linkages with potential U.S. business partners and clients.

**Fees.** The BDS advisory services are provided without charge; however, participants share in the cost of trade show attendance.

### **3. Moroccan-U.S. Tourism Promotion Program (MUST)**

The tourism development activities began as part of the VETA and TIS programs toward the end of the previous IESC project, and were formalized as an ambitious three-year pilot program for the present project. Most of the initial action took place in the United States, where volunteer executives and project

staff arranged for a promotional campaign for Moroccan tourism, worked with American Tour operators regarding the potential for Moroccan tourism products, and worked with airlines and Moroccan tourism promotion organizations in the U.S. to try to address the constraints on increasing the volume of tourists to Morocco. Volunteer executives also carried out two surveys in Morocco to identify constraints in the receptive tourism and hotel industries regarding the American market.

Tourism is an important industry in Morocco, and an important source of foreign exchange. Tourism from Europe has declined drastically in recent years (due, in part, to temporary economic conditions in Europe), and it appeared to be a reasonable goal to diversify the market to include tourism from the U.S. The USAID-funded MUST program was designed to leverage and support an annual \$1 million program of the Ministry of Tourism. Full time staffing for this component has been in Stamford since most activities have been U.S.-based.

#### **4. Style of AIM Interventions**

The AIM activities, especially VETA and BDS, are client-oriented and deal-oriented. Although surveys and other activities have been carried out, they are not so much analytical or academic comprehensive studies, but rather starting points for responding to specific clients' felt needs and helping clients sign export agreements. This client-oriented and deal-oriented focus is both the strength and weakness of IESC programs, and is the characteristic style of this "businessmen's Peace Corps" upon which IESC's reputation rests.

### **C. AIM Project Performance: Accomplishments vs. Targets**

#### **1. Original Targets No Longer Valid**

**Unrealistic Targets.** The output targets for the VETA and BDS programs exceed the comparable accomplishments under Grant I by a wide margin. During the 63-month period reviewed by the Grant I Final Evaluation, for instance, 100 VE projects were carried out. Grant II promises 155 VE projects within 60 months. The target has increased by 60 percent in relation to the Grant II time period. Project budget resources dedicated to the VETA program have increased by less than 15 percent from Grant I to Grant II.

The export assistance program under Grant I operated for 27 months beginning in 1989, with a project budget of approximately \$1 million, and generated \$6.5 million worth of new export agreements. Grant II promises to generate \$83 million worth of new (\$40 million) and "ongoing" (\$43 million) export deals over a 60-month period with a project budget of approximately \$4 million. Based on Grant I experience, even taking into account the repeat orders that would likely result from the Grant I deals, the \$83 million target was based more on hope than on empirical experience. (It should also be pointed out that DAI's "Performance Based" contract under the MAP project contains no such target for export value.)

Finally, the targets for the MUST program had little empirical basis, and the notion that the project could generate 40,000 additional American tourists is preposterous. The AIM project would have to fill almost two 747s per month, every month, from day one of the project, high season and low, to meet this target.

The over-optimistic targets of the IESC Cooperative Agreement are not untypical of grant proposals whose final targets are often developed in collaboration with USAID, in which high levels of results are often a result of enthusiastic project officers and dedicated field staff.

**Changing Economic and Regulatory Environment.** Added to the wishful thinking of the Cooperative Agreement, is the economic slowdown in Morocco (and Europe), which clearly impacts negatively on the realism of the targets. Also, the growing list of proscriptions imposed by the U.S. Foreign Assistance Legislation further erodes the reasonableness that the original targets should be attained.

The following section compares AIM performance to the original targets of the Cooperative Agreement, and shows that, not surprisingly, the project is behind schedule regarding most indicators. It should be noted, however, that the VETA and BDS programs are exceeding their performance under Grant I, both in relation to time elapsed and inputs expended, and within a deteriorated economic and regulatory environment.

## **2. VETA Performance**

The VETA program is slightly behind schedule in delivering the 155 VE projects called for in the Cooperative Agreement. As of May 1, 72 VE projects had been completed, or 84 percent of the target through year III. With the number of projects in the pipeline, it is likely that the overall VETA program will soon be back on schedule. However, out of the total number of VE projects, there are subtargets, pertaining to coordination with the BDS and MUST programs, which are seriously behind schedule.

**VETA and BDS Coordination.** As a result of the Grant I evaluators' recommendation for more coordination between VETA and BDS, 24 of the VE projects are supposed to take place with firms that are also BDS clients. Although AIM records show that 15 VETA projects have taken place with BDS clients (if one includes both Grant I and II activities), only seven of the new VE projects have taken place with six BDS clients.

BDS and VETA staff state that in most instances, BDS clients do not feel the need for technical assistance (at a cost of \$3,000 per month) from volunteers since they are receiving free marketing assistance from BDS staff. Also, volunteers are used in other important ways for the BDS program, especially to meet with Moroccan representatives at trade shows.

The evaluation team also found in the course of its interviews that some BDS clients and VETA clients are unaware of the other complementary services provided by IESC. Often the initial IESC approach to a firm stresses the multiple services available, but once the firm is in the VETA or BDS orbit, the other options are forgotten by staff and client alike. Although BDS and VETA staff keep each other well informed of their activities (and the databases are available to all), there is little true coordination between the programs.

**VETA and MUST Coordination.** Eleven of the VETA projects were slated to be MUST-related activities. Here the program exceeded the targets by performing a total of 13 such tasks, 11 in the U.S. and two in Morocco. However, it was intended that 11 of these projects should take place in Morocco with Moroccan private tourist enterprises.

**VETA with Associations, Government, and Privatizing Entities.** Finally, ten percent of the VETA projects were slated to be with Moroccan groups, associations, government entities, or privatizing enterprises. This area is well behind schedule, with only four such assignments completed to date. If one were to include in this category the MUST-related VETA projects with government tourism organizations and Royal Air Maroc (RAM) in the U.S., then it could be considered that the ten percent target has been met.

With the economic slow down, it has proven somewhat more difficult than expected to market the VETA program. The staff has increased the number of marketing presentations and lowered the fee in order to approach the targeted level of volunteer projects.

**ABLE.** The ABLE services, providing thorough U.S. market studies on selected products, have proven virtually impossible to market, even at the modest fee of \$4,000. The program suffers in part from the downturn in business, in part from the perception that the BDS personnel, working with volunteers in the U.S., provide a similar service at no cost. Although ABLE utilizes volunteer executives, its targets are divided between the VETA and BDS components, and in neither program is the service proving saleable.

**VETA Performance vs. Implementation Schedule**

	<b>Project Target</b>	<b>Target through Apr. 95</b>	<b>Completed through Apr. 95</b>	<b>Completions as Percent of Schedule through Apr. 95</b>
<b>Total VE Projects</b>	155	85	72	84%
<b>VE Projects with BDS Clients</b>	24	13	7	54%
<b>VE Projects with Moroccan Tourist Enterprises</b>	11	6	2	33%
<b>VE Projects with Assoc., Gvt, or Privatization</b>	15 (10%)	8	4	50%
<b>ABLE Reports</b>	25	14	3	21%

**VETA Client Satisfaction.** On the final reports for the VE projects, 78 percent of the clients state that they are satisfied with the performance. Given the nature of the VE consultancies, one would not expect a perfect match every time. The VETA staff has made efforts under Grant II to improve its working relations with its Moroccan clients, working with them more intensely to develop the scope of work, and involving them more in the selection of the VE. On the other hand, as mentioned above, the VETA staff is under some pressure just to meet their numerical targets.

**3. BDS Performance**

The BDS program has been strongly challenged by the new restrictive foreign assistance legislation, forbidding their assistance in the exportation of a number of products where IESC had already established strong relations with Moroccan clients. Furthermore, the BDS program (previously called the Trade and Investment Services program) is now forbidden to assist in the formation of true joint ventures and to generate U.S. investment in Morocco.

**Sector Surveys.** The Cooperative Agreement specifies that the BDS program will produce 18 sector surveys, to be done by IESC VEs. Six surveys have been produced to date. One of the most successful — a survey of the Moroccan electronics industry — was completed just before electronics products were proscribed by the Foreign Assistance legislation. IESC staff report that the surveys in other areas gave

them a useful entree to potential clients and served to educate IESC staff regarding local issues and players in targeted industries. Much of the effort in this area is now covered by the MAP Project subsector surveys, and so future IESC surveys are not planned.

**Visits of Potential U.S. Buyers to Morocco.** The BDS program has facilitated the visits of 42 potential U.S. buyers to Morocco, introducing them to Moroccan clients. In this area, the program is right on schedule. These visits, often as a follow up to trade show contacts, exchanges of pricing information and samples, and so on, have proven to be an almost essential ingredient to reaching a firm export agreement.

**Participation of Moroccan Firms at Trade Shows.** This activity was not envisioned in the Cooperative Agreement. However, it has developed into a very effective tool for generating exports. Since mid 1993, IESC has assisted 83 Moroccan firms to visit 24 significant international trade shows such as the Boston Seafood Show, the New York Fancy Food Show, the Miami Gift Show, as well as trade fairs in Israel, Germany, and elsewhere. The AIM and MAP projects now cooperate fully in facilitating their Moroccan clients to participate in these important shows.

**Trial Export Shipments.** By the end of the project, AIM is to assist 30 Moroccan firms in making trial export shipments to new clients. At this midpoint of the project, 15 such trial shipments have been facilitated.

**Export Trade "Breakthroughs."** Of these 30 firms making trial shipments, six are expected to progress to the point where they have established an ongoing commercial relationship with the new trading partner or in the new market. BDS has already achieved this end-of-project output target, and will certainly surpass this important target by a significant margin.

**Value of Exports Generated Through BDS Assistance.** By the end of the AIM project in 1997, the BDS program is slated to have assisted export agreements with a total cumulative value of \$83 million. This figure includes \$43 million of "ongoing exports", i.e., the value of the current export business resulting from agreements signed under Grant I, and \$40 million of exports resulting from new agreements under Grant II. Following the implementation plan in the Project Paper, the program should have achieved a total of \$36 million in combined "ongoing" and new export development by the end of Year III. IESC reports a total of \$25 million, or 69 percent of the target to date.

IESC records the value of export shipments that result from the export agreements they help to arrange. These export values are provided to IESC quarterly by the parties involved, usually by the Moroccan seller, but in some cases, by the purchaser. The "ongoing" exports are the values of current export transactions stemming from an IESC-assisted export agreement during the previous IESC project. The evaluation team agrees that this is an appropriate and adequate means for both the MAP and AIM projects to monitor this important impact of their activities.

**Support for U.S. Investment, Joint Ventures, Technology Transfers, and Franchises.** Following the new directives prohibiting assistance to U.S. investors, IESC ceased to work toward a number of investment-related outputs listed in the Project Document. The output of providing assistance to U.S. investors to visit Morocco was abandoned (33 originally targeted, 11 delivered early in the project). IESC's interpretation of the legal restrictions is that they prohibit it from assisting joint ventures (targeted at 14) since they would by definition involve an equity position on the part of U.S. investors.

IESC continues to assist franchise arrangements, technology transfer agreements, and U.S. product distribution agreements, since none of these involve U.S. investment in Morocco. To date, IESC assistance has led to:

- One Franchise Agreement (Dairy Queen);
- Three Technology Transfers (Melons, Artichokes, Kosher Certification); and
- Two Product Distribution Agreements (Cosmetics, Men's Fragrances).

Another output indicator in the Cooperative Agreement refers to "new processes, technologies, or new products mastered." Some items under this category result from the technology transfer and franchise agreements. To date, IESC lists seven new products and three new technologies adopted by Moroccan clients, although the definitions of what constitute a "new" product or technology are not very precise.

#### **BDS Performance vs. Implementation Schedule**

	<b>Overall Project Target</b>	<b>Target Thru Year III</b>	<b>Achieved Thru Apr. 95</b>	<b>Percent Achieved of Target Thru Year III</b>
Sector Surveys	18	18	6	33%
Buyer Visits to Morocco	42	42	42	100%
Trade Shows	0	0	24	N/A
Trial Exports	30	18	15	83%
Export "Breakthroughs"	6	3	6	200%
Cumulative Export Value	\$83 million	\$36 million	\$25 million	69%
Joint Ventures	14	NA	NA	NA
Franchises, Technology Transfer, Licensing & Distribution Agreements*	14	7	6	86%
New Products, Processes, and Technologies**	20	12	10	83%

\* This category replaces "joint ventures"

\*\* These items are not exclusive of those in the above category.

#### **4. Moroccan-U.S. Tourism Promotion Program (MUST)**

Although the pilot program in tourism promotion has performed significant activities, it has not succeeded in meeting its objectives for a number of reasons. It is important to note that the three-year pilot program began six months later than other AIM activities, so that by now it has finished 75 percent of its originally planned life. The outputs (specified in the Project Paper) and the MUST accomplishments to date are as follows:

- 3-4 Familiarization Tours (4 completed);
- 72 Seminars for U.S. Travel Agents (15 conducted);

- 400 U.S. Tour Operators Visit Morocco on free tickets from Royal Air Maroc (RAM) (RAM has made available 300 tickets per year); and
- 40,000 additional U.S. tourists visit Morocco (2,170 additional tourists are attributed to MUST activities).

Two VE sector surveys were also undertaken during Grant II, one for the hotel industry and the other a general survey of the Moroccan tourism sector. The survey reports do not impress the evaluators as being very substantial.

A number of additional activities were carried out in the U.S. Volunteer executives worked with Moroccan Tourism organizations in the U.S. though they are not reported to be uniformly effective. A contract was signed to produce an attractive but limited television ad campaign for Moroccan tourism. And much work was done with the American Association of Tour Operators to Morocco (AATOM).

Overall, the MUST program did not live up to the original high expectations and enthusiasm of IESC, the Ministry of Tourism, and USAID. As part of the process of trimming the overall USAID program and the AIM project, IESC and USAID decided to bring the pilot program to an early conclusion. Four factors led to the disappointing MUST performance and to the decision to bring it to a close:

- Overall corporate support for the program has been uneven through the various AIM project directors. As a result, program implementation has not benefitted from the type of comprehensive (even if over-ambitious) understanding that characterized the beginnings of the tourism activity under Grant I and which informed the design of the program in the Project Paper.
- The Ministry of Tourism decreased its interest and participation in the program.
- The MUST activities were found to be considerably less effective than anticipated.
- The tourism promotion activity does not forcefully address USAID's new strategic objectives.

## **5. IESC Management and Cost Effectiveness**

**Revolving Leadership.** The final evaluation of Grant I emphasized that a program of this complexity cannot be effectively implemented with a frequently changing country director. The pattern of almost annual changes in leadership established under Grant I has unfortunately continued under Grant II, despite the fact that the position is funded as a senior paid position under Grant II rather than the volunteer position that it had been earlier. One cannot expect strong results on a complex project such as AIM without continuous strong leadership from a project director with previous experience leading USAID-financed, business-oriented, Private Voluntary Organization (PVO)-implemented projects in similar developing country contexts.

Lacking this continuous leadership, the separate components of AIM have tended to minimize rather than maximize the synergistic possibilities. Targets which should have been reevaluated and readjusted early following the proscriptions of the new foreign assistance legislation were left in place as inappropriate and not meaningful implementation goals. Accounting and invoicing problems that should have been solved long ago have only recently received the necessary effective attention. And no consistent voice took the necessary decisive lead in setting (and defending) the monitoring and evaluation systems. This lack of continuous leadership is even more unfortunate given that the AIM technical staff both in

Casablanca and Stamford are highly qualified, creative, and effective. Under this unacceptable shifting leadership situation, faced with an unexpected economic downturn, and hindered by new and changing restrictive U.S. legislation, the AIM staff have achieved amazing results.

**Accounting Problems.** Although financial reporting is much improved, the system of advance and replenishment does not yet function in a manner fully acceptable to USAID/Morocco. IESC maintains that part of the problem is that the accounting system required by USAID/Washington is different from the system required by USAID/Morocco. USAID requires IESC to request an advance on a quarterly basis (before the beginning of the quarter), and then to submit monthly invoices accounting for the expenditures. This will allow for easy replenishment before the beginning of the next quarter. USAID reports that IESC is still often a month late in requesting the advance, thus requesting an "advance" for a month that has already passed, and partially financing the program themselves. USAID stresses that there are no significant problems regarding the accuracy of the financial reporting.

**Cost Effectiveness.** The costs of delivering IESC services — VETA, ABLE, and BDS — are reasonable. However, IESC's claims that VEs constitute a "low cost" consultancy in comparison to alternative organizations' costs are not correct. (The Mid-Term Management Review states that IESC costs are "one-third the cost of major consulting firms.") IESC's cost for the average VE consultancy is approximately \$25,000, including \$7,155 (approx. 40 percent of direct costs) in indirect charges levied by IESC headquarters for administration, recruitment, and field support. The average length of a VE project under Grant II is 40 days, of which 34 days (including Saturdays) are working days. Thus the average cost to USAID for each day worked is approximately \$735, plus the \$115/day paid by the client (\$3,000/month), for a total cost of \$850 per day worked.<sup>4</sup>

Most USAID contractors, under their USAID-audited NICRA (negotiated indirect cost rates) or IQC (Indefinite Quantity Contract) pricing agreements, regularly provide senior consultants for similar assignments for between \$25,000 and \$30,000, including paying the expert, covering the cost of money, and making a small profit. Universities and other PVOs also provide similar services within this cost range.

By maintaining that costs are not a problem, IESC may have missed opportunities to analyze these costs and reduce them. These VETA costs could be reduced significantly by using a guest house arrangement rather than hotels for the volunteers in Casablanca, and through a modest lengthening of the average duration of the assignments (see Chapter V).

**Multiple Business Services.** Material from IESC headquarters describes the Multiple Business Services program as a truly integrated approach whereby an initial assignment maps out a medium term plan for the participating firm, including VETA, BDS, and ABLE assistance as appropriate. The AIM project in Morocco has not lived up to this potential, as the three programs go largely their own ways, sharing information and communication, but not integrating the support system for client businesses. As a result, the VETA program in particular suffers due to the narrow context of its assistance and the one-time nature of its services, which makes program results difficult to track. Also, all activities requiring cooperation between MUST, BDS, and VETA are far from meeting even the simplest output targets.

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<sup>4</sup> The IESC Stamford Office refers to a document entitled "IESC's Global System for Delivery of Managerial and Technological Assistance which uses a 1994 figure of a worldwide 74,663 person days of assistance at an average cost of \$439 per day. IESC also indicates that the costs given by the Morocco project did not take into consideration (since there is no system to account for this) days of volunteers' time spent before and after volunteers' assignments and therefore IESC Stamford feels that the cost per day calculated for a VE by the evaluators is high.

### III. MAP: MOROCCO AGRIBUSINESS PROMOTION PROJECT

#### A. Overview of Project

##### 1. Introduction

The MAP is a seven-year \$19.5 million<sup>5</sup> development assistance grant designed to strengthen Morocco's commercial agriculture sector and improve competitiveness of selected products in the world market. USAID and the Government of Morocco (GOM) signed a project agreement in 1991. The MAP project was designed as a direct result of USAID's experience in the cereals market, due to new opportunities created by Morocco's structural adjustment program and new market orientation, and because agribusiness is an economic activity that contributes significantly to Gross Domestic Product (GDP) and employment, especially for women.

Positive trends in Morocco's agribusiness investment climate are offset by challenges to the realization of the sector's potential. Preliminary project design work identified a litany of constraints that would limit the growth of the agribusiness sector. Constraints recognized include: the excessive dependence on the European Economic Community (EEC) market for exports and lack of market knowledge for areas outside the EEC; insufficient knowledge of new, efficient processing and packaging; insufficient new foreign investment; policy and regulatory problems — especially concerning investment and transportation; lack of innovative financial services; weaknesses in quality control for both the domestic and export market; the absence of vertical integration in marketing operations; weak industry associations; inadequate services from public sector support institutions and the lack of adequately trained agribusiness managers. The MAP project is intended to address all of these constraints.

The goal of MAP is *to increase the contribution that the private, commercial and agribusiness sector makes to GDP, foreign exchange earnings, as well as to employment and income.*

The purpose of MAP is *to increase the capacity of the private agribusiness sector in Morocco to produce, package and market a wide variety of demand-driven, value added agricultural commodities.*

##### 2. Project Description

The MAP project seeks to resolve critical constraints to the development of the agribusiness sector through:

- Trade and investment. The promotion of Moroccan horticultural products to a broader range of buyers, particularly in the U.S., and promotion of investment in Morocco.
- Transfer of technology, information, management techniques and marketing skills, increasing Morocco's ability to produce products that are competitive in quality and price.
- Strengthening institutional support to agribusiness from improved public institutions, adapted parastatal institutions and private organizations.

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<sup>5</sup> The ProAg states the GOM contribution as an additional \$5,262,000.

- Improving the human resource capital base for agribusiness by training Moroccan agribusiness managers, and developing an in-country capacity to train agribusiness professionals while continually improving technologies, management and marketing skills.

MAP is market-driven and private-sector focused. It is the first project of its type to be implemented in Morocco. Unique to MAP is its subsector approach that helps determine the project's allocation of resources and course of action. A set of eight commodity subsector diagnostic studies was identified during the design of MAP.<sup>6</sup> The objective of the subsector studies is to provide the project staff a complete picture of the most promising commodity export-oriented subsectors and with this information the project can design their program of assistance. The identification of points of leverage is a major concern of the MAP Project. The subsector studies are designed to identify key technical, regulatory, marketing and human resource constraints and opportunities. Project plans examine ways to take advantage of the opportunities and methods to address constraints. While flexibility and responsiveness to the private sector are crucial, identifying project activities with maximum impact and minimum cost is an overriding concern.

The PIF completes the MAP Project activities. The objective of the PIF is to reduce the risks associated with the development of new markets, products, technologies and services through cost sharing with qualified firms and organizations. This \$2 million fund is not meant to be a substitute for investment, but is a tool to leverage increased investment. The Moroccan and U.S. private sectors have access to this fund through formal applications to MAP and the MAP steering committee.<sup>7</sup> Applications are examined to determine the activities with elements of risk and these costs are separated from actual investment costs. PIF will consider paying up to one-half of those costs related to an activity that is new, or innovative (and thus presents greater risk).

To summarize, MAP takes an approach that identifies promising commodities and markets first (through subsector studies) and leverage points are identified. Leverage points may be identified at any level of the marketing chain — brokers; transporters; packing houses; processors; supporting institutions that regulate Morocco's food industry; professional associations; producers; or suppliers of inputs. Specialized assistance is provided at these leverage points. At times PIF funds are used to encourage the development or use of a new product or technology. Other times foreign investment may be important to the development of a subsector. The result is expected to be a Moroccan agribusiness sector that is better able to respond to the market and remain competitive in it.

## **B. Components and Performance Indicators**

The MAP project has three primary implementing institutions. This strategy aims to take the best expertise from the U.S. private and public sectors and university communities. The bulk of the project is being undertaken through what has become known in Morocco as AMI (Agribusiness-Marketing-Investissement) under an institutional contract with DAI. DAI is responsible for the implementation of the four modules previously described (including trade and investment promotion, technology transfer, institutional strengthening and human resources training) and is the technical coordinator of the MAP project. A PASA with the U.S. Department of Agriculture addresses specific agricultural product

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<sup>6</sup> Subsector studies include fresh vegetables (off season), fresh fruit, processed fruit and vegetables, spices and essential oils, olives, food legumes, cut flowers and grapes and wine.

<sup>7</sup> Applications for less than \$25,000 are submitted to the management committee.

policy, regulatory and phytosanitary requirements. The Program of Support to Agribusiness (PSA) has just started implementation by the University of Minnesota and the Hassan II Agro-Veterinary Institute (IAV Hassan II). This portion of the project will address specific human resource development needs and agribusiness outreach services.

### 1. Agribusiness-Marketing-Investissement (AMI)

DAI signed a five-year contract for \$13,639,464 in August of 1992 for the implementation of MAP. The contract includes inputs for most of the MAP project modules. For some activities (PASA and PSA) however, DAI has been playing an important role in planning, coordinating and providing overall leadership for MAP. Principal inputs include: five long-term technical assistance personnel (Chief of Party, Agricultural Economist, Agribusiness Specialist, Horticultural Specialist and Marketing Specialist); short-term technical assistance (approximately 65 person-months to date); the skills of nine subcontractors;<sup>8</sup> both long- and short-term training; the Bethesda-based MTDC; the Promotion Investment Fund; promotional travel and funding for workshops; and conferences and tours.

Overall, DAI has made considerable progress toward meeting the performance indicators outlined in their contract and established more specifically in their first annual work plan. Of the nine contract tasks and 39 indicators tracked, DAI has met or surpassed 14 midterm targets. The following discussion illustrates that the most important targets have been met, that some targets are no longer valid and should be reconsidered, and that others are cumulative (such as long-term training), requiring more time in the project to achieve them.<sup>9</sup>

#### ✓ Task 1: Augment Foreign Investment in Agribusiness

Performance Indicators	Target	To Date	Percent to Date
• Subsector Studies	8	6.5	81%
• Prefeasibility Studies	8	1.0	13%
• Company Presentations	200	71.0	36%

**Subsector Studies:** DAI has kept pace with plans for the completion of subsector studies. The subsector studies drive the entire approach of the project. All but one has been completed and the last one will be finalized in the next several months. The subsector approach has effectively identified leverage points for project action, identified clients and opened markets. Studies have included significant involvement of DAI subcontractors and U.S. companies. Private sector participation in the olive subsector study, and the herb, spice and essential oil study were translated directly to increased marketing of products to the U.S. A U.S. company's participation in the cut flower study led to flower sales in the U.S. and the investigation of greenhouse technologies. Finally, crosscutting issues have been identified through subsector studies. Two key areas that AMI is working on are transport and the effects of General Agreement on Trade and Tariffs (GATT).

<sup>8</sup> These subcontractors are Tri-Valley Growers, Land O'Lakes, Inc., The University of Minnesota, Purdue University, The Postharvest Institute for Perishables, American Manufacturers Export Group, Inter-American Management Consulting Corporation, Agro-Concept, and ICEA Enterprises. A chart indicating their primary spheres of activity are included in Annex VIII.

<sup>9</sup> Note that percent of target accomplished to date is as of March 31, 1995. Unlike IESC annual targets have not been set in DAI's contract.

**Prefeasibility Studies** for new products, technologies or markets are apparently not as important as originally thought. For this reason, only one of the targeted eight prefeasibility studies has been undertaken. This was for mobile IQF (Individually Quick Frozen) units. The demand may not be apparent because some businesses do their own analysis when looking for financing. Another possible reason for the lack of demand is that the project deals with a group of very sophisticated business people who are used to making decisions without these studies. Although the lack of prefeasibility studies in no way hinders the performance of the project, their absence could mean that the project has not made a large enough effort to convince people of their value.

✓ **Task 2: Diversify Agribusiness Trade and Investment**

<b>Performance Indicators</b>	<b>Target</b>	<b>To Date</b>	<b>Percent to Date</b>
• U.S. Firm Contacted	1500	821	55%
• European Firms Contacted	1500	910	61%
• U.S. Firms Visiting	150	51	34%
• European Firms Visiting	50	38	76%
• Other Firms Visiting	10	5	50%
• Moroccan Firms to the U.S.	50	16	32%
• Joint Ventures	15	4	27%

DAI's Bethesda based MTDC and the AMI technical assistance team in Casablanca are responsible for trade promotion of U.S. products and services to Morocco and Moroccan products to the U.S. This is one of the most successful aspects of AMI. The MTDC is an extension of the AMI Casablanca office and assists trade promotion through the organization of trade shows, industry tours, and market research to complement the work of the DAI technical assistance team. Contacts with firms outside Morocco, visits and trade show participation have surpassed expected levels and have resulted in the opening of new markets in Europe and continued increased exports. Project technical assistance has played a very successful "broker" role in the marketing of fresh and frozen fruits and vegetables. They have expanded markets, especially to Eastern Europe, and greatly increased IQF fruit and vegetable exports from Morocco to Europe.

The DAI office in Bethesda was especially important for investment promotion. In February of 1994 the Investment Promotion Unit at DAI was reorganized as the MTDC due to new USAID guidelines prohibiting the use of project funds to support a U.S. office for investment promotion. Investment promotion activities were then shifted to Casablanca. There was also an earlier prohibition on using mass media for investment promotion and a determination that USAID cannot use funds to assist the black olive and raisin industries. All three of these developments combined have made the challenging target of 15 joint ventures over the life of the project much more difficult.

✓ **Task 3: Improve Applied Technology in Agribusiness**

<b>Performance Indicators</b>	<b>Targets</b>	<b>To Date</b>	<b>Percent to Date</b>
• Production/packaging/processing	4	5	125%
• Firms adopting	20	22	110%
• Product Marketing Strategies	6	5	83%
• Firms new markets/business plans	10	6	60%
• Process controls	60	25	42%
• Firms in FDA/ Direction de Protection des Vegetaux, Controle Technique, et Repression des Fraudes (EACCE) compliance	10	4	40%

The project has surpassed most targets in this task area and will far exceed targets during the latter half of the project. The possibilities in this area are only limited by the shortage of time for technical assistance to pursue prospects and interested clients. Technologies that have moved from direct project introduction to commercial importation are considered technology transfers by AMI. One problem area is the introduction of some improved fruit and flower varieties since Morocco is not a signatory to and does not enforce international patent and protection agreements.

To date, successful technology transfers include NatPak modified atmosphere packing for tomatoes; the Imperial Star Artichoke; modified atmosphere and controlled atmosphere containers; the Hazard Analysis and Critical Control Points (HACCP) system of food safety management; and the Sweet Charley strawberry variety. Although NatPak and the Imperial Star Artichoke are two examples of technology transfer, their eventual commercial success is still questionable. The values of Natpak were questioned by one client given the labor required in the middle of harvest season and there have been germination problems for the artichokes. In any case, the impact of some of the new technologies will begin to be evaluated this year.

AMI's work to assist the introduction of HACCP and compliance with FDA/Etablissement Autonome de Controle et de Coordination des Exportations (EACCE) regulations has been an important management technology transfer. This aspect was added once the project began and the problems of food safety became apparent. Because the introduction of this kind of technology requires significant mentality changes and forward vision, there is a slight delay in reaching targets set for process controls. For example, some firms have not enthusiastically embraced HACCP because they sell only to Europe and are not fully informed of impending European Union regulation revisions that will bring EU regulations in closer line with FDA. However, there is no reason to believe that targets will not be met given the foundation laid by AMI and as long as assistance to process controls continues.

✓ **Task 4: Reinforcing Industry Organization and Supporting Institutions**

Performance Indicators	Target	To Date	Percent to Date
• Association/group plans	6	2	33%
• Membership info services	4	2	50%
• Direction de la Programmation et des Affaires Economique (DPAE) industry info study	1	0	0%
	1	0	0%
	1	0	0%
• (DPVCTRF) improve certification plan			
• Division de Production Vegetale (DPV) agribusiness database			

Activities are on the mark for work with industry associations. Association audits have been completed for Association Marocaine des Producteurs et Exportateurs des Fleurs (AMPEXFLEURS) and Federation des Industries de la Conserve des Produits Agricoles du Maroc (FICOPAM), relationships developed with Association des Producteurs-Exportateurs des Maraichages et des Primeurs (ASPEM), Association Nationale du Froid (ANAF) and Association des Producteurs-Exportateurs des Fruits et Legumes (APEFEL), and U.S. industry association linkages made for three groups.

Targets related to the Ministere de l'Agriculture et de la Mise en Valeur Agricole (MAMVA) have not been met. In some cases this is due to the slow response from the USDA PASA and in others it is due to the complexity of the issues to be addressed. The project calls for: the completion of a study on industry demand for data and analysis from the DPAE; the adoption of a plan by Direction de Protection des Vegetaux Controle Technique, et Repression des Fraudes (DPVCTRF) for enhancing certification capability of product standards and grades for exports; and the establishment of an agribusiness database within MAMVA's Direction de Production Vegetale (DPV), Cellule de Partenariat. It is reasonable to believe that the majority of this program will not be accomplished during the life of DAI's contract unless these activities are made priorities by the MAMVA, USDA and DAI, and technical assistance personnel recruited accordingly.

✓ **Task 5: Improvements in Financial Services**

Performance Indicator	Target	To Date	Percent to Date
• Financial studies/consultancies	2	0	0%
• Client referrals MAP-New Enterprise Development Project (NED)	14	25	179%
	2	2	100%
• Financial Platforms			

Helping to access financial services for adopters of U.S. technology has been a decisive factor in their success. An important obstacle identified by AMI was the need for a mechanism to guarantee payments to U.S. exporters. AMI has developed a relationship with WAFABANK that will likely continue to grow. WAFABANK has set up a trade facilitation service for technology transfer activities linked to the Arab American Bank of New York. This simplified the importation of new strawberry varieties, helped Comptoir Agricole-Semence Marocain (CASEM) import artichoke and lettuce seeds, and assisted the importation of Lindsay pivots for a joint venture with Maghreb Tubes. WAFABANK is interested in still other intermediary services that will help provide more elements for sustainability.

Financial studies and consultancies are targeted for new financial instruments. Although opportunities have not arisen in this area, as trade increases, more sophisticated financial arrangements will probably be required. Although the target for referrals is not particularly useful to track project progress, it is an indication of MAP's coordination with other projects.

**✓ Task 6: Enhancing the Human Resource Base for Agribusiness**

Performance Indicators	Target	To Date	Percent to Date
• LT degree program	4	0	0%
• ST advanced training programs	18	1	6%
• ST industrial interns	19	1	5%
• Study Observation Tours	30	8	27%
• Moroccans on study/IA tours	90	39	43%
• Workshops	20	31	155%

This area has seen the largest change in project performance targets and has provided some clear lessons concerning training in the private sector horticulture industry. Lessons learned include:

- ✓ The private sector horticulture industry is not interested in long-term U.S. training primarily due to the fear of losing personnel once trained.
- ✓ There is interest in short-course training but only if clearly linked to a problem that needs a rapid solution.
- ✓ Internships have a low demand.
- ✓ Public sector personnel are eager for training but few have adequate English levels.
- ✓ Additional discretionary funding needs to be budgeted by the GOM in order for public sector personnel to take advantage of in-country training programs.

For these reasons the original target of nine long-term degree programs was changed to four Masters level programs. Because one individual was selected to complete a doctorate degree, funding is sufficient for three students. Two students are in the process of obtaining their degrees and a third candidate remains to be selected. The final candidate will have to be female if adherence to target female/male training ratios is to be achieved. Long-term training funds were shifted to short-term training with a target of 18 participants. Reaching this target is difficult for the reasons stated above. In fact, when the first short-course participant returned to Morocco, he immediately found new higher paying employment, exactly the fear of his (now) former employer.

Industry internships were meant to be driven by joint venture opportunities and organized by Land O'Lakes (LOL), one of DAI's subcontractors. Only one internship has been arranged by the project due to the reasons previously described and because in limited circumstances, internship organization has been possible directly between a company in the U.S. and a Moroccan company. The current performance target for internships will not be met and should be changed. DAI has reached an agreement with Land O'Lakes (LOL) and USAID to focus the LOL subcontract work on other issues such as examining contract farming.

Targets for study tours and workshops will be attained. Discussions with private sector participants, especially those attending trade shows and those looking at technology acquisition or markets (flowers, strawberries) indicate substantial benefits from this aspect of the project.

✓ **Task 7: Improving the Policy Regulatory Environment**

Performance Indicators	Target	To Date	Percent to Date
• Policy /regulatory reports	11	1.5	14%
• Dissemination seminars/workshops	11	2.0	18%

Of the 11 analytical reports addressing policy and regulatory constraints, two reports, the Transport Sector Study and the study of The Potential Impact of GATT on competitiveness have been completed. Two corresponding seminars to discuss findings have also been held. The DAI team has found that the two completed reports have been extremely useful and have led to much ongoing policy work in these two very important areas.<sup>10</sup> However, the technical assistance team feels that more informal policy and regulatory work, similar to that being done as a result of the two studies may be more productive than additional formal studies, unless other important areas are discovered in the course of a subsector study. DAI also works closely with two regulatory agencies in Morocco and their counterpart U.S. organizations (EACCE/FDA and DPVCTRF/APHIS) as the technical coordinator of MAP. The technical assistance team still thinks that targets will be met in this area by focusing on very specific topics.

✓ **Task 8: Administration of the Promotion and Investment Fund**

Performance Indicators	Targets	To Date	Percent to Date
• Small cost share requests	90	21	23%
• Large cost share requests	10	6	60%
• Acceptable applications	75	5	7%
• Amount awarded	\$2 million	\$72,000	4%
• Cost/services leveraged	\$2 million	\$302,000	15%
• Preinvestment activities	50	3	6%

The use of the PIF<sup>11</sup> has been overestimated. Although the project is highly selective in identifying risk factors for funding, it is highly likely that the activities considered for funding have a reduced risk factor due to the DAI technical assistance team's expertise and ability to build confidence in clients. Or, perhaps there are some clients who cannot afford to pay one-half of a risky project. Indications of a cumbersome approval process (which took a year to set up) may also be a deterrent. Nevertheless AMI has projected greater use in the current year given GATT, and the agribusiness sector's need to increase innovation (and thus risk) to compete. Though the PIF is not in such great demand, AMI staff feel that "potential" funding of risk has been important in attracting initial attention to their program even if the fund was not eventually used.

<sup>10</sup> Examples include participation on national commission on crop diversification and measures to reduce the impact of EU market restrictions on fresh produce, an AMI advisor to MAMVA on the restructuring plans of the National Transport Office (ONT) and Royal Air Maroc (RAM), and AMI assistance to resolve problems related to customs inspection of freezer trucks and containers.

<sup>11</sup> \$247,000 for EACCE lab equipment and \$35,000 for the Friends of Argon Pilot Oil Press will be taken from PIF funds.

✓ **Task 9: Assistance in Privatization**

<b>Performance Indicator</b>	<b>Targets</b>	<b>To Date</b>	<b>Percent to Date</b>
• Parastatal privatizations	5	0	0%
• U.S. privatization partners	5	0	0%

MAP involvement in privatization has been limited to cases where U.S. trade and investment may be part of a new ownership and management structure. The possibility of leasing vineyards and wine bottling operations to attract potential U.S. investors is the only opportunity identified to date.

**2. USDA /PASA**

The MAP project procures specialized agricultural product policy, regulatory and phytosanitary expertise from the U.S. Department of Agricultural through a PASA. The agreement signed in 1991, provides \$1,060,800<sup>12</sup> for technical assistance, training and equipment to MAMVA, primarily to the Direction de Protection des Vegetaux, Controle Technique, et Repression des Fraudes (DPVCTRF), the Direction de Protection Vegetaux (DPV) and the semiautonomous agency, EACCE.

A preliminary action plan (See Annex III for detailed performance indicators) for the PASA was prepared in June of 1992. Planned outputs are divided into three categories:

1. Strengthening the Moroccan food and agriculture regulatory environment, especially in the Ministry of Agriculture. This was to include opening a dialogue regarding the feasibility of a "pest free zone"
2. Strengthen commodity and price reporting while identifying and monitoring market windows for food and agricultural products on external (especially U.S.) markets.
3. Strengthening the ability of small and medium size producers to participate in external market opportunities.

To date 14 work orders have been completed or are in process totaling \$424, 622. However, a good portion of the performance indicators outlined in the June 1992 Action Plan has not been met. Some of the more significant work completed (or is in process) is as follows:

- Assessment and procurement of computer hardware and software, photocopy machine, LAN installation and training for DPAAE and DPV.
- Assessment of why FDA's detention list of Moroccan products continues to grow and recommendations on how Morocco can develop an export service laboratory that can be certified by FDA.
- Development of a plan of action for APHIS-DPVCTRF to start technical assistance activities for a plant quarantine and inspection service.

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<sup>12</sup> The entire agreement provides for an additional \$478,310 funded by other projects.

- In-country training for FDA requirements for low acid canned foods and acidified foods for the EACCE. This included FDA regulations and concerns and demonstrated the methodologies necessary to develop scientifically valid thermal processes that are acceptable to FDA.
- Evaluations and recommendations made for equipment, staffing and management practices of EACCE's primary export services laboratory (equipment purchases by DAI to follow as soon as viable management/sustainability plan has been approved).
- Study tour in the U.S. for two EACCE staff to review FDA import regulations, procedures, and inspection processes for imported fresh and processed foods and wines.
- Assessment of EACCE's current computer capabilities and EACCE's plans for a proposed computer network linking regional offices. Recommendations have been given regarding procurement of hardware and software and operational sustainability for the proposed network.
- Training for DPVCTRF staff on integrated crop protection through pest management and plant quarantine systems analysis.

### **3. Program of Support to Agribusiness (PSA)**

A contract for the Program of Support to Agribusiness (PSA) was signed in October 1994 after a lengthy selection and contracting process. The University of Minnesota and its subcontractor the Institut Agronomique et Veterinaire Hassan II (IAV Hassan II) were awarded \$2,433,985 for the four following objectives:

- To begin an Academic program in Agribusiness at IAV Hassan II.
- To expand the current program of continuing education at IAV Hassan II.
- To enhance support to growers through applied research and extension at the Complexe Horticole d'Agadir (CHA)
- To establish a pilot food processing plant at IAV Hassan II.

This portion of MAP responds to needs identified in the project design phase for improved support to the private sector, i.e., management training and continuing education for professionals in the food industry to keep them informed of the latest technology. The approach to these services by IAV/Hassan II is different from their past assistance to the private sector. Past IAV/Hassan II services to farmers and growers and fresh fruit and vegetable processors has been primarily on a case by case basis. The activities under MAP are private-sector-oriented rather than private-individual-oriented.

Inputs include 14 person-months of short-term technical assistance, 49 person-months of short-term training in the U.S., 6 two-week seminars in Morocco and provision of processing and laboratory equipment. The most important measurements of performance will include the following: a proposal for the accreditation of an academic course in agribusiness; FDA approval to teach the Better Process Control School at IAV/Hassan II; the establishment of a self-sustaining center for plant disease diagnostic services, Integrated Pest Management (IPM) and soil and water analysis; and an operational pilot food processing plant (See more detailed performance indicators for PSA in Annex III).

At the time of this evaluation the PSA team was writing their first annual work plan. The process involved interviews and site visits throughout the country to confirm the validity of PSA objectives and engage the private sector in the definition of component targets. Private sector involvement is critical since the services that will be developed through PSA are intended for and will be paid for by the private sector. Completion of the work plan is not expected until August/September, 1995.

#### **4. MAP Management**

Overall direction and supervision of MAP is provided by the project Steering Committee (Comite Directeur). The committee is composed of two representatives from MAMVA including the Secretary General of MAMVA (who is also cochairman of the committee), the Secetaire General of ASPEM (the other cochairman), the Secretary General of FICOPAM, a representative of Conseil General des Employeurs au Maroc (CGEM), and two representatives from USAID. The Chief of Party of DAI also attends in an ex-officio capacity and serves as secretary. The Steering Committee meets two to three times a year and discusses major policy issues, approves PIF awards and reviews the annual work plans. Project implementation is supervised by the management committee which is composed of the Chief of Party/DAI, the Director of DPV and DPAE and the USAID Project Officer. The Management Committee reviews candidates for training, PASA work orders, short-term technical assistance, scopes of work, and other management actions that might normally be approved solely by USAID. To simplify communication, DAI has a liaison office staffed with one person located in the office of statistics at DPAE.

Given the novelty of the MAP project in Morocco, the management structure seems to perform adequately. One exception is the approval process for PIF that some staff claim is very bureaucratic and slow. Otherwise, the Steering Committee keeps the upper levels of the Moroccan and U.S. government informed of more important project issues and administrative issues are handled jointly by USAID and the Ministry of Agriculture without major delays. The result is that the project is able to work outside USAID and the GOM directly with the private sector. This has been very important to the credibility of the DAI technical assistance team and has allowed flexibility to respond to private sector needs.

##### **a. USDA PASA**

The purpose of the PASA was to help MAMVA to upgrade its market information, plant protection, inspection services and other agribusiness support services. The PASA was meant to access particularly the services of USDA's Food and Drug Administration (FDA) and Animal and Plant Health Inspection Service (APHIS), including APHIS's Plant Protection and Quarantine (PPQ) and Biological Assessment and Taxonomic Support Staff. (These are the agencies responsible for regulating all food imports to the U.S. and for monitoring developments within the international agricultural marketplace that might affect the execution of this regulatory function).

Although the original action plan prepared in 1992 reflects project grant agreement outputs, it does not seem especially realistic. The action plan outlines various Ministry of Agriculture wish lists, places no priorities on activities and presents no time table for implementation. Subsequent USDA reorganizations, staff transfers and the absence of USDA personnel in Morocco have meant implementation delays and a situation under which Moroccan activities are not given management priority.

A recent USAID request resulted in the update of the PASA action plan by USDA. The action plan focusses on plant protection and quarantine and on food safety, an issue that is most important to the MAP project and for which a timetable has been established. Work orders and performance need to be judiciously tracked by the USAID project officer, and problems (delays) need to be addressed by the

Project Management Committee. The most current action plan does not provide assistance for market information systems as originally planned but does not ignore them entirely. DPV is receiving help to set up an agribusiness reference service "partenariat" and EACCE is receiving assistance with their management information system, including export trade information services. In order for these activities to be the most effective, policy decisions concerning the role of government in agribusiness development will be required.

Evaluating the cost-effectiveness of the USDA/PASA is a challenge. Services were procured from USDA because they have capabilities and institutional contacts that cannot be obtained from the private sector. Issues related to food safety and imports of agricultural products from Morocco necessarily need the assistance of USDA and their regulatory agencies. Project technical assistance feels that the importance of the PASA has been APHIS and FDA work. They have successfully made the point to Moroccans that food safety and phytosanitary control in the U.S. are issues for which there is no compromise and unless regulations are followed, Moroccan imports will not be allowed entry to the U.S.

**b. Program of Support to Agribusiness (PSA)/University of Minnesota/Institut Agronomique et Veterinaire Hassan II**

PSA implementation is far behind the rest of MAP. This is due to the lengthy process of activity definition and bureaucratic complications that are beyond the control of the University of Minnesota. The work plan sessions have been completed and a first draft work plan was left in Morocco pending a next draft by the end of July. As is normal at this stage, parts of the work plan seem to be more complete than others. Two issues may be important: there is no discussion of PASA activities, overlap or complementarity and as the work plan is finalized, performance measures should be refined from the original contract.

Although PSA is not being evaluated, there are several front-end challenges involving the reestablishment of project priorities, communications between project participants and management inherent to most project start-ups and evident in PSA. Keeping in mind that everyone at IAV/Hassan II has two other responsibilities (teaching and research), before they begin to consider the private sector services orientation of PSA is important. Therefore, to keep the component on track, more management time than originally envisioned may be required. Although start-up might be facilitated by an initial three to six months of University of Minnesota management time in Morocco, this has not been planned. Therefore, it is reasonable to assume that there will be a greater management burden on the USAID project officer and the DAI chief of party.

PSA will be subject to the same Steering and Management Committee reviews described above. One coordinating point at both IAV/Hassan II and the University of Minnesota is important. It is also important that the coordinators have a global view of MAP and PSA without regard to academic discipline. Although this has been planned by Minnesota, it should also be reinforced at IAV/Hassan II.

**c. Agribusiness-Marketing-Investment (AMI)/Development Alternatives Inc.**

MAP is a large complex project with multiple participants. For this reason the primary contractor, Development Alternatives, Inc. (DAI) was made the technical coordinator of the project. This is an important and time-consuming task. Coordination among the three components is impaired by different institutional agendas and the absence of any genuine authority. Despite the difficulties, DAI has done an excellent job. Communications with the GOM are good and though parts of the government may prefer greater involvement or more resources, government officials have participated effectively in the project. DAI has played an instrumental role in setting priorities under the USDA PASA, in writing

scopes of work for USDA technical assistance, and making sure that technicians are working toward the common goals of MAP. Although the PSA has not yet begun operations, DAI has been intimately involved in work plan discussions and development.

The project is also well-managed. DAI has provided the requisite technical assistance, placing technicians in the field soon after contract signature and one long-term technical assistance position was replaced on a timely basis. A major advantage to this contract is the provision of directly billed professional staff in the U.S. This means that DAI/Morocco has staff in the U.S. that can spend time solely on agendas established by them. Administrative procedures are also well developed at DAI. Reports and work plans are prepared within acceptable time frames, performance tracking is completed quarterly and financial reporting is also completed on time.

Development Alternatives has been flexible and able to adjust its program to modifications such as changes in policy determinations or in the evolution of short-term technical assistance needs. For example, DAI made some significant changes in the focus of some of their subcontracted work. Food safety issues were shifted to Purdue University, and when there was clearly a lack of demand for internships, Land O'Lakes' work was shifted to other issues such as contract farming. Policy Determination 20 not only changed the work of the U.S. office, but also that of subcontractors like IMCC whose major focus was investment promotion.

#### **d. MAP-AIM Project Overlap and Complementarity**

Project duplication and capitalizing on the comparative advantage of each project is a concern for the MAP and AIM projects and to USAID. Although AIM has a broader scope, both projects have activities in the agribusiness sector. Activities where there has been the most overlap are in the fresh and processed fruits and vegetables sectors. DAI has some significant activities with frozen IQF fruits and vegetables whereas IESC is not currently involved. IESC works with processed fish products whereas DAI does not deal with the fish industry. Besides agribusiness, IESC works with clients in the handicraft, manufacturing, tourism and mining sectors, as well as franchising. IESC has also recently agreed not to work in the fresh product area whereas DAI activity is exclusively in the land-based agribusiness sector.

The types of assistance that the two projects administer can be quite diverse. However, they can also be similar. The major difference between the type of assistance provided by DAI and IESC is their approach to the agribusiness sector. IESC has a very bottom-line business approach to clients who come to them for assistance. The IESC strategy is to listen to the client's problem and help solve it. DAI on the other hand has a more analytic approach. Their preoccupation is to examine a subsector and help define the problem. DAI becomes much less directly engaged in solving a problem. DAI's strategy is to find a private sector entity to be the major participant in solving a problem.

Although differences in the DAI and IESC approach shrink drastically when assistance to sales of agricultural products is considered, there are still basic differences. DAI proceeds in a very calculated way. Usually, the subsector studies have helped to define market opportunities, i.e., the case for strawberries and IQF fruits and vegetables. IESC on the other hand usually responds to the request of a client. For example, recently a client requested assistance in selling excess quantities of sea salt and a fish processor wanted help in entering the U.S. market. While both DAI and IESC assist in the marketing of agricultural products, IESC normally works from the basis that there is first a product to be sold, then a market is found and the product adapted to that market. DAI also occasionally takes this same approach. Nevertheless, they are more likely to first consider what the market is looking for, and then encourage adaption or even diversification into this product area.

One area that is of special concern is food safety. Conflict between DAI and IESC has developed due to the different approaches to the issue. The MAP Project is doing a great deal to address food quality and safety issues through the USDA PASA and through DAI and one of their subcontractors, Purdue University. This is not explicitly part of the AIM project, although IESC becomes involved in these issues when sales are dependent on satisfying food safety regulations. Here, again approaches differ. It is DAI's policy to refer food safety issues to competent Process Authorities (usually contracting firms). This is primarily for two reasons. First, it resolves a liability issue and second, it reinforces another objective of the project to sell U.S. goods and services to Morocco.

If an IESC client is having a problem addressing a food safety issue, such as USDA filing, IESC would probably suggest that a volunteer assist the company to complete forms and perhaps even carry out a HACCP audit. Taking this route would probably assure that FDA filing took place and that the client could export a product. Issues of liability, (i.e., whether FDA filing should take place before proper HACCP procedures have been installed, or perhaps because the FDA filing was not done by a Process Authority, or whether the same company will, due to changing FDA and European Community regulations, eventually have to have a Process Authority redo the work), do exist, however.

Overall there is no significant duplication of effort between MAP and AIM. Marketing is the area of greatest duplication and the approaches of AIM and MAP differ so significantly that in essence they are not offering the same services. Companies interviewed easily differentiated MAP and AIM assistance identifying MAP as more academic and AIM as more transaction oriented. Approaches to food safety issues have produced conflict between AIM and MAP however. Food safety is a serious issue and should not be dealt with lightly. AIM and MAP should establish guidelines on involvement in food safety with the assistance of USAID.

#### IV. IMPACT ON THE AGRIBUSINESS SECTOR

This evaluation examines the economic and social impact of the projects on the agribusiness sector chiefly in terms of exports and employment generated by the projects. Exports are the best indicators of project impact in relation to USAID/Morocco's CPS Program Outcome No. 3.3, "Improved Competitiveness of Firms which Generate Employment for Below Median Income People."

**Exports.** Exports as indicators of competitiveness include both the total value of exports and export diversification. Diversification takes three forms: (a) new products sold in any foreign market, (b) previously low-profile products for which exportation has increased, and (c) products of any kind sold in nontraditional markets. The AIM and MAP projects keep track of the necessary data. All exports that are the end-products of contacts established by AIM or MAP between Moroccan exporters and buyers overseas are documented. This evaluation takes account of all exports reported through March 31, 1995 — the latest reporting period at the time of the evaluation team's arrival.

**Employment.** When the projects were set up, employment generation, particularly among that part of the population below median income and among women, was not explicitly defined as a major objective. Competitiveness was the major focus. However, it was recognized that the potential competitive advantage of Moroccan agricultural exports rests on the relatively low labor costs for the labor intensive production and processing. Also, the anticipated employment effects led to the GENESYS study, *Gender and Employment in Moroccan Agribusiness* (Saulniers *et al.*, September, 1993). Employment is certainly a key consideration now, according to the new CPS.

The effect on employment is measured by making estimates, which are necessarily rough and partial, of the number of "jobs" required to produce exports. The jobs counted are those in processing plants and packing houses of both horticultural and fish products, as well as those in the fields gathering the horticultural commodities that are packed or processed. These indicators of project impact go a long way to meeting the intent of the indicators identified in USAID/Morocco's latest CPS. Due to the lack of immediately available information, we have not calculated the indirect (though significant) effects on employment in the industries that manufacture supplies for the packers and processors: items such as cans, bottles, cartons, and so on.

##### A. The Baseline Situation

###### 1. Agribusiness Exports

MAP is concerned solely with processed exports or fresh horticultural products. Most products assisted by the AIM BDS program are processed horticultural products and processed fish (though AIM also assists in the export of handicrafts, rugs, and fossil marble). The strategic importance of agribusiness for the nation's international trade is indicated by the fact that in the first nine months of 1994, 24.7 percent of all Moroccan exports were food products (EIU *Country Report*, 2nd quarter, 1995, p. 22). Table 1 shows the breakdown of all agricultural exports for 1993, both worldwide and for the U.S. The purpose of the table is to show the relative importance of Morocco's various exports, particularly as product diversification<sup>13</sup> in exports is among the CPS indicators.

<sup>13</sup>

This report looks at product diversification in two ways. The first is as identified in the USAID/ Morocco Country Program Strategy, products of which not more than \$25,000 has been exported in any of the three previous years. The second is a calculation of the volume of exports that are among products which account for a small percentage share of Morocco's total agricultural exports in a base year.

Market diversification is defined as markets other than traditional markets which have been defined as those to which Morocco sent more than 10% of its total exports of the product in question in 1992.

**TABLE 1. TOTAL AGRICULTURAL EXPORTS FROM MOROCCO, 1992**

	Value (US\$ m.)	% Total Value		Value (US\$ m.)	% Total Value
<b>Fish</b>			<b>Processed fruit and vegetables</b>		
Fresh	394.9	33.0%	Veg. in brine	14.3	1.2%
Processed	159.5	13.3%	Veg. frozen	11.2	0.9%
	<u>554.4</u>	<u>46.3%</u>	Veg. dehydrated	23.7	2.0%
<b>Fresh fruit</b>			Citrus juice	12.8	1.1%
Citrus	171.2	14.3%	Olives	55.3	4.6%
Other	5.7	0.5%	Pickles	9.4	0.8%
	<u>176.9</u>	<u>14.8%</u>	Apricots	14.7	1.2%
<b>Fresh vegetables</b>			Tomatoes	13.5	1.1%
Tomatoes	60.4	5.0%	Green beans	4.9	0.4%
Potatoes	31.0	2.6%	Other	6.0	0.5%
Other	12.1	1.0%		<u>165.8</u>	<u>13.9%</u>
	<u>103.5</u>	<u>8.6%</u>	Spices	13.0	1.1%
<b>Plants and seeds</b>			Essential oils	7.2	0.6%
Roses and flowers	14.1	1.2%	Olive Oil	10.2	0.9%
Other	31.7	2.6%	Other	165.9	13.9%
	<u>45.8</u>	<u>3.8%</u>			
			<b>Total</b>	<b>1,196.9</b>	<b>100.0%</b>

**TABLE 2. EXPORT MARKETS FOR MOROCCO'S AGRICULTURAL PRODUCTS, 1993**

	Quantity (mt)	Value (\$m)	Country's share of total value (%)
USA	16	45.5	3.9%
Canada	35	15.1	1.3%
France	484	287.4	24.9%
Spain	74	150.0	13.0%
Italy	60	90.0	7.8%
Germany	129	68.2	5.9%
United Kingdom	114	50.1	4.3%
Netherlands	86	36.6	3.2%
Other EU	36	34.0	2.9%
<b>Total EU</b>	<b>983</b>	<b>716.3</b>	<b>62.1%</b>
Scandinavia	73	29.6	2.6%
Switzerland	11	10.3	0.9%
Eastern Europe	15	7.6	0.7%
Sub-Sahara Africa	58	67.0	5.8%
Asia	95	231.7	20.1%
Japan	70	212.0	18.4%
Latin America	2	4.7	0.4%
Other	46	25.8	2.2%
<b>Total</b>	<b>1,334</b>	<b>1,154</b>	<b>100.0%</b>

Source: Official Government Figures

Fish, citrus and tomatoes dominate, accounting for almost two thirds of the value of total agricultural exports. However, increased exports, even in these products, may constitute diversification, depending on their destination. Table 2 shows the destinations of Morocco's agricultural exports. Increased fish exports will qualify as diversification if they go to markets other than Japan or Spain, whose large shares derive from purchases of fish. Increased exports of many fruit and vegetable products will qualify as diversification if they go to many markets other than France.

## **2. Employment in Agribusiness.**

The horticulture and fish industries are a significant source of employment. According to a World Bank document<sup>14</sup> in 1990, 81,946 people were employed in agribusiness, including processed fruits and vegetables, livestock and dairy products, fish and spices (Table 11a on p. 19 in Volume II of the work cited). Another report, *Gender and Employment in Moroccan Agribusiness* (Saulniers *et al.*, GENESYS, Sep. 1993), indicates that the figure might be higher (see Annex IV, Table IV-1b), at 80,000 to 100,000 workers.

The GENESYS study was carried out specifically for the orientation of the MAP Project, and it provides a profile of the employment pattern in post-harvest fruit and vegetable processing and packing activities. The average number of employees per plant in the study sample was 260, of whom 63 percent were women (see Annex IV). The employment is highly seasonal, but the period of work is sufficiently long to provide substantial income. Workers reported an average of 8.6 hours of work a day (with little variation around that mean or between men and women) for 25 days a month. Men declared 8.2 months of work a year and women 7.5. The mean annual income earned by seasonal workers from the horticultural processing or packing plants where they were interviewed was Dh 10,810 for men and Dh 7,785 for women. Most employees were married (42 percent) or had been married (22 percent) and the average number of children they each had was 2.9, showing the importance of these jobs for families. (Figures on duration of employment and marital status are from Vol. III, *Analysis of Employee Survey* of the GENESYS study).

All these data apply only to workers in the horticultural processing and packing industries. Similar data for field labor in horticultural production have not been found, though the employment effects here are very important, nor have equivalent figures been located for fishing, which is also a significant sector for the economy as well as for AIM-assisted exports. However, discussions with project personnel familiar with the work that goes on in the fields and information from producers themselves suggest that the proportion of women workers is 80 percent to 90 percent of the total for most crops.

## **B. The Overall Impact on Exports and Employment**

### **1. Impact on Agribusiness Exports**

MAP and AIM track project-assisted exports, specific export contracts with overseas buyers facilitated by project personnel. Table 3 shows the reported totals, by product, accumulated from the time the projects began to the end of March, 1995. MAP reports an additional \$3.3 million for the second quarter of 1995, while AIM has so far tabulated \$3.2 million for the same period.

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<sup>14</sup> *The Kingdom of Morocco, Agro-Industrial Development – Constraints and Opportunities*, June 1994.

**Table 3: USAID Assisted Agribusiness Exports to March 31, 1995**

Product	Value of Exports	Product	Value of Exports
<b>Fish</b>	(\$)	<b>Canned/Preserved Horticultural Produce</b>	(\$)
Anchovies	6,610,962	Apricot halves	657,470
Sardines	6,017,592	Capers	370,372
Mackerel	54,570	Cipollini	139,726
Cephalopods	<u>390,570</u>	Gherkins	463,378
	13,019,124	Herbs	423,345
<b>Fresh produce</b>		Mushroom/terfess	37,565
Potatoes	910,500	Olive oil	703,659
Tomatoes	6,264,569	Olives *	5,585,197
Melons	2,275,987	Paprika powder	198,450
Strawberries	<u>144,000</u>	Roasted peppers	726,999
	9,595,096	Artichokes	29,105
<b>Frozen produce</b>		Truffles	3,795
Apricots	121,196	Red wine	41,039
Green peppers	157,889	Apricot pulp	<u>121,870</u>
Strawberries	4,153,032		9,501,970
Tomatoes	22	<b>Other</b>	
Wild strawberries	<u>556,600</u>	Snails	70,950
	4,988,739		
<b>Overall Total **</b>			37,175,839
Total new products			1,283,559
Total product diversifying exports			12,457,727
Total nontraditional markets			29,692,223

\* Since PD 20, neither project promotes the export of black olives.

\*\* This total refers to agribusiness only and does not take into account a further \$1.4 million in exports of handicrafts, rugs and fossil marble.

There are different ways of looking at the significance of the overall figure of \$37 million in agribusiness exports (which does not include the contribution from VETA, discussed in a later chapter, but does take account of "on-going" business obtained with BDS clients)

*Total Agricultural Exports.* In relation to Morocco's total agricultural exports, \$37 million is not large. (In 1993 alone, total agricultural exports came to \$1,135,700,000). However, MAP and AIM do not attempt to promote all the commodities Morocco exports. They work with industries that export roughly \$300 million a year (see Annex IV, Table IV-2b) which comes to about \$750 million over the 2.5 years the projects have been in existence. \$37 million is about five percent of \$750 million, and the projects have therefore influenced about five percent of annual exports. This is the result of the efforts of about ten people in project offices in both Morocco and the U.S.

*Product Diversification of Exports.* There are two ways of looking at export diversification. The first is to identify the volume of new product exports as defined in the CPS document, i.e., products of which more than \$25,000 have been exported in any of the three previous years. This is a very restrictive definition. From the data available for this evaluation, the products that appear to qualify are frozen

tomatoes (for which the export figure from MAP of \$22 is no doubt an understatement), frozen wild strawberries (promoted by MAP), and roasted peppers (supported by both projects). It may be possible to make distinctions among different preparations of a given fruit or vegetable that would expand the products that qualify. For example, frozen diced green peppers might not qualify as new, but frozen green pepper shells might. This report has not gone into that level of detail, and distinguishes only between fresh, frozen and preserved states of any given fruit or vegetable. Using this approach, the volume of exports is calculated to be \$1.3 million.

The second approach to examining product diversification is to calculate the volume of exports that are among products which account for a small percentage share of Morocco's total agricultural exports in a base year. A similar criterion would be a dollar amount that is considerably larger than that which defines a new product, but is still small in comparison to the value of the country's major horticultural exports (e.g., \$1 million). The rationale for this kind of indicator is that product diversification is still served if exports are increased of products which, though they are not new according to the CPS standard, nevertheless are currently relatively low-profile. Increasing their prominence will reduce overall dependence on the traditionally large volume exports, particularly fish, citrus products, olives and tomatoes. In fact, all product categories other than these four account for less than three percent of all agricultural exports (or less than six percent of all non-fish agricultural exports) and an improvement in the exports of any of them would effectively constitute diversification. Using this percentage criterion, \$9.8 million of exports promoted by the projects also support diversification.

Another aspect of project impact concerns frozen produce. All of this general category of exports, which is promoted by MAP, can be classed as product diversification. About \$3 million of the \$5 million of frozen produce exports shown in Table 3 were made before the end of 1994. National figures for 1994 are not available, but \$3 million represents about 20 percent of all of the country's frozen produce exports for 1993. Strawberries are by far the dominant product, and most of the figures for this year's strawberry season were not yet in by the end of March when the figures in this table were reported. A considerable increase in this item can be expected by the end of September.

*Diversification: New Markets for Products.* Traditional markets have been defined (See a memo from MAP to USAID dated June 8, 1995.) as those to which Morocco sent more than ten percent of its total exports of the product in question in 1992. By this yardstick, which seems a reasonable one, all of the assisted products went to nontraditional markets except canned olives, many of which went to the U.S., and fresh tomatoes, of which \$1.9 million went to France. In other words, most of the export impact achieved by AIM and MAP, \$29.6 million of it, has been on new markets. More will be said about this in the sections concerning the individual projects.

## **2. The Overall Impact on Employment in Agribusiness**

Employment impact is estimated here based on the amount of direct (processing plant and field) labor required to produce either a ton or a load of the export concerned. As noted earlier, indirect labor is not counted because the necessary information for the estimates is not available. To simplify the analysis and reduce the amount of data needed to estimate the direct labor impact, we take advantage of the fact that only a few products account for a large proportion of total exports promoted. Detailed calculations for these few products provide a strong base for estimating the total impact on labor. For the remaining products, rougher estimates can be used to gauge the labor impact, because their low export volumes do not greatly influence the total outcome, unless their degree of labor intensity is extremely high or extremely low. Annex IV contains tables showing how the assumptions of employment per metric ton or per container were established. They are based on the production methods of large rather than small farms, but the technology used does not differ much according to farm size.

Table 4 provides the results obtained. Though these figures are based on more detail per product than any others available at the time of this evaluation, they are still preliminary estimates. The section "Monitoring and Evaluation Systems" suggests that further work be done to refine the estimates. As with the export impact, we calculate the labor impacts for the combined BDS programs of AIM and MAP. (The figures in the *Special Impact Study* were not used because they do not contain the separate coefficients for each major product that this evaluation requires).

The resulting estimate is that a total of 2,985 jobs is supported by the exports the projects have generated so far. The term "job" here follows from a finding in the GENESYS study, that temporary work in packing plants employs an adult for about eight months a year — a little more for men and a little less for women — so each job counted is actually an eight-month period of work. (Although the methodology was a little different, a similar principle was followed in the *Special Impact Study* of AIM).

In calculating the labor impact of the less important products, we used the figure of 69 jobs generated by each million dollars of exports. This proxy figure is arrived at by dividing the value of the main exports into the number of jobs they create. Strawberries are excluded from the calculation to avoid over-inflating the number, as they are the most labor intensive product. Relating jobs to dollar values of production in this way is not nearly as reliable as relating jobs to physical quantities (such as tons) of goods. One reason is that a general figure like this does not take account of possible large variations in labor intensity among products. The other is that price fluctuations will change the apparent production employment relationship even when the underlying labor intensity has not changed. The method is only acceptable because the share of total exports treated in this way is so small.

Although all these products are labor intensive, there is clearly great variability in labor intensity among them. This must be considered when making comparisons between MAP and AIM regarding their employment impacts. There might be some gain in employment impact if the projects were made to concentrate project resources solely on the most labor intensive commodities. However, a shift of this kind could easily go too far. Exports are made based on market opportunities — not employment potential. If, for example, more marketing efforts were concentrated on strawberries because of their labor intensity, marketing efforts would necessarily be taken away from other products, and important sales for other products like tomatoes may be lost. Export earnings would suffer and employment gains may or may not be made.

The total figure of employment created might seem very modest. To put it in perspective, a summary report from IFPRI (International Food Policy Research Institute)<sup>15</sup> states that in the U.S. \$1 billion in exports generates 20,000 jobs in the U.S. economy, i.e., \$1 million generates 20 jobs. According to calculations from the table here, the number of jobs in Morocco agribusiness generated per \$1 million, *outside of strawberries*, is 69. (When strawberries were averaged in, the Moroccan figure is 82). In other words, the projects are involved in industries conducive to generating jobs and income.

As the GENESYS study made clear, most employment in the fruit and vegetable packing houses and processing plants is seasonal labor, filled predominantly (63 percent) by women from low income families. Here the impact on labor in the fields is also included, and the evaluation team confirmed during its visits through the country that when field labor is taken into account, the proportion is closer to 80 percent. The projects' employment impact is therefore firmly targeted where the *CPS* indicators would have it.

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<sup>15</sup> *Foreign Assistance to Agriculture: A Win-Win Proposition*. Pinstруп Andersen et al. IFPRI, June 1995.

**Table 4: Preliminary Estimates of Direct Employment Impact, AIM and MAP Combined, up to March 31, 1995**

Product	Exports Promoted					
	Exported Quantity	Unit	Exported Value (\$)	Jobs Created	Jobs per met. ton	Jobs per \$1 million
Anchovies	55	container	6,610,962	220		33
Sardines	129	container	6,017,592	234		39
Olives	319	metric ton	5,585,197	628		112
Potatoes	950	metric ton	910,500	14	0.090	16
Tomatoes	7,393	metric ton	6,264,569	665	0.015	106
Melons, Galia	1,093	metric ton	1,803,787	117	0.107	65
Strawberries	5,193	metric ton	4,153,032	683	0.132	165
Wild strawberries	111	metric ton	556,600	58	0.526	105
<b>Total</b>			<b>31,902,239</b>	<b>2,621</b>		<b>82</b>
Average jobs per \$1 million, excluding strawberries						69
Total value of exports not accounted for in the table*			5,273,400			
Additional jobs supported by exports of other products @ an average of 69 jobs per \$1 million of exports				364		
Overall approximate impact on jobs to 3/31/95				2,985		

\* See Table 3 above or Tables 5 and 7 below for a complete list of the products exported.

Most of the impact on labor is in the fields, not in the packing sheds and processing plants, labor intensive though these may be. This fact is universally true regarding horticultural products. (See *Generating Broad-Based Growth through Agribusiness Promotion, Assessment of USAID Experience, USAID program and Operations Assessment, March 1995.*) This does not have any particular implications for the projects themselves, but it will for the upcoming gender and employment survey and is helpful in understanding the labor impact of individual projects.

### C. The MAP Project

#### 1. MAP's Impact on Exports

Table 5 shows the exports promoted by the MAP project. The figures include only the exports deriving directly from MAP-facilitated contacts between Moroccan exporters and foreign buyers. Through 1994,

MAP generated \$4.4 million in exports. In 1995, during the first quarter alone, the value doubled to \$9.0 million, bringing the total since the beginning of the project to \$13.5 million.

Three products: strawberries, tomatoes and potatoes account for the bulk of both tonnage and value. Most of the exports constitute diversification in one form or another: \$0.6 million are new products using the criterion described in Section B. (The products are frozen wild strawberries and roasted peppers.) Using a less stringent definition, product diversifying exports make up \$7.2 million, and \$11.5 million are products exported to nontraditional markets. Fresh tomatoes exported to France is the largest traditional export promoted to a traditional market. Attention has already been drawn to the frozen produce exports, which were assisted by MAP, and the fact that they are an important part of Morocco's overall exports of this category of product.

MAP's largest contribution to diversifying traditional exports into new markets has been to assist the sale in 1995 of \$3.9 million of early tomatoes to Poland, where previous sales had been negligible. As this figure represents 7.3 percent of Morocco's fresh tomato exports in 1992, and tomatoes are the country's largest fruit or vegetable export after citrus, it can be judged to be substantial.

These figures understate by some unknown, but probably substantial, amount the true level of exports resulting from project actions. One reason is that companies sometimes simply forget or otherwise fail to notify MAP when a sale is made to a buyer for whom MAP provided the contact. Another is that one of MAP's promotional tools has been set up to work without the project hearing about resulting exports. Every week a set of potential importers in the U.S. and elsewhere who have expressed an interest in Moroccan produce, is published in *L'Economiste*, a newspaper widely read by the business community in Morocco. Information on how to contact these prospects directly is included, so that readers do not have to call MAP. How large a volume of exports has been brought about through this channel is completely unknowable. The project considered omitting the importers' fax and telephone numbers so that exporters would have to go through the project, and information on business developed in this way could be collected. Quite reasonably, project personnel decided that the time that would have to be spent answering telephone enquiries could be better spent on other prior tasks.

## **2. MAP's Impact on Employment**

The important analytical points regarding impact on employment have been made in Section B above. Table 6 shows the impact on labor generated by the MAP project alone. The assumptions generating these numbers are found in Annex Table IV-3. Most of the jobs are generated by exports of frozen strawberries (683 jobs) and fresh tomatoes (665 jobs). These two, with three other products — potatoes, Galia melons and wild strawberries account for 1,453 of the 1,530 all jobs. As already stated, the GENESYS study makes it clear that most of these are jobs for women from lower income groups, whether they are employed in the packing sheds and processing plants or in the fields.

**TABLE 5. MAP PROJECT: PROJECT PROMOTED EXPORTS UP TO MARCH 31, 1995**

Product	Destination	Quantity	Value
<b>Canned</b>		(mt)	(\$)
<i>To end 1994</i>			
Artichokes	USA	13.9	29,105
Roasted peppers *	USA	33.0	59,124
Truffles	USA	0.1	3,795
Apricot halves	UK	21.9	15,625
Apricot halves	USA	444.0	414,845
Canned apricot pulp	UK	41.6	28,030
Red wine (qty in bottles)	USA	1,179.0	41,039
<i>1st quarter, 1995</i>			
Apricot pulp	UK	102	93,840
			<u>685,403</u>
<b>Frozen</b>			
<i>To end 1994</i>			
Tomatoes	Germany	0.4	22
Strawberries	Europe	4,842	3,786,032
Apricots	Holland	96.0	71,196
<i>1st quarter, 1995</i>			
Wild strawberries *	France	111	556,600
Strawberries	UK	250	275,000
Strawberries	Germany	100	92,000
Apricots	UK	50	50,000
Green peppers	Germany		157,889
			<u>4,988,739</u>
<b>Fresh</b>			
<i>1st quarter, 1995</i>			
Early potatoes	France	950	910,500
Early tomatoes	Belgium	393	424,569
Early tomatoes	France **	2,000	1,920,000
Early tomatoes	Poland	5,000	3,920,000
Strawberries	UK	36	144,000
Melons, Galia	UK	n.a.	247,000
Melons, Galia	Holland	150	225,000
			<u>7,791,069</u>
<b>Overall Total***</b>			<u>13,465,211</u>
Total new products			615,724
Total product diversifying exports (all but tomatoes)			7,200,642
Total all products to non-traditional markets			<u>11,545,211</u>

\* new product \*\* traditional market

\*\*\* MAP reports an additional \$3.3 million of exports for the 2nd quarter of 1995

**TABLE 6. MAP: PRELIMINARY ESTIMATE OF EMPLOYMENT SUPPORTED BY EXPORTS TO MARCH 31, 1995**

Product	Quantity	Value	Jobs per	Total
	(mt)	(\$)	metric ton	jobs*
Early potatoes	950	910,500	0.015	14
Early tomatoes	7,393	6,264,569	0.090	665
Melons	300	472,000	0.107	32
Strawberries	5,192	4,153,032	0.132	683
Wild strawberries	111	556,600	0.526	58
<b>Subtotal</b>		<u>12,356,701</u>		<u>1,453</u>
Other horticulture jobs @	69			
jobs per \$1 million of exports **		1,108,510		77
<b>Overall total</b>		<u>13,465,211</u>		<u>1,530</u>

\* Jobs are 8 month periods of work per year

\*\* 69 jobs per \$1 million is calculated in Table 3.

### 3. MAP's Impact from Technology Transfer

MAP has had a number of activities concerning technology transfer. In some cases the purpose is to lower the cost of exported goods, in others it is to improve quality. As the term is interpreted by MAP and AIM, it includes the introduction of new plant varieties. Examples include the following:

*Alternative transportation methods for fresh vegetables and flowers.* There is more than one alternative technology of this description. The aim is to reduce the need for refrigerated transport to North America and Europe of such products as tomatoes through the use of special packaging or special containers. Up to now, the innovations have not yet been permanently adopted either because of cost or logistical difficulties. An experiment in the use of low temperature truck transport to replace the air freighting of flowers to Europe is to be conducted including the participation of a professor at the Centre Horticole d'Agadir.

*Good Manufacturing Processes (GMP) and Hazard Analysis and Critical Control Point Procedures (HACCP) food safety procedures.* GMP and HACCP procedures are defined by the FDA for low acid and acidified food products. Their value in Morocco is to increase the acceptability of processed food products to the North American market. Audits of local firms have been carried out by the FDA and by Competent Process Control Authorities. In addition, MAP organized several workshops on low acid canned foods and acidified foods which were attended by representatives of companies and regulatory agencies.

*New plant varieties.*

- *Imperial Star Artichokes.* Field trials carried out in various locations of this variety from California confirmed that it produced higher yields three to four weeks earlier than traditional varieties. However, there have been difficulties in production and processing, though CASEM, one of the major Moroccan firms interested in this venture, is sure they will be dealt with in time.
- *New Strawberry plants.* A tour of the United States that included visits to strawberry producers resulted in purchases of strawberry plants by Moroccan growers. The great merit of this innovation is that it provides Morocco with suppliers other than those it has traditionally dealt with in Spain. The latter are also competitors with Moroccan producers, and so do not send the best plants available.
- *Raspberry plants.* Production of raspberries is new in Morocco, and trials are being run to adapt them.

*Mobile IQF units.* IQF (individually quick frozen) units are expensive and their cost of amortization in Morocco is high because they commonly operate for only half the year or less. Mobile IQF units would allow them to move from region to region and run for longer. So far the coordination among companies needed to implement this idea has not been worked out.

Of these technology transfer efforts, the import of strawberry plants appears to be taking hold most rapidly. The artichoke and raspberry plants may need more time for adaptation. The HACCP procedures will also provide the producers who adopt them with crucial advantages over competitors who do not. They will benefit not only from the certification itself, but from a better understanding of quality control which should increase their products' appeal to consumers. So far, the impacts of neither the new strawberry plants nor HACCP have been quantified. In the case of HACCP, measurement will be

difficult, as what is being achieved is an increase in quality, not a decrease in cost, although the MAP Project expects that there will be an overall decrease in per unit cost. As for the other potential technology transfers mentioned, they are still works in progress. This is not surprising, as the technologies have to be first considered, then tried and evaluated. It is also in the nature of technological innovation that a number of alternatives exist to reject. Even when this occurs, there will have been some transfer to the companies concerned of a greater awareness of new alternatives and how to evaluate them.

#### **D. The AIM Project**

##### **1. BDS Impact: Agricultural Exports**

Table 7 shows AIM's results in terms of exports developed. The total of exports promoted is \$25.1 million, \$12.2 million in new business and \$12.9 in on-going business. New business refers to that made through business contacts established since the beginning of Grant II, and on-going refers to business conducted with contacts first made during Grant I but with Moroccan firms with which AIM still works. The project uses the same criterion for claiming credit for exports as MAP does, so the two projects' figures are comparable once allowance is made for the inclusion of on-going business. AIM does not record the ongoing exports of firms who have "graduated" from their assistance, and to this extent there is some undercounting of project impact.

As in the case of MAP, there are a considerable variety of products among the exports the project has promoted, but there are a few that dominate: each one of the three most important, anchovies, sardines and olives, on its own accounts for roughly a quarter of the total value of exports promoted<sup>16</sup>.

The new product among AIM exports, according to the definition in Section B is roasted peppers, of which \$0.7 million have been exported. Product diversifying exports include all but fish and olives, and make up \$2.6 million. Exports of products to nontraditional markets come to \$18.1 million, as nearly all of the sales are to the U.S. — a new market in all but canned olives, powdered tomatoes, and paprika oleoresin. In 1993, total Moroccan exports of processed fish to the U.S. came to \$15.2 million, while the quantity promoted by AIM that year came to \$3.9 million. Thus AIM generated 25.6 percent of the \$15.2 million total, a very substantial impact in proportional terms.

AIM has promoted few sales outside the U.S., but one other market that holds a great deal of promise for the future is Israel. The exports so far only amount to around \$120,000, but AIM reports a great deal of interest in its Moroccan clients' products at the Kitex trade show in Tel Aviv. Although Israel and Morocco compete in many areas, Israel is interested in building up trade with Arab countries, and there are many Israelis of Moroccan origin. Certification of products by rabbis from the Orthodox Union in New York, which AIM has been assisting firms to obtain, will help in Israel as well as in the U.S.

There is one item — melons — where the same export may be claimed by both MAP and AIM for 1994. (MAP has not claimed melon exports for 1993). The disputed amount of \$458,333 or \$472,000, is not large relative to the total, however. In the future, this kind of problem will arise less frequently because AIM has agreed to withdraw from operating in fresh produce of all kinds in order to reduce overlap with MAP.

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<sup>16</sup> Promotion of olives is now restricted entirely to green olives, but there are black olives among the exports promoted through contacts established before PD 20 was announced.

**TABLE 7. AIM PROJECT: PROJECT PROMOTED EXPORTS UP TO MARCH 31, 1995**

Product	Destinatio	Value exported		
		On-going Business	New Business	All Business
<b>Fish</b>		(\$)	(\$)	(\$)
Anchovies	USA	2,413,712	4,197,250	6,610,962
Sardines	USA	4,180,389	1,643,580	5,823,969
Sardines	Honduras		193,623	193,623
Cephalopods	Spain		390,570	390,570
<b>Total fish</b>		<b>6,594,101</b>	<b>6,425,023</b>	<b>13,019,124</b>
<b>Horticulture - preserves</b>				
Apricot halves	USA	227,000		227,000
Capers	USA	167,386	202,986	370,372
Cipollini	USA	139,726		139,726
Gherkins	USA	11,751	451,627	463,378
Herbs	USA		174,095	174,095
Herbs	USA/Europe		245,140	245,140
Herbs, essential oils	USA	4,110		4,110
Mushroom/terfess	Israel		37,565	37,565
Olive oil	Israel		48,000	48,000
Olive oil	USA	655,659		655,659
Olives	Canada/USA **		349,448	349,448
Olives	Israel		21,803	21,803
Olives	USA **	5,111,008	102,937	5,213,945
Paprika powder	Canada		198,450	198,450
Roasted peppers *	USA		667,875	667,875
<b>Total horticulture preserves</b>		<b>6,316,640</b>	<b>2,499,926</b>	<b>8,816,567</b>
<b>Fresh</b>				
Melons	Europe		1,803,787	1,803,787
<b>Other</b>				
Snails	USA		70,950	70,950
<b>Overall total</b>		<b>12,910,741</b>	<b>10,799,687</b>	<b>23,710,428</b>
Total new products		0	667,875	667,875
Total export diversifying products (all but fish and olives)		1,205,632	1,357,863	2,563,495
Total, all products to non-traditional markets		<b>7,799,733</b>	<b>10,347,301</b>	<b>18,147,034</b>

\* new product. \*\* traditional market

**TABLE 8. AIM: PRELIMINARY ESTIMATE OF EMPLOYMENT SUPPORTED BY EXPORTS TO MARCH 31, 1995**

Product	Number of Jobs*		
	On-going	New	Combined
Anchovies	80	140	220
Sardines	163	71	234
Olives	575	53	628
Melons	0	117	117
	818	382	1,199
Other horticulture jobs @ 69 jobs per \$1 million of exports **	83	172	255
<b>Overall total</b>	<b>901</b>	<b>554</b>	<b>1,455</b>

\* Jobs are 8 month periods of work per year.

\*\* 69 jobs per \$1 million is calculated in Table 3.

## **2. BDS Impact: Employment**

Most of the important comments with respect to employment have already been made in Section B. Table 8 summarizes the situation for BDS, estimated on the basis of assumptions found in Annex IV, Tables IV-4 and IV-5. The total employment effect is 1,199 jobs supported in fish, olives, and melons. In other industries, 255 jobs are supported, using the same general employment creation factor of 69 jobs per \$1 million in exports which was arrived at in Table 4. The overall total is therefore 1,455. The biggest item is fish, and although estimates of the employment involved in catching the fish are not included, general knowledge of the fishing industry suggests that the number of men per ton of catch is not high. In fact, for some anchovy processors, a portion of their supply is imported.

The figures in Table 8 illustrate the significance of the variability in labor intensity among different exported products, and the impact of PD 20. The number of jobs supported by on-going business is 901 while that supported by new business is 554. This is in spite of the fact that the total value of business breaks down about evenly between on-going and new business. The reason for the differential impact on labor is that olives, which are labor intensive to a greater than average degree, figure prominently in on-going business but not, due to PD 20, in new business.

### **E. Estimated Future Impact**

Estimating future impacts is always difficult. The main problem for exports stems from the fact that MAP's impact in this area is evolving rapidly. For employment, the difficulty is the great variability in labor intensity among different products, so the impact depends very much on what products are exported. However, the following seem reasonable projections.

*Exports.* If AIM is assumed to have another year of operations to go, another \$8 million in exports can be expected. This is based on past performance, and allowing for PD 20 and the project retiring from promoting exports of fresh horticultural produce. Another \$30 million could come from MAP over the next two years. That would make a total of \$37 million, in addition to the existing total of \$38 million (including nonagribusiness exports) to yield about \$75 million over the full duration of the two projects. If AIM continued for two more years, another \$8 million would bring the total to more than \$80 million.

*Employment.* The rough estimate made above of the relationship between the value of exports and employment is that \$1 million in exports generates about 69 jobs. Applying that proxy figure to the expected future exports of \$37 million suggests that about another 2,500 jobs will be supported by the future activities of both projects. Adding those to the approximately 3,000 jobs already created, yield a total of around 5,500 jobs created during the lives of both projects.

### **F. Impacts on Trade with the United States**

Some exports these projects stimulate are to the U.S., to the benefit of American consumers. Project activities also stimulate U.S. exports to Moroccan producers. The following is a summary of these items for the projects combined.

*Exports from Morocco to the U.S. promoted by the projects.* The projects promoted a total of \$21.2 million of exports to the U.S. since the beginning of their contract or current Cooperative Agreement, \$20.7 million from the AIM project. A large variety of products make up these totals, details of which are shown in Tables 5 and 7. The most important item is processed fish (anchovies and sardines) which makes up over half the total (\$12.4 million). Olives are the next most important at \$5.1 million; the

projects no longer promote black olive exports to the U.S., following PD 20, but there are black olives in the total, generated through contacts which were established before the policy directive was issued. Other products are red wine, live snails, and canned artichokes, apricot halves, capers, cipollini (wild onions), gherkins, herbs, olive oil, and roasted peppers.

*U.S. exports to Morocco promoted by the projects.* The MAP project makes a point of encouraging the use by its Moroccan clients of equipment, plant material, technical services, and other inputs from the U.S. AIM's contributions to promoting U.S. exports stem chiefly from recommendations by its volunteer executives under the VETA program. Examples from MAP are among the following.

- Moroccan producers of artichokes have undertaken trials of artichoke plants from Keithly-Williams, a California company which owns the patent on the Imperial Star artichoke. K-W sold \$18,000 dollars of seed in 1994 for these trials. The variety is very promising in terms of both high yield and early maturity, but there are still adaptations to be made, particularly in the canning process, before it is used in production on a large scale.
- Natural Pak Systems, Inc. of New Jersey has set up a joint venture with Avon-Val-Maroc to test its modified atmosphere fruit and vegetable packing technology. Trials were carried out in 1993 and 1994, and Nat Pak has signed two major sales contracts. Sales in 1994-95 were projected to reach \$250,000.
- Technical, Inc. of Louisiana and two other companies certified by the FDA as Processing Authorities have obtained contracts with project assistance to audit the food processing plants of Moroccan companies who wish to up-grade their quality control.
- Lindsay International of Houston, Texas, and Maghreb Tube of Casablanca have established an agreement by which Maghreb Tube will manufacture the tubes for center pivot irrigation systems and Lindsay will supply the motors and other parts. Lindsay made sales of \$500,000 to Morocco in 1994.
- A visit by Moroccan strawberry growers to U.S. producers of strawberry plants resulted this year in the sale of plants to Morocco. This is a link that is likely to generate regular annual revenue for the U.S. suppliers.

## V. AIM'S IMPACT ON OTHER SECTORS

The AIM project also carries out activities covering a wide range of industries outside agribusiness. Executive volunteers help manufacturers of cans improve the quality and attractiveness of their labels, show a cookie company how to better organize its production line, help a paint company develop a new formula for resin, advise a cosmetics manufacturer on how to negotiate a better deal with its German licensor, help a magnesium mining company develop a new formula for kitchen matches that utilizes 50 percent magnesium rather than only five percent, support the efforts of a Moroccan irrigation equipment company to become the nation's only golf course construction and maintenance firm, and so on. The AIM "Technology Transfer" program works to link Moroccan investors with U.S. franchise operations (such as Dairy Queen), and help Moroccan importers find U.S. sources for consumer items to compete with French imports on the domestic market. And the Export Promotion program, ever looking for new opportunities of Moroccan products, finds buyers for such diverse items as Fes pottery and slabs of Moroccan marble. And finally, there is the effort to build up the inflow of American tourists and their tourist dollars.

Effectively and convincingly assessing and documenting the impacts of these diverse activities has challenged IESC and its evaluators in many countries, and has proven difficult for two previous evaluation efforts, and for IESC itself here in Morocco. The Special Impact Study concluded that for the Technology Transfer and VETA projects, the impact "must be calculated on a case-by-case basis by simply accumulating the value of investment, exports, sales, employment, and profit" (p. 32). The industries and situations vary a great deal, however, as to the types of reliable information available regarding these items. In this chapter, we will review the impacts of (a) the nonagricultural export products, (b) the "technology transfer"/franchise activities, (c) the MUST program, and (d) the VETA program.

### A. Nonagricultural Export Products

**Export Value.** Handicrafts account for about 95 percent of nonagricultural exports which are assisted by the BDS program of AIM. The cumulative impact to date in terms of export value is \$1.2 million.

The Moroccan clients are mostly recent clients to IESC and the exports to date mainly represent trial shipments. It is a subsector with considerable potential; however, it will never seriously compete with horticulture in terms of its impact on export values or employment.

**Employment Impact.** Handicrafts are by definition individually hand-made, and it is a relatively labor-intensive subsector. Given the variety of these products — ceramics, wood carvings, carpets, and so on — it is difficult to relate labor inputs to either the quantities or the values of the exports. Several handicraft exporters were interviewed during this evaluation. The picture that emerges, albeit somewhat obscure, suggests that a container has an average value of \$20,000 and requires approximately four person-years of labor for production, transport, packing, and loading. Following this rough estimate, the \$1.2 million in handicraft exports comprise 60 containers and provide an estimated 240 jobs ("Jobs" in this instance is defined — as for other export products — as approximately eight person-months of labor.)

Beyond jobs and export values, these activities have an important qualitative impact. The handicraft "industry" has suffered enormously due to the downturn in the tourism industry in Morocco. Until recently, it largely relied on having the buyers come to Morocco, and did not need to export its products.

The export support effort for handicrafts is more of an effort to save jobs than create new ones. It is an effort to find new market mechanisms to replace one that is no longer adequate.

## **B. Franchising and Technology Transfer**

### **1. Franchising**

The Dairy Queen is the only franchise deal that is up and running. Its impact on the Moroccan economy includes local investment, employment with the franchise, employment in Moroccan firms that supply rolls, hot dogs, and other ingredients, and the employment generated for the construction of the sites of the franchises. The equipment, license, and ice cream ingredients are purchased from the U.S. — providing positive impact in terms of U.S. business and employment. (Although the objective of strengthening U.S. business, trade, and employment is not one of the strategic objectives of USAID/Morocco, it remains of interest to the U.S. Congress and the State Department.)

The first Dairy Queen outlet employs 13 people, with additional people employed by the manufacturers of the hot dogs, rolls and so on. The franchise agreement requires that 19 outlets will eventually be established in Morocco.

IESC estimates that the whole project at completion will yield a total of 120 full time, permanent Dairy Queen jobs, an investment of perhaps \$3 million, including U.S. sales of \$680,000, in addition to indirect jobs and investments in supporting industries. Should the entire 19 outlets be successfully established, these estimated future impacts are realistic. It should be noted that these jobs are permanent, for 11 months a year in the formal sector, so that the employment impact is multiplied by the number of years the Dairy Queen outlets remain in business.

Several other IESC-assisted "fast food" franchise negotiations are in progress, and some attendees at IESC's seminar on franchising have reportedly successfully pursued franchise contracts on their own.

**Assessment of franchise impact.** Despite the fact that it is hard to imagine 19 Dairy Queen outlets in Morocco, one should not underestimate the significance of the potential investment and employment impact of these franchise agreements. Geometric expansion is the very nature of the franchise mode, and one can expect that over the next decade the impact on employment and investment will multiply significantly and be well worth the modest cost of the USAID-supported efforts in the franchise area.

### **2. "Technology Transfer"**

A number of different activities are included under this rubric, which refers to IESC's assistance to Moroccan firms to adopt new processes, develop or market new products, or adopt new management techniques.

**Horticulture.** Several of the new technology projects are in the agricultural export sector (melons, artichokes) and so their impacts have already been calculated and assessed in the previous chapter.

**HACCP.** An important new technology that IESC has helped introduce is the HACCP, which it has introduced to its clients in the fishing industry. Again, the impacts for this industry have been assessed in the previous chapter.

**Franchise.** The most important new management technique, worth repeating, is the franchise technique of marketing, expansion, service, and quality control.

**Aquaculture.** IESC has been pursuing several possible agreements in the areas of aquaculture and mariculture. Given the declining fish catches (see Chapter VII), success in these areas could have an important and positive impact on that ailing industry.

**C. MUST**

The MUST program to date has generated a minimum of 2,170 additional American tourists to Morocco. This is the increase in tourists delivered by members of AATOM above the baseline figure of 5,000. The number does not include tourists that may have been influenced to choose Morocco as a result of trade show displays or the television advertisements.

Utilizing the formula developed by the Special Impact Study, IESC analyzes the impact of MUST to date as follows:

Tourists	Days Stay	Foreign Exchange	Investment	Beds Created	Direct Employment	Indirect Employment
2,170	13,020	\$2.17 million	\$240,870	9.3	3.5	7

**D. VETA**

The impact of the Morocco VETA program has proven particularly resistant to several attempts at documentation and quantification. The very nature and structure of the VE intervention mitigates against efforts to follow the trail of causality and decision-making leading to specific results that can be accurately and proportionately linked to the single brief volunteer visit.

Asking the correct questions is important. The VETA program is not designed to create immediate employment or put together export deals for this year's campaign. It is designed, here and in other countries where IESC works, to improve the medium-term competitiveness of local companies — companies that, in Morocco, employ unskilled and semi-skilled women and men. The intention of VETA is to help businesspeople make their enterprises more efficient, more competitive, more dynamic, and more viable. It is assumed that more viable and more competitive firms will employ more people, invest more in the economy, and export more products. In this regard the program matches USAID's program objective 3.3, "increasing the competitiveness of Moroccan firms employing people with below median incomes."

Enhancing firm-level competitiveness is particularly important at this point in Moroccan development. Many of these firms are second generation family businesses that have been comfortably operating in a protected market for a long time. They lack the habit and mind set of searching for increased efficiencies, sharper products, and more precise market niches. Often there are generational differences in outlook and the son is interested in changing things while the father feels that departing from the path that has always worked is unnecessary. As Morocco moves quickly into a more competitive world, with old safe European markets closing and new products entering a more liberalized Moroccan economy,

most Moroccan firms will need to change their attitudes. They will need to learn to use outside consultants, invest in training, and calculate risks for new markets and products.

According to the Special Impact Study, 29 out of 41 companies (70 percent) responded that the VE assignment either has already or is expected to improve the company's competitiveness (Special Impact Study [SIS], Annex I, Table 3). Quantifying the results of the perceived improved competitiveness is difficult, but the fact that Moroccan CEOs acknowledge the change is important.

### **1. Successful VETA Projects with Unquantifiable Impacts**

The evaluation team's interviews with 13 firms who had received VETA projects give us the strong impression that the impacts are in many instances quite large and appropriate, although indirect and delayed.

The following is a sample of VE projects that we presume will have significant but unmeasurable impacts on the improved competitiveness of the firms.

**Improved Product Quality.** One VE intervention was with a can company, one of two firms making all the cans used by the Moroccan agribusiness industry. The VE helped him improve the printing process so that the cans will have a sharper appearance that is up to international standards. The VE also helped reorganize the production line so that the company can respond more flexibly to the seasonal variation in production demand. In the past, the company's inability at times to deliver cans to the export fish industry had caused great losses. This VE assignment has produced no quantifiable new jobs, investment, or exports, but it provided an essential service to the export industries that rely on these cans.

**Improved Operations.** In another instance, an animal feed production company was very successful and had recently doubled its production. However, it did not know how to reorganize management to cope with and continue to support growth. They requested a VE who was able to quickly help them reorganize their operational procedures and financial system to match their new volume. This assignment also produced no direct jobs, investment, or exports, nor would it be fair for future evaluators to credit the companies continued growth to the VE intervention alone. Nevertheless, the VE played a key role in putting a growing agribusiness company on sound footing.

**Personnel Management.** In another instance a young and inexperienced manager of a textile operation was brought in by a firm to straighten out an operation riven by factions and personnel problems. Daunted by the task, he requested a VE who worked with him, providing advice and suggestions for dealing with the situation, and most importantly, giving him the confidence to bring things under control. Again, there is no measurable impact from this assignment, although one can assume that a number of jobs (in this case, female) have been saved through the improved management.

**Research and Development.** Another VE developed an important new product for a manufacturing firm. The firm's CEO stated that the VE's contribution was essential and even brilliant. But he also stressed the importance of his own role in requesting the VE to develop the product. He has high hopes for the product, but declined to estimate the potential value, although he admitted it could be enormous. Uncertain steps remain — production and marketing. The VE project comprised a very successful R&D task. The CEO remarked that though not all R&D successes lead eventually to marketable products, the process of identifying and developing new products is essential to his business survival and growth.

These examples can be multiplied. It is the view of this evaluation team that there are many successful VETA projects. The results of the surveys, combined with our interviews, and reviews of the previous

evaluation lead us to believe that many of the VE assignments have had very significant impacts on competitiveness, even if measuring and tracking them was more difficult than the VE assignments themselves.

## 2. Study Findings

USAID recently funded the SIS that addressed the problem of how to quantify the impacts of the VETA program. IESC, not comfortable with the implications of the results, then conducted its own survey for its Mid-Term Management Review.

The SIS and the earlier Grant I Evaluation survey asked (in interviews) the firms to provide detailed quantitative information on the direct impact to date of the VE's work. Both because of the reluctance to reveal company data and the problem of attributing results uniquely to the VE input, both surveys collected little information through this route. They asked the right questions, but in a context in which the likelihood of receiving full responses was very low.

IESC's survey form, faxed to the firms, asked questions differently, asking how many employees had the company added, how much investment it had made, and what was the value of increased exports, since the time of the VE intervention, without specifically linking the changes to the VE project. The results of this questionnaire show larger numbers in all categories than does the Special Impact study. However, the reader is asked to accept on faith that these company improvements are significantly resultant from the VE projects. Unfortunately, the text of IESC's Mid-Term Management Review goes too far and actually attributes these results to the project interventions (p. 19). Tracking the overall performance of assisted companies over time, especially if the assistance can be shown to be repeated and intimately connected with the progress, would be a useful component to an analysis of impact. But the results of the one-time questionnaire form tell us little. The following chart shows the results of the two recent surveys.

<b>SURVEY RESULTS</b>	<b>SIS</b>	<b>IESC</b>
No. of firms contacted	40	50
Percentage of firms finding assistance useful or potent. useful	62%	82%
Net Increased employment due to VEs	31	
Increased employment since ( <i>depuis</i> ) VE		384
Investment due to VE	\$1.09 million	
Investments since VE		\$20.31 million
Increased exports due to VE	\$22,000	
Increased exports since VE		\$20.35 million
Sales increased due to VE	\$760,000	
Costs reduced due to VE	\$910,000	
Profits increased due to VE	\$1.01 million	
Percentage of firms reducing costs due to VE		26%
Percentage of VE projects benefitting women	20%	30%

The SIS approach of insisting on having the respondent identify specifically the impacts that can be directly and largely attributed to the implementation of recommendations made by the volunteer executive provides a strong starting point for estimating actual direct impact to date. But for many reasons mentioned earlier, it is strongly likely to be erring on the low side. IESC's general questions regarding the performance of the assisted firms — increases in employment, investments made, and so on — is also useful and in line with similar indicators used by USAID. But without a denser context for each case it is difficult to sense how significant a role was played by the assistance.

Both surveys, VETA project records (and the previous Grant I evaluation survey) show that the results of the VETA assignments are quite variable, with a significant proportion of exceptional assignments that are likely to have a broad range of important impacts, as well as assignments that are unlikely to show results, and others in between. The VETA program seems to follow the old 80/20 rule whereby 80 percent of the benefits derive from the top 20 percent of the assignments.

**Case Studies to Quantify VETA Impacts.** In order to quantify the impacts, the Special Impact Study recommends that IESC and its volunteers need to make a better effort to specify the possible outcomes of a VE assignment in a quantitative way, and then track the companies' futures to note the extent to which these predictions come true. One would need to develop a complex impact model for each of the 70 to 100 VETA assignments.

This evaluation agrees that the VETA impacts can only be quantified on a case by case basis, but we recommend that since most of the impacts are likely to come from the minority of the strongest assignments, that the monitoring effort focus on those. These are the successful cases where the relationship and trust between IESC, the volunteer, and the firm will be strongest, facilitating the provision of more reliable data, and providing a context within the data that can be accurately assessed. These firms will include most of the repeat assignments where one or more volunteers have performed multiple assignments and seen the company operations at different stages. Ten to fifteen case studies of the strongest VE assignments will provide more reliable quantitative data on improved competitiveness than either the survey method or the method of trying to do the impossible task of producing 70 case studies.

### **3. Level of VETA "Failures"**

The proportion of VE assignments that fail to have any impact and do not satisfy the client is too high by any standard. This "failure" rate undermines and places at risk the value of the program. It needs to be understood and corrected.

VE assignments are reported to "fail" when (a) there is a mismatch between the selected consultant and the requirements of the client, (b) the recommendations of the consultant are not implemented by the client, or (c) the client has not made preparations to utilize the VE (no counterparts, and so on). IESC has tried to address these situations by working harder on VE selection as well as to persuade the client to develop realistic scopes of work.

Yet the situation is difficult since, in most instances, the Moroccan client has little experience in how to utilize effectively an outside consultant, and many VEs do not have experience as short-term consultants in developing countries.

It is the view of this evaluation team that the failures are related to (a) the brevity of the assignments, and (b) to the low level of selectivity of VE projects.

**Brevity of Assignments.** Although IESC states that assignment length is from "one to three months," the average length is now 40 days duration and most assignments are just slightly over one month. Although some assignments are appropriately short, most assignments could benefit from having a bit more time. The VE is generally able to determine fairly quickly a number of things that should be altered and improved. After all, he or she has been in the business for thirty years.

What takes more time is the achievement of a fuller understanding of the local corporate dynamics, a better sense of which recommendations are useful or not under the circumstances, a more effective dialogue with the client, as well as a more thoughtful more professional report.

Most aspects of the VE delivery system and the Cooperative Agreement targets lead toward having more assignments of shorter duration. Three factors contribute to the relatively short duration of assignments:

- The charge to the Moroccan clients is based on the length of the assignment, which leads, especially in these tight economic times, to shorter assignments;
- The output targets for the VE program are expressed in numbers of projects rather than in person-days; and
- The indirect fees to IESC headquarters are fixed on a per project basis.

This means that the project staff, the Moroccan client, and IESC headquarters are all pressured to justify and implement a greater number of shorter assignments.

We suggest that IESC charge the Moroccan clients a flat fee, no matter the length of the assignment, and that it set a goal of having half the assignments be more than 45 days long. Additionally the VETA targets should be stated in terms of level of effort, not numbers of VE projects.

**Level of VETA Project Selectivity.** Once freed a bit from the numbers game and encouraged to emphasize longer and more substantial VE projects, IESC staff would be able to reject those projects whose clients do not demonstrate the required level of realism and preparation. Since each VE project comprises a \$25,000 grant, selection should be more competitive and more demanding than it is. Increased selectivity will probably reduce the number of VE projects (and the costs of the program) and increase the proportion of projects that have a significant, if unmeasurable, impact.

IESC might also consider having a seminar for Moroccan firms on the topic of how to utilize a short-term consultant. Such a seminar could focus on the use of different types of consultants, national and international, technical and managerial, and use case studies to show what is and is not effective. Part of IESC's impact on competitiveness is to increase Moroccan skills in utilizing consultants as one tool in corporate adaptability. Such a seminar could also reduce the number of "failed" projects due to clients' unrealistic expectations.

Fewer, longer, and better prepared VE projects would also assist the difficult task of documenting impacts. Targets could be better specified in advance, the VE would be in a better position (and would have more time) to provide more meaningful estimates of impact and potential impact, and the Moroccan firm (with more meaningful interaction with IESC) might be more forthcoming with quantitative data.

It is perhaps too late for the AIM project to reorganize the VETA program in Morocco. However, we make the above suggestions as part of a broader consideration of how the VETA program could function more effectively.

## **E. Impacts on Trade with the United States**

**U.S. Sourced Consumer Products.** IESC has also helped several Moroccan wholesalers to identify and conclude agreements with American manufacturers of consumer products for sale in Morocco. This evaluation team is not prepared to quantify such deals, but there are important elements to consider. Morocco has long been a protected market in which many imported French consumer items faced little or no competition. IESC has assisted one Moroccan company to market new lines of American products such as men's fragrances and women's cosmetics. The Moroccan importer stresses that he is thus able to offer the Moroccan consumer qualities that have been too long absent from the Moroccan market for many imported products — better quality, greater selection, and lower prices.

**U.S. Sourced Equipment.** An indirect outcome of VETA projects is sometimes a significant order for an American company. In theory, the familiarization process with American businesspeople that comes through VETA also leads to familiarity with American equipment and services that might compete well against the European equipment that would otherwise be purchased. IESC tracks the increased U.S. exports to Morocco that it is certain are the result of the volunteer's assignment.

To date, the following AIM activities have resulted in U.S. sales to Morocco:

- Valmont Maroc, as a result of several VETA assignments to enable the company to establish itself as Morocco's only golf course construction and maintenance firm, has purchased a total of \$1,494,000 of equipment from U.S. companies such as Toro and Dura (makers of lawn maintenance equipment), Delton Coopers (irrigation equipment), Foulay United (seeds), and Club Car (golf carts).
- The Dairy Queen franchise has to date purchased U.S. equipment, products, and licenses for a total of \$282,874. The Dairy Queen outlet in Rabat purchases \$24,500 of products from the U.S. franchisor every month.
- Benco Trading has acquired the exclusive Moroccan rights to distribute a line of U.S. women's cosmetic products from one U.S. firm and rights to distribute a line of men's fragrances from another firm. Initial shipments amount to approximately \$50,000 to date.

Thus IESC is able to document a total of \$1,826,874 of U.S. imports to date that derive directly and exclusively from project interventions.

## **VI. USAID'S CPS INDICATORS AND SYSTEMS FOR MONITORING AND EVALUATION PROJECT IMPACT**

USAID's third Strategic Objective (SO3) — *An expanded base of stakeholders, targeting people below median income* — applies directly to the MAP and AIM projects. Under this strategic objective, there are three Program Objectives (POs), two of which apply to MAP and AIM.

- Improved policies, regulations and institutions for creation and expansion of enterprises (PO 3.1).
- Improved competitiveness of firms which generate employment for below median income people (PO 3.3).

As for the hierarchy of targets specified here, "expanded employment of people of below median income" is the first priority, and "improved competitiveness of firms" is the second priority. When the projects were established, competitiveness was the first priority. Part of the reason for MAP as an agribusiness project was that it would have a positive effect on employment there, but another influencing factor was that Morocco has a clear competitive advantage in horticultural products. This report has argued that the change in emphasis brought about by the new CPS indicators does not require much adjustment in the direction of project activities because they are already working with highly labor-intensive firms. However, there are some changes implied in reporting procedures.

### **1. Indicators under Strategic Objective (SO3): An expanded base of stakeholders, targeting people below median income.**

- Number of net new jobs for below median income people generated annually through project assistance.
- Percent of new jobs held by women.

The calculations made in this report have been based on the amount of employment required to produce the exports reported by the projects. This is the way employment impact is usually calculated. The word "net" raises the question whether this method does not overstate impact. One possibility is that the people producing these exports might have been working elsewhere, so their job is not a net gain in the sense that it has taken them out of unemployment. However, if they left work elsewhere to come to work here, then it is not unlikely that the job they left had to be filled by someone else who might have been unemployed, and there would still be a net employment gain. Another possibility is that the companies could have increased production without increasing employment, but in labor intensive horticultural industries, the relation between output and employment is fairly inflexible. Therefore, analysis in this evaluation has not made a distinction between gross and net employment increases.

The percent of new jobs held by women are assumed to be the same as the percentages already in these industries. The technology transfers which the projects have been promoting have not been of the kind that will replace labor with machinery or alter gender ratios.

Neither project has so far made a systematic attempt to calculate employment, though MAP has indicated that it has plans for some fairly elaborate model building and would also be relying considerably on the next gender and employment study, and AIM has collected some information on the labor requirements needed to fill containers of fish products and olives. The estimates made in this evaluation are based on the amount of labor needed to produce either a ton or a container load of the product exported. This is an approach readily understood by the companies to whom the evaluation team has spoken. Time

limitations have meant that only preliminary calculations could be made in several cases, and it can be expected that the numbers will change after further work is completed, but the data needed to estimate employment is rather limited, especially if it focuses on those commodities which account for most of the exports promoted.

For the purposes of monitoring project impact alone, more elaborate models — including backward and forward linkages — may not be worth the time project staff would have to put into them, though they may be better vehicles for publicizing employment effects. They would also permit estimates of indirect labor impact created among firms that supply inputs other than unprocessed horticultural products to project clients.

The GENESYS study provides valuable insights into employment in general, and women in particular, in the fruit and vegetable packing and processing industry. As most of the employment effect for the MAP project is due to the impact on field labor, however, the picture given by the GENESYS study is far from complete. Also, as the study was specifically tailored to MAP, it confines its view to horticultural products, omitting fish, which has been the single most important sector for AIM. A new study is planned for later this year which is meant to document any changes brought about through MAP activities. It is doubtful that another survey confined to processing and packing firms will be able to detect much that can be attributed to the project. Total employment in the industry is very large in comparison with the number of post harvest jobs that exports promoted through MAP, and there are other important factors affecting the industry. If another survey is carried out, rather than repeat the work in the processing industry and packing houses, it would be more useful to survey fishing, fish processing, and horticultural field production.

**2. Indicators under PO 3.1: Improved policies, regulations and institutions for creation and expansion of enterprises.**

- Reduced surcharge on truck transport.
- Adoption/implementation of uniform food safety regulations by the Moroccan export regulatory authority.

These are straightforward and pose no practical problems in reporting.

**3. Indicators under PO 3.3: Improved competitiveness of firms which generate employment for below median income people.**

All of the specific results mentioned under this PO are relevant to these projects:

1. Increased market shares in USAID-assisted sectors and firms.
2. New export markets for USAID-assisted sectors and firms.
3. New products in USAID-assisted sectors and firms.
4. Increased number of firms adopting USAID promoted processing, packaging transport or management technologies.
5. Increased efficiency from USAID promoted technology transfers (in terms of dollar savings).

The first of these calls for indicators showing:

- Calculations of market shares of Moroccan horticultural products entering North American, EU and other markets.
- Export sales attributable to USAID assistance.

The analysis in this evaluation has taken the second of these, together with figures on exports to new markets and exports of new products (items 2 and 3 in the list above), as the key indicators of project impact on competitiveness. The projects put considerable resources into collecting export data from their clients. The figures are readily available and updated each quarter. Exports to new markets and exports of new products are both good indicators of export diversification, but it should be recognized that finding new markets is a great deal easier than finding new products, and the latter should be used realistically.

This evaluation has not made use of the market share indicators (those denominated 1.a. under PO 3 in the CPS indicators), for the following reasons.

- Because required data must be obtained from official U.S., European and Moroccan sources, there is a long lag before data are available. In fact, the figures in MAP's latest quarterly report are the baseline figures for the CPS indicators, and as the figures are updated annually, this evaluation could not update the numbers. This inevitable delay means that they are good only for monitoring project impact as of a year ago.
- There are too many factors other than the actions of MAP and its clients that affect market share. DAI has pointed out (e.g., in para. 1 page 6 of its *Annual Progress Report 2*) that changes in macro conditions, such as the dollar/dirham exchange rate, the values of competing countries' currencies, the level of Moroccan interest rates, and EU barriers to trade, often overwhelm any effect it can hope to have while operating with individual firms. Targets of growth in market share suggest that in the projects' absence there would be stagnation. However, as DAI's contract states (p.7 para. (c)), "There are currently grave concerns as to whether Morocco will be able to retain its EEC market share." If this is true, maintaining a constant market share here would indicate success, and judging impact by looking at market share is to hold the project responsible for influencing an indicator over which it has negligible control.

It remains true that market share indicators provide useful background information. When combined with the other information on export volumes and diversification they point out how project results compare with the broader import trends in the countries which buy produce from project clients. But because, on their own, they do not show project impact, the question arises as to whether the time needed to compile these indicators is worth the added insight they provide. The judgement of this evaluation is that it is not worth it, if it is project staff who do the compiling. However, if the work could be contracted out to a capable Moroccan firm, then by all means, it should continue.

The fourth and fifth of the indicators for PO 3.3 refer to the number of firms adopting new technologies and the cost savings from them. The former is a simple enumeration of the technologies adopted, and the projects have been reporting them. The latter is more problematic and again raises the issue of quantification of benefits that, by their nature, do not lower costs or are hard to measure numerically. In some instances, there is little difficulty: for example, the savings accumulated by adopting the NatPak technology instead of refrigeration. More commonly, quantification will be a problem. HACCP food safety procedures will increase the quality of Moroccan exports and make them more attractive to prospective buyers in other countries, but they will increase rather than decrease costs. Nor will it be

easy to say how much in the way of increased sales is due to the adoption of HACCP procedures — as exports are fluctuating for many reasons. As this evaluation has concluded for the VETA projects, the best means of describing impact is through qualitative accounts of the most important cases whereby success has been achieved and the enumeration of cases where it has not.

<p><b>Summary Recommendations Concerning USAID's CPS: Summary of Baseline and Performance Targets.</b> (Numbers designating indicators are the same as those in the CPS).</p>
<p><b>Strategic Objective 3: Expanded base of stakeholders, targeting people below median income.</b></p>
<p><i>3a. Number of new jobs for below median income people generated annually through project assistance</i></p>
<p><i>3b. Percent of new jobs held by women</i></p> <ul style="list-style-type: none"> <li>• Calculate labor needed per ton or container of exports. Use coefficients based on models generated by MAP.</li> <li>• AIM should record quantities of exports by container load or ton.</li> <li>• AIM should use coefficients from MAP models wherever possible. Where these are not available, AIM should contract out for models constructed along similar lines as MAP, using the same local consultant.</li> <li>• The follow up to the GENESYS study this year or next is unlikely to detect significant project impact at the sector level, either on numbers, pay and benefits or on the proportion of women so soon after project inception. But a GENESYS type survey should be done of the producers of horticultural commodities supplied to packers and processors. The purpose would be to obtain profiles of these suppliers and their field labor as was done for the packers and processors, describing the character of the labor force benefitting from the projects employment impact. If funds are available, a similar study should be done of fish processors and their suppliers as an <i>ex post</i> study of the labor force AIM has affected.</li> </ul>
<p><b>Program Outcome 3.1: Improved Policies, Regulations</b></p>
<p><i>1. Not applicable to MAP and AIM.</i></p>
<p><i>2. Reduction in average risk surcharge due to administrative delays for trucks entering Morocco.</i></p>
<p><i>3. Adoption and enforcement by EACCE of food safety regulations for canned foods with greatest risk for food poisoning.</i></p> <ul style="list-style-type: none"> <li>• Projects should continue to describe progress in quarterly reports.</li> </ul>
<p><b>Program Outcome 3.2: Broadened Access To and Use of Financial Resources.</b> Not applicable to AIM and MAP.</p>
<p><b>Program Outcome 3.3: Improved Competitiveness of Firms Generating Employment for Below Median Income People.</b></p>

**Summary Recommendations Concerning USAID's CPS: Summary of Baseline and Performance Targets.** (Numbers designating indicators are the same as those in the CPS).

*1a. Moroccan horticultural exports' market shares grow in:*

*1a1. North American market (three percent/year growth)*

*1a2. EU market (three percent/year growth)*

*1a3. Other markets (in US\$. five percent/year)*

- Drop these as indicators of project impact because:
  - They are too much affected by events outside project control, such as variations in the exchange rates of competitor countries and shifting barriers to trade.
  - The indicators are time consuming for project personnel to put together and the data needed are not available until nine months or more after the end of each calendar year.
- Projects should continue to track and report these measures, but as indicators of their economic environment, if they can contract the work out to local consultants.

*1b. Exports due to USAID assistance*

*1b1. Horticultural based products*

*1b2. Fish and artisanal products*

- Projects should continue to track and report these figures quarterly.

*2a. Moroccan horticultural products to nontraditional markets as a percent of total horticultural exports (three percent growth/year)*

- The projects, at least at this stage, cannot be expected to affect the performance of the entire sector. Therefore, the growth target as an indicator of project impact should be eliminated, and replaced with the recommended indicators in 2b (below).

*2b. Exports to nontraditional markets due to USAID assistance*

*2b1. Exports to the U.S.*

*2b2. Exports to other new markets*

- Projects should begin to report exports they promote going to the U.S. and new markets. The definition of new markets should continue to be those to which less than ten percent of Moroccan exports of a given product were sent in 1992.
- Projects should report the value of the exports they promote to nontraditional markets as a percentage of total Moroccan exports to those markets, on a product-by product-basis.

**Summary Recommendations Concerning USAID's CPS: Summary of Baseline and Performance Targets.** (Numbers designating indicators are the same as those in the CPS).

*3a. Moroccan exports of new horticultural products as a percent of total horticultural exports*

- Eliminate this as an indicator of project impact for the same reason as 2a. above. Replace with second recommended indicator for 3c.

*3b. Number of new horticultural value added products on domestic or export markets through USAID assistance.*

- The definition of a *new product* is one of which not more than \$25,000 has been exported from Morocco in any of the last three years. This is very restrictive. Consider raising the cutoff to a higher level, such as \$100,000.

*3c. Exports of new products due to USAID assistance*

- Projects should report, product by product, the percentage value of new exports they promote relative to total Moroccan exports of those products. These will show product innovation.
- To show the impact on product diversification, projects should report the value of exports they promote of products which had a small share (e.g., less than three percent) of total exports in a baseline year, or accounted for less than a certain amount, say \$1 million in the base year.

*4. Number of firms adopting USAID-promoted or USAID-introduced technology*

- Currently tracked and reported.

*5. Dollar value of savings attributable to new USAID promoted technology*

- Qualitative information rather than actual dollar value due to problems in quantifying impact.

## **VII. SUSTAINABILITY**

### **A. Sustainability of Projects' Impacts**

The MAP and AIM projects are strongly private-sector oriented. Both are transaction-oriented and results-oriented, focusing on assisting Moroccan businesses to develop commercially viable trading relationships with importers and exporters in Europe, the U.S., and other countries such as Israel and Japan. The impacts resulting from these trade relationships — foreign currency earnings, increased employment, and so on — will continue and expand as these commercial relationships develop in the future. The sustainability of the direct impacts of these projects is rooted in commercial channels, and is dependent more on the normal vagaries of business trends, weather (for agriculture), exchange rates, trade regulations, markets, and so on, than on future donor assistance or public sector financing. This does not mean only that the particular export deals arranged with the projects' assistance will continue and be repeated (although most will to a large extent), but also that project-assisted Moroccan firms will be more dynamically and more competitively engaged in international commercial markets, adapting and expanding their operations in response to new opportunities and changing conditions.

This sustainability is enhanced by the selective and targeted nature of the assistance offered and of the participating firms. The assistance offered to them is in most instances a small but key piece of technical assistance, advice, or information that helps them, or encourages them, to move into a new market or develop a new product. The project assistance is but one of many factors contributing to the accomplishment of the outputs and to the financial and employment impacts. The project impact is a necessary ingredient in reducing the risk of the business innovation, but it is not a necessary ingredient for future continuation of the flow of benefits.

The BDS (formerly TIS) program of IESC provides evidence of the self-sustaining nature of the impacts from these project-assisted trade agreements. Under Grant I, IESC began its export development program in 1989. In a two-and-a-half year period remaining in Grant I, IESC-assisted firms developed approximately \$6 million in new export agreements. During the first two-and-a-half years of Grant II, these initial agreements have yielded an additional \$12 million in follow-up orders, the "ongoing exports," with little or no further assistance from IESC. And these figures track only the specific agreements for a specific product with a specific client, who often as a result of this success has moved on to additional commercial agreements with other buyers. Even in the brief duration of this project, a number of MAP-assisted clients in the fresh and frozen horticulture subsector have developed these sorts of solid commercial relationships with overseas buyers. The impact from the MAP-assisted and AIM-assisted commercial transactions is clearly sustainable, expanding, and dynamic.

### **B. Alternatives for Sustained Delivery of Services**

The sector approach of the MAP project leads it to offer assistance at several leverage points in the agricultural chain, including public sector institutions, producer associations, universities, financial institutions, and governmental and quasigovernmental regulatory and facilitative bodies. MAP assistance to public sector players requires little or no obligations for recurrent costs to the government. Indeed, some technical assistance aims to solve present problems of finance for some public sector and producer-association institutions through analyzing cost recovery potentials.

It is important to note the common sustainability strategies that are not being followed by the MAP project. The project is not doing extensive institutional development work with an export association, chamber of commerce, or government export promotion unit in the hopes that this organization will take

up the range of MAP services at the end of the project. Experience elsewhere has shown that trying to build up public sector service provision institutions for private sector export is rarely very successful for very long. There are examples in other developing countries of successful development of private sector associations or chambers of commerce to play a major sustained support role. However, in Morocco, many existing associations and chambers of commerce are too weighed down by a history of their quasigovernmental roles in an oligarchic and directed economy to become truly private support organizations in the foreseeable future.

Many, but not all of the services presently performed by MAP project personnel will be assumed to some degree by private sector players. Provision of new varieties of seeds and seedlings will be handled by private companies such as CASEM and its outlets in Agadir and Marrakech, and by other commercial actors. WAFABANK will more than likely continue to provide the financial services that it is developing with MAP assistance. Some producer associations are improving their abilities to provide market information and lobbying services on the part of their members.

Regarding extension services, MAP's strategy is primarily to encourage the providers of seeds and inputs, the buyers under contract farming arrangements, and the exporters to provide at least basic advice regarding the new products and the quality requirements for export. Additionally, the project works with universities and (to a slight extent) governmental bodies such as Office Regionale de Mise en Valeur Agricole (ORMVA) to help them strengthen and refocus their capabilities for extension work. MAP also assists Societe Agricole de Services au Maroc (SASMA), a private institution providing extension to agribusiness. The sustainability of MAP project impacts will be enhanced should these efforts take root, but it does not depend on these public sector organizations.

The MAP project offers no silver bullet to solve the sustainability question. It effectively spreads the sustainability "risks" and responsibilities among a fairly wide range of institutions and relationships, mostly rooted in commercial motivation. For the second half of the project period, the emphasis in this area will increase, and resources can be shifted toward those institutions and relationships that are responding most effectively to filling niches to provide meaningful future support to the industry.

## **C. Policy and Regulatory Constraints on Sustainability**

### **1. Legal Limitations on Trade Association Activities**

A policy constraint affecting sustainability stems from the limitations imposed by law on what trade associations can do. Many associations were previously agencies of the government through which it tried to influence sector development. The government has now withdrawn from running these organizations, but they have not yet found their feet in the new liberalized environment. Partially this is because their members are not accustomed to taking initiatives themselves through these bodies, but it is also due to restrictions on the associations' ability to provide services to their members, for which members must pay. Any of the services which MAP now provides and which could, in principle, be passed on to them, such as information on export market conditions, contacts with potential buyers overseas, FDA and other U.S. import regulations, advice on financial matters such as the usefulness of a letter of credit or how to obtain one, and so on, all must come out of dues. Only those few associations financed through levies on every producer in the subsector are not already short of funds, and compulsory levies are not easily approved, or necessarily appropriate for these kinds of services. It is true that MAP staff do not have time for intensive institution building with the associations, and MAP does work with some of the more progressive associations, i.e., AMPEXFLEURS and APEFEL, but the limitation on fee-paying services does remove one option for building sustainability.

## **2. Lack of Competition in the Transportation Sector**

There is a general lack of competition in the transport sector, but especially in truck and air transport. Although there is some competition among airlines in actually transporting goods, on the ground Royal Air Maroc has a defacto monopoly on handling freight which has reduced the competitiveness of other airlines and limited air freight capacity. The National Transport Office's monopoly on truck routes, dual taxation of refrigerated vehicles, and absence of technical standards that meet European requirements are all constraints to truck transport.

## **3. Intellectual Property Rights**

Morocco has not yet signed the necessary international agreements (UPOV, Union pour la Protection des Obteneurs Varietales) concerning patent protection and royalty payments for protected crop varieties and genetic materials. Among the Moroccan firms currently affected are those producing strawberries and roses. U.S. suppliers will not sell them their latest and most desirable varieties because there is no means of ensuring that the plant material will not be passed on to unauthorized growers or that royalties due will be paid.

## **4. Different Food Safety Standards for Domestic and Export Markets**

An issue identified by the World Bank in its review *Agro-Industrial Development: Constraints and Opportunities*, is the fact that food safety regulations are much less stringent for Morocco's domestic market than they are for export markets. This puts firms geared toward the domestic market at a disadvantage if they wish to export. They have to initiate special procedures to meet the requirements of foreign regulatory agencies, which means an extra cost and a disincentive to export. If domestic regulations were brought closer to international standards, the difference would be reduced. Furthermore, firms would be spreading any fixed costs of meeting higher standards over a larger output, so that the increase in price which domestic consumers would have to pay should not be burdensome. In addition, domestic consumers would themselves benefit from the higher safety standards.

## **D. Natural Resource Limitations on Sustainability**

The greatest risk to the sustainability of project impacts comes from the growing and serious natural resource constraints: water and fish.

**Water.** The high-value, horticultural, export subsector is a water intensive industry. As Morocco suffers through a terrible drought, the limitations posed by this crucial resource are becoming increasingly apparent. Surface water for irrigation has been "turned off" from the main reservoir serving the Souss Valley in order to assure adequate drinking water for Agadir. At the same time, the ground water levels are dropping precipitously. The situation is almost as precarious in the important Marrakech Plain agricultural area. In Spain, Morocco's main competitor (and a key market) in fresh and frozen produce, the shortage of water has reached crisis proportions for the industry and is one of the factors driving Spanish firms to invest in operations in Northern Morocco.

There is a tendency on the part of government officials and private agribusiness people to assume that this is a temporary problem brought on by the long drought, a problem that will dissolve once the climatic cycle moves on. There is little meaningful analytical work being done in the Souss Valley or Marrakech Plain to determine to what extent the problem is "temporary" and to what extent it results

from the growing utilization of water by an increasingly dynamic horticultural industry. (Spain appears to have a water crisis without a drought.)

The price of water from surface irrigation schemes is clearly set too low given the scarcity of the commodity and the profits of the industries that use it. Ground water utilization is virtually unregulated, the only cost being the costs of pumping and distributing the water. While these costs can be substantial, they are also partially subsidized through the reduced prices charged for "agricultural fuel." Although many agribusinesses are investing in water conserving drip irrigation techniques, others are investing in huge center pivot irrigation systems in order to produce irrigated corn. Additionally, many entrepreneurs are growing irrigated bananas selling above world prices in the partially protected domestic market.

USAID's MAP and AIM projects are investing well over \$30 million in the water-intensive agribusiness industry with very little technical assistance, training, or policy work dedicated to the natural resource constraint. Neither the environmental analysis nor the sustainability analysis of the MAP Project Paper discussed the water resource constraint issue. The USAID Mission and project personnel are concerned with the problem. USAID expresses the hope that the lessons from its important Tadla water resource management project might be disseminated and applied to the Souss and Marrakech regions. The evaluators did not visit the Tadla project, but can report that Moroccan officials and agriculturalists in Agadir and Marrakech are not aware of the project, and MAP and AIM project personnel are not certain what the lessons from this surface water/cereal crops system in Tadla might be for the ground water/horticultural crops of Agadir and Marrakech.

In any event, the sustainability of the impacts of the export agribusiness development activities of MAP and AIM is at some serious but undetermined risk due to the constraint from water resources. Given the seriousness of the issue, more of the resources under MAP need to be directed to the issue, and some of the resources of the Tadla Project need to be applied to problems in other regions.

**Fish.** The efforts of AIM to expand the export markets for fresh, processed, and frozen seafood also face a serious resource constraint from the decreasing levels of catches off the coast of Morocco. Government officials and industry personnel tend to view the problem as a regional one caused by the Spanish over-fishing of the waters, and by the superior fishing technology of the highly mechanized Spanish fleet, and they tend to underestimate the extent to which it is a worldwide problem. In any event, they do not expect a solution, but hope for improved catches.

Some of the more sophisticated clients of AIM have begun importing products from Latin America and elsewhere, processing it in Morocco, and exporting it to the U.S. AIM should continue pursuing opportunities with some of its less successful industry clients to source product for processing. Additionally, AIM should continue to pursue its efforts to encourage fish farming and explore those options with one or more Moroccan seafood/fishery firms. To date these efforts have been led by the technology transfer and joint venture program. Perhaps a VE might prove to be a better vehicle.

## VIII. CONCLUSIONS, RECOMMENDATIONS AND LESSONS LEARNED

### A. General Conclusions and Recommendations

#### 1. MAP and AIM Projects Remain Valid, Appropriate and Relevant

##### a. Valid under Current Economic Conditions

At the time these projects were designed in the late 1980's, there was much optimism about the Moroccan economy which was emerging from a very successful structural adjustment program and showing strong economic growth, liberalization, and export development. The time seemed propitious to focus USAID resources in support of private-sector-led, agribusiness-led, and export-led growth.

Although Morocco has performed relatively well, recent events have been unkind to three of its major industries — agriculture, tourism, and fishing. A deepening and lengthening drought has crippled rainfed agriculture, Morocco's leading employer, and harmed agricultural exports as well. A serious economic recession in Europe has caused tourism revenues to fall off sharply, and has also hurt Moroccan exports to its major markets. The worldwide trend in declining fish catches, compounded locally by aggressive fishing by the highly efficient Spanish fleet, have dealt a major blow to the Moroccan industry. Finally, GATT and European Union expansion have put Moroccan horticultural exports to the EU in jeopardy.

The USAID projects help the appropriate Moroccan industries cope with all of these problems. Project activities help increase firms' efficiencies and competitiveness, thus enabling them to succeed in new export markets, support those agricultural subsectors that are best able to withstand the drought, and help the fishing industry adapt and increase the value added it realizes on its declining product. A tourism support project, such as envisioned by the MUST pilot project, would not be inappropriate, but it would require more resources than are presently available to USAID/Morocco, and would not strongly address new Mission objectives.

##### b. Appropriate in Light of Recent Data from Other Countries

During the past two years, USAID has conducted several major sets of comparative investigations on the impact of export promotion and agribusiness projects.<sup>17</sup> These new studies provide imposing evidence that these development strategies, evolved during the late 1980s, are showing positive results in many countries. Furthermore, these studies specify the situations (economic, political, regulatory, infrastructural) under which experience demonstrates the most positive impacts, and virtually all of the positive correlates are found in the Moroccan situation. These studies also specify from experience what types of interventions (direct export assistance to private sector, institutional development of public sector, support to exporter associations, etc.), and the evidence is unmistakable that the style of private-sector focused actions that characterize MAP and AIM have proven to be the most effective.

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<sup>17</sup> Export and Investment Promotion Services: Do They Work? USAID Program and Operations Assessment Report No. 6. Office of Evaluation, March 1994.

*Generating Broad-Based Growth Through Agribusiness Promotion: An Assessment of USAID Experience.* Program Assessment Report No. 4, CDIE, March 1995.

### c. Relevant to USAID/Morocco's New CPS

The AIM and MAP projects are pivotal to achieving Strategic Objective 3: *An expanded base of stakeholders in the economy, targeting people of below median income.* To date, the project-assisted exports support an estimated 3,000 jobs for people below median income, approximately 80 percent who are women.

The projects directly contribute to program outcomes 3.1 and 3.3.

*3.1: Improved policies, regulations and institutions supporting agribusiness.* Although not primarily a policy project, MAP directly and indirectly addresses this outcome through dealing with issues pertaining to customs regulations and practices, transportation policies, and food safety regulations. Through technical support, MAP is helping producer and exporter associations strengthen their capabilities to represent their members in discussions with government regulatory agencies.

*3.3: Improved competitiveness of firms that generate employment for below median income people.* Both AIM and MAP work directly with private firms to enhance competitiveness. The Volunteer Executive projects of the AIM project directly seek to improve competitiveness in what might be considered the old fashioned way: one business at a time. AMI (DAI) and BDS, with their assistance to firms in locating new markets and developing new products, provide the keys to competitiveness and survival for the businesses in the export agriculture, fish, and handicrafts sectors.

*Below median income people.* The industries selected for project emphasis are labor-intensive industries, utilizing unskilled and semiskilled personnel. Furthermore, the fish processing, fruit and vegetable processing, and light manufacturing industries that dominate the client portfolios of AIM and MAP, all utilize a preponderance of female employees. For agribusiness, the field labor is also largely female. These industries were selected because of their high labor utilization, but not just because of the social benefits, but also for economic reasons. It is only in export products with a high labor component that Morocco has a strong advantage in the international marketplace.

The way that agribusiness programs affect income and employment can be analyzed at three levels: agribusiness enterprises, the farm, and other value-added and processing enterprises. As previously discussed, agribusiness activities such as strawberries generate significant amounts of farm level employment. It is reasonable to assume that this farm-level employment group would fall in the below median income category prior to employment. This is especially true since a great number of those employed are women. Although there is no data for Morocco, evidence in other countries suggests that the increase in farm labor requirements would also raise wages.<sup>18</sup>

There is also concern that small farmers may be excluded from agribusiness programs. Small farmers are included in the MAP and AIM projects as producers of many products. Examples include spices, herbs, and capers and small to medium contract farmers producing products like potatoes and beans. Employment in agroprocessing is also an important result of agribusiness support activities. For example, MAP cited a case where the project got involved in restarting a bean processing factory. The company will contract production from over 150 small farmers, who will hire another 2,000 workers to grow and harvest the crop, and the processing plant will hire another 1,100 workers. In this case, it is also reasonable to assume that prior to employment, most of this group of people are from the below median

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<sup>18</sup> Generating Broad based Growth through Agribusiness Promotion Assessment of USAID Experience. USAID Program and Operations Assessment Report No. 9, March 1995.

income group. The vast majority of these employees are also women. It would be difficult to find another sector with similar employment impact.

The evaluation team sees no reason for initiating activity selection screens or set-asides for smaller firms in order to assure the impact on women and below-median income people. The largest impact on employment of poorer people comes from assistance to larger firms.

#### **d. Sensitive to Concerns of U.S. Business Interests**

Both projects are well within compliance of both the letter and the spirit of USAID Policy Directive 20 and Sections 547 and 599 regarding USAID support to activities that might be detrimental to U.S. business interests. Both projects avoid assistance to proscribed products, and have reorganized their U.S. operations in order to avoid actions that would have the effect of luring U.S. investment, and hence U.S. jobs to Morocco.

It should be noted that recent research shows that agricultural based economic development strategies, actually lead countries to increase both their imports and agricultural imports.<sup>19</sup> Using this logic, as agribusiness develops more exports and increases GDP, there will be an increase in imports. The U.S. is already Morocco's largest supplier of wheat, corn, vegetable oil, other commodities, equipment, and chemicals — all of which in 1994 were valued at approximately \$658 million.<sup>20</sup> The assistance USAID provides to agribusiness continues to encourage Moroccan imports of U.S. products. Examples include plant material such as recently introduced strawberry and artichoke varieties, the purchase of laboratory equipment, golf course maintenance equipment, and equipment and supplies for a newly opened Dairy Queen franchise. American technology and equipment is clearly implicated in the support of the Moroccan agribusiness sector, and other Moroccan imports and joint ventures are imminent.

## **2. Tracking Strategic Objective Indicators**

### **a. Tracking Exports Assisted by Projects**

Having the Moroccan clients voluntarily report the values of their exports to the contacts facilitated by the projects is the simplest and most accurate measure of project impact. As IESC has demonstrated, if the Moroccan client is reluctant to divulge his sales data, the U.S. buyer is generally willing, thus providing both a check and an alternative to the local information. Both projects are effectively tracking exports. The worries expressed by some that there might be double counting or overattribution of results to project actions are not justified<sup>21</sup>. The inevitable undercounting far outweighs the small amount of possible double-counting that might exist.

### **b. Calculating Employment Benefits from Increased Exports**

Both projects have begun to create models of the key products in order to establish a formula for the amount of labor required to produce units of exported product. This provides the most efficient means to calculate the labor impact. Although the projects assist a multitude of products, only a few products comprise the bulk of the export volume. Detailed models developed for these products (including fish)

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<sup>19</sup> *Foreign Assistance to Agriculture: A Win-Win Proposition*. International Food Policy Research Institute, June 1995.

<sup>20</sup> Development Alternatives, Inc.

<sup>21</sup> Recent analyses that attempted to show exports as a result of VETA assistance is an exception to this.

alone will provide evidence enough. Rougher estimates can be used for minor products. For the huge volume products, the projects may wish to model the indirect labor impacts as well, but this would be too time consuming except for a few products.

**Recommendation.** The next round of the studies concerning gender and employment in Moroccan agribusiness should focus on field labor and the fish industry. The GENESYS study of women in agribusiness limited its inquiry to the processing plants. There is not much to be gained by repeating that survey in the near future, as few changes are likely to emerge. The largest number of jobs resulting from export horticulture are in the fields, not in the factories. The fish industry also supports a large number of jobs for women and the projects have little information about this sector. The study of field labor will contribute significantly to the models of the labor impact of all export crops and examination of the fishing industry will illuminate the complexion of employment in that sector.

### **c. Tracking Non-Export Related Impacts**

Tracking impacts that do not derive directly from assisted export deals is much more difficult and expensive if pursued to the same level of quantifiability. This evaluation agrees with the recommendations of the *Special Impact Study* that the impacts from VETA assignments, franchise deals, and technology transfer assistance must be developed on a case by case basis. Fortunately, the great bulk of the impact will derive from a small minority of exceptionally successful instances.

**Recommendation.** IESC should take responsibility for creating more complete case study material on only the strongest 20 percent of the VE projects. It is the nature of activities such as the VE projects that the bulk of the results will come from a minority of truly effective cases. At present they are trying (and failing) to get more and better analysis on all VE projects. They should choose the 12 best, and with the help of their participating volunteers, specify the expected benefits, and keep in closer contact with these special clients. We predict that these 12 cases will provide the evidence of the impacts that IESC is seeking. Franchise and technology transfer arrangements are even easier since only a handful of the many potential deals come through in a big way. But then these few need to be documented more effectively than at present.

<b>d. Summary of Recommendations for CPS Indicators</b>
<b>Strategic Objective 3: Expanded base of stakeholders, targeting people below median income.</b>
<i>3a. Number of new jobs for below median income people generated annually through project assistance</i>
<p><i>3b. Percent of new jobs held by women</i></p> <ul style="list-style-type: none"> <li>• Calculate labor needed per ton or container of exports. Use coefficients based on models generated by MAP.</li> <li>• AIM should record quantities of exports by container load or ton.</li> <li>• AIM should use coefficients from MAP models wherever possible. Where these are not available, AIM should contract out for models constructed along similar lines as MAP, using the same local consultant.</li> <li>• The follow up to the GENESYS study this year or next is unlikely to detect significant project impact at the sector level, either on numbers, pay and benefits or on the proportion of women so soon after project inception. But a GENESYS type survey should be done of the producers of horticultural commodities supplied to packers and processors. The purpose would be to obtain profiles of these suppliers and their field labor as was done for the packers and processors, describing the character of the labor force benefitting from the projects employment impact. If funds are available, a similar study should be done of fish processors and their suppliers as an <i>ex post</i> study of the labor force AIM has affected.</li> </ul>
<b>Program Outcome 3.1: Improved Policies, Regulations</b>
<i>1. Not applicable to MAP and AIM.</i>
<i>2. Reduction in average risk surcharge due to administrative delays for trucks entering Morocco.</i>
<i>3. Adoption and enforcement by EACCE of food safety regulations for canned foods with greatest risk for food poisoning.</i>
<ul style="list-style-type: none"> <li>• Projects should continue to describe progress in quarterly reports.</li> </ul>
<b>Program Outcome 3.2: Broadened Access To and Use of Financial Resources. Not applicable to AIM and MAP.</b>
<b>Program Outcome 3.3: Improved Competitiveness of Firms Generating Employment for Below Median Income People.</b>

**d. Summary of Recommendations for CPS Indicators**

*1a. Moroccan horticultural exports' market shares grow in:*

*1a1. North American market (three percent/year growth)*

*1a2. EU market (three percent/year growth)*

*1a3. Other markets (in US\$. five percent/year)*

- Drop these as indicators of project impact because:
  - They are too much affected by events outside project control, such as variations in the exchange rates of competitor countries and shifting barriers to trade.
  - The indicators are time consuming for project personnel to put together and the data needed are not available until nine months or more after the end of each calendar year.
- Projects should continue to track and report these measures, but as indicators of their economic environment, if they can contract the work out to local consultants.

*1b. Exports due to USAID assistance*

*1b1. Horticultural based products*

*1b2. Fish and artisanal products*

- *Projects should continue to track and report these figures quarterly.*

*2a. Moroccan horticultural products to nontraditional markets as a percent of total horticultural exports (three percent growth/year)*

- *The projects, at least at this stage, cannot be expected to affect the performance of the entire sector. Therefore, the growth target as an indicator of project impact should be eliminated, and replaced with the recommended indicators in 2b (below).*

*2b. Exports to nontraditional markets due to USAID assistance*

*2b1. Exports to the U.S.*

*2b2. Exports to other new markets*

- Projects should begin to report exports they promote going to the U.S. and new markets. The definition of new markets should continue to be those to which less than ten percent of Moroccan exports of a given product were sent in 1992.
- Projects should report the value of the exports they promote to nontraditional markets as a percentage of total Moroccan exports to those markets, on a product-by product-basis.

<b>d. Summary of Recommendations for CPS Indicators</b>
<p>3a. <i>Moroccan exports of new horticultural products as a percent of total horticultural exports</i></p> <ul style="list-style-type: none"> <li>• Eliminate this as an indicator of project impact for the same reason as 2a. above. Replace with second recommended indicator for 3c.</li> </ul>
<p>3b. <i>Number of new horticultural value added products on domestic or export markets through USAID assistance.</i></p> <ul style="list-style-type: none"> <li>• The definition of a <i>new product</i> is one of which not more than \$25,000 has been exported from Morocco in any of the last three years. This is very restrictive. Consider raising the cutoff to a higher level, such as \$100,000.</li> </ul>
<p>3c. Exports of new products due to USAID assistance</p> <ul style="list-style-type: none"> <li>• Projects should report, product by product, the percentage value of new exports they promote relative to total Moroccan exports of those products. These will show product innovation.</li> <li>• To show the impact on product diversification, projects should report the value of exports they promote of products which had a small share (e.g., less than three percent) of total exports in a baseline year, or accounted for less than a certain amount, say \$1 million in the base year.</li> </ul>
<p>4. <i>Number of firms adopting USAID-promoted or USAID-introduced technology</i></p> <ul style="list-style-type: none"> <li>• Currently tracked and reported.</li> </ul>
<p>5. <i>Dollar value of savings attributable to new USAID promoted technology</i></p> <ul style="list-style-type: none"> <li>• Qualitative information rather than actual dollar value due to problems in quantifying impact.</li> </ul>

### 3. MAP and AIM Project Overlap and Complementarity

Although both projects work in the agribusiness sector and both are strongly private-sector oriented, they have complementary styles and points of intervention. The MAP project takes a broad subsector view, identifying access points for leveraged assistance in the production-marketing chain, including working with regulatory, financial, research, training and extension institutions and producer associations in addition to work with individual firms. AIM is largely a business to business operation, responding to the felt needs of individual Moroccan firms.

Overall, the evaluation did not find that the similarity in objectives or the duplication of clients presents a serious problem to the USAID program in this area. They have agreed that MAP alone will work in the fresh and frozen subsector, and that AIM alone will work in the fish sector. Other areas of overlap are minimal. The projects cooperate on arrangements for trade fairs. There have been disagreements between the projects, especially regarding assistance related to meeting changing nutritional labeling and food safety requirements.

**Recommendation:** AIM and MAP should establish guidelines on project involvement in food safety requirements issues.

#### **4. Environmental Concerns: Addressing the Water Problem**

USAID, MAP, and AIM personnel are rightly concerned with the possible ground water level crisis, and with the implications of heavily supporting a water-intensive industry without adequate attention to this environmental issue.

**Recommendation.** USAID should take the lead and utilizing the resources in MAP and the Tadla projects, organize a workshop reviewing the situation in the Souss valley and the Marrakech plain. Other areas of Morocco are drought-affected, but we recommend that this workshop focus on these two key agribusiness regions. As a first step, USAID should organize a meeting of the key relevant technical advisors from the Tadla, MAP, and AIM projects to determine what type and scale of workshop would be most feasible and appropriate.

#### **B. Project Level Conclusions**

##### **1. Morocco Agribusiness Promotion Project (MAP)**

**Overall Project Assessment.** Excellent.

**Project Design.** Although the overall private-sector, export agriculture thrust of the project is on target, a number of the specific planned inputs and outputs are proving irrelevant, unnecessary, or unworkable. Fortunately, the performance-based structure of the lead contract and the flexible leadership from USAID management have allowed MAP to alter its activities in response to the most promising opportunities.

There are four main areas where contract targets should be revised. These include training, the PIF, joint ventures and privatization. Concerning short-term training, a more realistic figure for short-term advanced training is 10 trainees rather than 18 over the life of the contract and four interns rather than 19. Since privatization is a target of opportunity, it is reasonable for DAI to provide information on privatization activities when there are any. Otherwise, it should be dropped from routine reporting.

Due to the limitations placed on the project in assisting joint venture development, 10 joint ventures over the life of the contract are probably realistic. As earlier stated PIF use has been lower than expected but there it reason to believe that there will be increased activity in the coming years. Still, there is approximately \$500,000 that could be reprogrammed for other activities. Assistance to smaller activities or activities in disadvantaged areas might be considered. One possibility mentioned by project staff is assistance to a cooperative in the Northeast that deals primarily in apricots.

#### **Contractor/Implementor Performance**

**AMI.** The lead contractor, DAI, is providing thoroughly professional creative and responsive implementation of the AMI component, as well as coordination and leadership for the larger MAP project. DAI makes excellent use of its extensive experience in USAID-funded agribusiness projects, its previous experience with the Moroccan agribusiness sector, and its specialized subcontractors in order to establish a strong reputation for the MAP project in Morocco.

**PASA.** USDA, as the implementor of the PASA component providing assistance to its counterpart departments in the Ministry of Agriculture, has been lackluster in carrying out its program. Its role was sketchily presented in the Project Paper, unrealistically and ambitiously developed in the first action plan, and then carried out more slowly than anticipated. Most aspects of MAP pertaining to public sector

support are behind schedule, though the recent update of the plan by USDA aims at accelerating the remaining work.

**PSA.** This component, led by the University of Minnesota is only now underway, at the beginning of the fourth year of the project. This delay has not seriously harmed other project activities; however, it will now be more difficult for the PSA component to fulfill all of its objectives within the time remaining before the Project Assistance Completion Date (PACD).

**Quality of Technical Staff and Products.** The AMI/DAI advisors are excellent, all possessing the appropriate private sector oriented experience and interpersonal skills that have allowed them to establish credibility among a skeptical clientele. The Subsector Studies produced with considerable assistance from DAI's subcontractors are excellent, and provide solid direction for project activities as well as incomparably useful data for Moroccan export businesses.

### **Summary of Recommendations for MAP**

1. USAID project management and contractor/implementor leadership should review and revise contract outputs and targets that have been determined by experience to be unworkable or unnecessary.
2. USAID should arrange for a second study of gender and labor in agribusiness soon, and this study should focus on field labor.
3. In developing indicators and systems to track impacts in relation to new USAID strategic objectives, DAI should model the labor structure of the major export products only. It need not spend its scarce time and resources creating detailed models of all products and activities directly and indirectly involved in the sector.

### **2. Accessing International Markets (AIM)**

**Overall Project Assessment.** Good, but uneven.

**Project Design.** The VETA component follows IESC's time-honored approach. This approach is proving more difficult to justify due to the problems inherent in documenting impact or even results. One feels that the approach is important and effective, although with a significant number of assignments that do not perform well. It is incumbent upon IESC/Stamford to prove it. The design of the BDS program has served the project well. The linking of field personnel knowledgeable about the Moroccan industry with the unparalleled resource of the IESC executive volunteers in the U.S. provides an effective and cost-effective resource. The MUST pilot program suffers from both design and implementation flaws.

**Contractor/Implementor Performance.** IESC has failed to provide consistent and continuous leadership in the important position of project director. As a result, there have been problems regarding reporting and accounting, and lost opportunities for coordination of the activities of AIM components.

The AIM project is a Cooperative Agreement under which a private voluntary organization performs its characteristic services in support of the USAID program objectives. Because of IESC's relatively extensive experience in Morocco, and because of the commitment of its staff to the IESC assistance model, the AIM project has been able to achieve considerable success despite the leadership problem. Using the IESC systems and resources combined with its knowledge and reputation in Morocco, the project has often operated successfully while its leadership was on "automatic pilot."

**Quality of Technical Staff and Products.** The key professional and technical staff of AIM are impressive in their commitment to their work and in their detailed knowledge of and networks with the Moroccan private sector. Much of the technical assistance under AIM is provided by the IESC volunteer executives. Reviewing the VETA project records and interviewing firms, the evaluation team is impressed by the quality of the recruiting effort. The roster of 13,000 retired U.S. executives is certainly an extraordinary resource. This resource has its limitations, however. These retired executives are not professional lap-top-toting, report-writing, analytical USAID consultants. Their sector survey reports and end-of-project reports are rarely of a style, breadth of analysis, or level of detail expected under USAID contracts. But their hands-on work is often exceptionally relevant and timely.

### **Summary of Recommendations for AIM**

1. USAID project management and AIM project leadership should revise the Cooperative Agreement targets and outputs, as part of the process of reviewing the Year IV work plan and deciding on future obligation of funding. There is confusion regarding the targets for "joint ventures," "technology transfers," and franchises so that it is no longer clear how many of which are to be pursued, or just where one topic leaves off and another begins. Leftover MUST funds are being absorbed into the BDS and VETA budgets, but with what impact on the targets set for those programs?
2. The VETA program should focus its efforts on fewer projects of greater average length. Its output targets should be expressed in terms of total person-days of assistance, not in terms of number of VE projects. A fewer number of longer-lasting, better prepared (by the client), and more selective VE projects will increase the overall impact and provide a better experience for the firms and the volunteers alike.
3. Regarding the monitoring and tracking of impacts, the BDS export program should continue its efforts to record the exports deriving from its assistance, present and past. It should try to bring more uniformity into the way quantities (barrels, cases, tons, containers) of its disparate products are recorded, as this will assist in the calculations of the labor impact.
4. The next gender and employment study should, with assistance from IESC, include fishing and fish processing in its labor study and an input-output model for fish (such as MAP is undertaking for horticultural products) should be prepared.
5. The VETA and franchise/technology transfer programs should document case studies of impact for the strongest projects, since the majority of the impact will derive from these instances. It is not practical to try to get adequate data on 60-100 diffuse, one-shot VETA visits.

### **C. Lessons Learned**

#### **1. Lessons Learned from Other Agribusiness Projects**

In the early 1980's development organizations started to shift focus of programs toward private sector agribusiness. Throughout the 80's and to date USAID has designed and implemented hundreds of agribusiness development interventions that have focussed on strengthening institutions that support agribusiness, provided assistance to entrepreneurs in agroprocessing and marketing, facilitated market development, provided export and investment promotion services and helped to privatize parastatals.

Several assessments of USAID's agribusiness support programs have been recently completed that provide lessons relevant to Morocco.<sup>22</sup>

- ✓ Agribusiness programs require a dynamic long-term strategy based on a rigorous analysis of constraints on agribusiness development.
- ✓ A primary focus on the improvement of the policy, regulatory and institutional environment with secondary emphasis on direct assistance to individual entrepreneurs has in general been the most successful approach to agribusiness development.
- ✓ A flexible design is required that allows the agribusiness development program to follow the lead and needs of the private sector.
- ✓ Although foreign direct investment is an effective means to transfer technology and develop export markets, sourcing, technology licensing and franchising and market arrangements between international firms and local entrepreneurs are more realistic ways to access markets and technology.
- ✓ Contract farming is an effective institutional mechanism for linking small farmers with processors and marketers of high value cash crops.
- ✓ Direct technical assistance is most effective when focussing on the transfer of production technology and the establishment of export links.

## **2. Summary of Lessons Learned from AIM and MAP**

The AIM and MAP projects have resulted in significant impacts and experiences that can perhaps provide lessons or confirm empirical evidence to project activities outside Morocco.

- ✓ AIM and MAP were designed as a result of experience in the agribusiness sector and an analysis of the constraints to agribusiness development. The MAP project has a longer term more integrated and dynamic strategy contributing to an overall better performing project.
- ✓ IESC needs to seriously consider a more integrated approach for multiple business service clients. IESC also needs to consider changes that might enhance VETA project success such as the IESC indirect charge and client fee structure.
- ✓ The AIM and MAP projects have had a significant influence on income and employment and have a direct effect on women and below median income people by focussing activities on those agricultural export products in which Morocco has a comparative advantage. This is done most effectively without screens or set-asides for smaller firms since the largest impact on employment of poorer people comes from assistance to larger firms.

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<sup>22</sup> *Export and Investment Promotion Services; Do They Work?* USAID Program and Operations Assessment Report No. 6 Office of Evaluation, March 1994.

*Generating broad-Base Growth Through Agribusiness Promotion: An Assessment of USAID Experience.* Program Assessment Report No. 4, CDIE, March 1995.

*Horticultural Exports of Developing Countries: Past Performances, Future prospects and Policy Issues,* International Food Policy Research Institute, April 1990.

- ✓ Assistance to Moroccan agribusiness has increased the importation of U.S. goods by Morocco.
- ✓ Project impacts can be tracked through project assisted exports and employment supported by those exports. Tracking need not be complicated since only a few products comprise the bulk of the export volume and employment models only need to be developed for these few products alone.
- ✓ Impacts of the VETA program are difficult to quantify and document. Since VETA is the backbone of IESC's worldwide program, more effort should be placed on demonstrating the impact of Volunteer Executives. The IESC Special Impact Study and this evaluation have suggested case studies as a way to do this, but given new USAID pressures to show results, IESC might want to explore other options.
- ✓ Agribusiness projects can be seriously affected by environmental factors. Shortages of water and fish both affect MAP and AIM and neither were considered during project design.
- ✓ Two very different approaches to agribusiness development have both shown significant impacts.

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**ANNEX I**  
**EVALUATION SCOPE OF WORK**

## ARTICLE I: STATEMENT OF WORK

### A. Objective

The purpose of this PIO/T is to provide funding for a team to conduct the midterm evaluation of the Morocco Agribusiness Promotion Project (MAP) and the Accessing International Markets Project (AIM).

The intent of this combined midterm evaluation is to measure each project's level of accomplishment to date against stated project objectives, and their individual and combined contribution toward the common objective of increasing Morocco's broad-based economic growth, market competitiveness, and employment. The evaluation should also provide a vision of the future for the MAP and AIM projects, based on their perceived current and anticipated impacts, which USAIDAI/Morocco can use in shaping its overall program. More specifically, this evaluation should appraise how well each of these projects, as currently designed and implemented, supports the Mission's new Strategic Objective No. 3: *An expanded base of stakeholders in the economy, especially targeting people of below-median income,*<sup>1</sup> and make consequent recommendations for modifying the projects, as appropriate.

The contractor will provide three persons who possess the requisite skills to fill the following positions (the specific tasks for the team are described in detail in Article III and the qualifications in Article IV below):

Food and Agricultural Economist/Team Leader;  
Agribusiness Specialist;  
Social Scientist.

### B. Background

#### 1. Reasons for the Evaluation

Conceptually, MAP and AIM represent two of the principal means by which USAID/Morocco expects to expand the base of stakeholders in the economy.

While both projects were designed to improve measurably Morocco's ability to compete in export markets, they have the additional objective (reinforced recently by USAID's modification of its priorities) to demonstrate a positive impact on the disadvantaged elements of society (including women and those of below-median income) — to a large extent by broadening employment opportunities. (See USAID/Morocco's Program Objective Tree, attached).

AIM and MAP are, by design, closely associated with the Moroccan private sector. Unlike earlier projects that focused on strengthening public sector institutions, MAP and AIM are strongly transaction-oriented. They also have partially overlapping spheres of influence in working with Moroccan agribusinesses (MAP's sole area of specialization and one the most important sectors in which AIM also works). However, the projects' approaches to implementation, and especially their respective abilities to measure change or define levels of program attribution for their interventions, differ considerably.

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<sup>1</sup> *The Mission's other two Strategic Objectives aim at reducing fertility/improving health of women and children and improving environmental and natural resource management.*

The reasons for this joint evaluation include the following: assessing the projects' individual contributions in a consistent manner, reconciling the differing methods of implementation and monitoring progress, and identifying the necessary course corrections in project and program directions to reduce overlap and improve performance in line with new USAID objectives.

## **2. Overall Status of the Projects and the Decision to Evaluate**

The AIM Project's cooperative agreement recipient has experienced some recent turnover in its expatriate personnel, and a recent AIM special impact study indicated uneven results to date in the project's three components. There is a considerable body of empirical data from the projects' information systems available to document progress. These project databases and monitoring systems (which are less than fully operational for some purposes) are intended to provide much of the needed information and methodological framework to facilitate the periodic estimates of the projects' impact on productivity and employment for the companies assisted. The database for AIM has been deepened recently as a result of the special impact study.

Midterm evaluations were foreseen in both the MAP and AIM Project Papers. Congressional legislation and USAID policies enacted since the outset of project activities (e.g., Section 599 — a.k.a. Section 547 and USAID Policy Determination 20) have placed some operational restrictions on contractor performance, the Agency-wide re-engineering effort is changing the way in which development and operational priorities are set, a Mission-level reorganization has recently been undertaken, and a new USAID/Morocco Country Program Strategy was to be finalized by March 1995. Collectively, all of these factors have reinforced the need to review the AIM and MAP Projects for possible concomitant changes in direction, level of effort and focus.

## **3. General Economic Situation**

At this point, mid-way through the 1990s, Morocco is emerging from one of the World Bank's more successful structural adjustment programs. Economic growth averaged about four percent during the latter half of the 1980s; per capita income was at \$1,030 in 1992. While external debt remains high at \$20.5 billion (about 71% of GDP), and the equivalent of 24% of exports go to service current debt, growth is expected to reach five percent yearly during the 1990s (World Bank 1992 estimates).

An important challenge for Morocco in the 1990s is to maintain the momentum of economic growth while again taking up an agenda of social programs which have been long postponed — in part because of the budgetary restraint imposed by structural adjustment. While unemployment levels remain high, the traditional roles of government and the private sector in promoting the economic growth necessary for social progress have changed. Agriculture, industry and the services sectors are expanding their roles in the economy, while government focuses increasingly on physical and social infrastructure. Much depends on Morocco's further export diversification and competitiveness to fill in behind measures to continue opening the economy and reducing the country's traditional import bias.

## **4. The AIM Project**

### **a. AIM Project-Level Constraints**

The AIM Project addresses specific, business-level constraints faced by individual private Moroccan companies seeking to increase their competitiveness in international markets. It does so by improving access to market information describing potential U.S. products, markets, clients and potential buyers,

suppliers, and investors, and by providing the technical and managerial expertise required to produce and package the products in quantity and quality necessary to be competitive in the U.S. market.

Other limitations, associated with macroeconomic or sector-level policy and institutional reform, access to finance and the development of capital markets, improvements in physical infrastructure, or other aspects of the enabling environment within which businesses operate, are targeted under the USAID country program strategy and are subsumed under other USAID/Morocco projects, but are not within the scope of AIM.

#### **b. AIM Project Summary Description**

The goal of the AIM Project is to promote broad-based, self-sustainable economic growth, leading to increased income and employment. The purpose of the Project is to assist Moroccan companies to successfully manage entry and increase their competitiveness in international markets, particularly the U.S. market, by improving their ability to adapt new technologies, produce more efficiently, attract foreign investment, export, contribute greater value added, and create jobs.

The AIM Project continues IESC activities supported earlier by USAID/Morocco's Private Sector Export Promotion Project (608-0189) and has been expanded to include three technical and two support components:

- 1) VETA — Volunteer Executive Technical Assistance; 2) BDS — Business Development Services; 3) MUST — Moroccan-U.S. Tourism Promotion; 4) IESC Management; and 5) Audit, Monitoring and Evaluation and Support.

Over the life of project, the VETA program is to provide 155 IESC volunteer executives (VEs) to work with individual firms and to take on other short-term assignments to enhance Moroccan competitiveness in international markets. BDS focuses on establishing long-term sustainable trade and technology relationships between Moroccan and American business partners. The MUST program is a pilot effort to strengthen Morocco's access to the U.S. tourist market. AIM is one of IESC's largest programs worldwide. IESC operations in Casablanca are led by a full-time General Manager, supported by professional staff located both in Morocco and at IESC headquarters in Stamford, Connecticut.

#### **c. Basic Approach and Current Implementation Status of AIM**

Relying on its extensive network of executives of the U.S. business community, IESC facilitates business-to-business linkages between private U.S. and Moroccan companies, the principal means through which the objectives of the technical components of AIM are achieved. During the eight years it has been present in Morocco, IESC has gained an in-depth understanding of Moroccan business practices, and developed contacts with Moroccan companies and exporters across a range of economic sectors. The VETA program focuses directly on cost and quality control, management innovations and efficiency. The BDS and MUST components focus on technology transfer, links between Moroccan and U.S. business partners, and "breakthroughs," i.e., opening of new, sustainable and significant markets for Moroccan products and services.

The three components of AIM (and their respective sub-activities) have made varying degrees of progress toward achieving planned outputs. Because of growing uncertainties over future funding, USAID/Morocco has recently asked IESC to prepare a plan to reduce the scope of their activities under the assumption that no further funding (beyond the \$6.5 million already obligated) would be made available in future years. IESC has drafted such a plan, currently under Mission review, which

effectively eliminates the MUST component of the project and reduces the scope and expected outputs of the other two components. IESC has been effective in generating certain new exports in the horticultural, fish and artisanal sectors, and has facilitated establishment of U.S. franchises in Morocco. Under the VETA component, however, it may be necessary to refocus on the volunteers to assure that the product is meeting market need. A special, interim impact study has recently been completed and provides an additional layer of information on company- and project-level impacts of IESC assistance to date. However, the study also concludes that a number of improvements could be made in ongoing data collection and interpretation efforts to better monitor results, and also makes several suggestions for improving the potential for impact and administration of the project.

## **5. General Status of Agriculture**

Morocco's agricultural sector is the largest and most diversified in the Maghreb region of North Africa. Numerous temperate and semiarid microclimates and an extensive irrigation system encompassing over one million hectares, provide the basis for a wide variety of crop and livestock products. In climate, geography, agricultural potential, and types of crops, Morocco is similar in many respects to California.

The agribusiness sector currently contributes some 20 to 25 percent of the GDP, depending on variables like the weather, biannual bearing cycles in tree crops, and market prices. Recent quotas established by the EU, historically Morocco's most important market, demonstrated the risks associated with over-concentration in export markets and products and reinvigorated efforts by the GOM to diversify markets. The agribusiness sector is also the country's major source of employment: about 40 percent of the labor force (including much of the rural and less-well-endowed segments of the population) makes its living from agriculture and related industries.

## **6. The MAP Project**

### **a. MAP Project-Level Constraints**

The productive potential of Morocco's more than 900,000 hectares of irrigated land, the comparative advantage of the country's labor costs, and proximity to the EU and other European markets are constrained by the following factors:

- Excessive dependence on the EU as a market for its exports and a corresponding lack of knowledge of other alternative markets;
- Insufficient knowledge of new and efficient processing and packaging procedures;
- Poor financial intermediation and a policy and regulatory framework that inhibits investment;
- Weak and inconsistent quality control for the domestic and export market;
- Regulatory provisions of the transportation sector that increase costs and reduce competitive advantage;
- Insufficient vertical integration in the marketing system; weak industry and trade associations;
- Inadequate public sector services and support;
- Shortage of adequately trained management and technical personnel.

**b. MAP Project Summary Description**

The goal of the MAP Project is to increase the contribution that the private, commercial agribusiness sector makes to GDP, foreign exchange earnings, and employment and income. The **purpose** of the Project is to increase the capacity of the private agribusiness sector in Morocco to produce, package, and market a wide variety of demand-driven, value-added agricultural commodities. Particular emphasis is placed on the vertical marketing channels from assembly of raw materials to delivery of final products in their fresh or processed state to consumers.

The MAP Project strategy is focused on the commodity subsectors of agribusiness that respond most positively to Project inputs. These subsectors are:

Fresh vegetables;  
Fresh fruits (except citrus);  
Processed fruits & vegetables;  
Spices & essential oils;  
Olives & olive oil (except black table olives);  
Grain legumes;  
Cut flowers & ornamental plants;  
Grapes, raisins & wine.

The approach to implementing the strategy is to proceed from commodity subsector diagnosis to development and implementation of action plans, while being as flexible and responsive as possible to the needs of private enterprise in the target subsectors.

There are four main components to the MAP Project:

- i. Promotion of agribusiness products, investment and marketing, with emphasis on export marketing;
- ii. Improving the agribusiness investment climate through the provision to the Grantee of actionable recommendations for policy and regulatory change;
- iii. Reinforcing industry organization and supporting institutions with the objective of improving the effectiveness and efficiency of companies, private groups, industry and trade associations, and public institutions; and
- iv. Human resource development — to strengthen the human capital needed by agribusiness.

**c. Basic Approach & Current Implementation Status of MAP**

Seven of the eight commodity subsector studies have been completed and the eighth study will be carried out in 1995. These studies have provided a basis for supporting commercial activities which are currently at various stages of development. The overriding concern is to provide maximum impact through proper leveraging of limited funds — working, for example, with existing or new trade associations and other non-governmental groups to complement existing resources, contacts and expertise and to build sustainability. The subsector studies, along with the Promotion and Investment Fund (PIF), are the two major project activities influencing the direction and content of the MAP Project across all four project components.

Currently, the MAP Project is making significant progress in a wide range of activities. The initial results of increased sales in fresh and processed products are encouraging, although the real impact of the project and the degree of sustainability of the activities it initiates and supports are only beginning to be enumerated and analyzed. One major element of the project, the Program of Support to Agribusiness (PSA), to be implemented by the University of Minnesota and the Moroccan *Institut Agronomique et Vétérinaire Hassan II (IAV)*, is getting off to a late start: it has been scheduled to commence in May-June, 1995. Another project element, operational since 1992, is a Participating Agencies Services Agreement (PASA) with USDA/FAS/ICD which is designed to strengthen the capacity of the Moroccan Ministry of Agricultural and Agricultural Development (MAMVA) to support and regulate the export of horticultural products.

### **C. Specific Tasks to be Accomplished**

USAID/Morocco has inventoried a wide-ranging list of tasks, described below under topical headings, which it would like the evaluation team to address. It is recognized, however, that these tasks can and probably should be regrouped into a reduced number of focal points (e.g., 'Management,' 'Achievements/Impact' and 'Strategy'), which could help the evaluation team to prioritize its work and assure that the principal topics are treated in sufficient depth. Moreover, very recent Mission decisions have already set in motion steps leading to a reduction in scope and of the AIM Project, which will inevitably have an impact on the execution of this evaluation. For these reasons, it will be crucial for the team, during its first week in Morocco, to generate a workplan which will demonstrate a prioritization of the work to be accomplished, describe the individual responsibilities of team members, and define in some detail the final product (the evaluation report).

The evaluation report of the AIM and MAP Projects is to provide empirical findings on which the team will base its conclusions, recommendations and lessons learned in order to address the following issues and questions and complete the below-listed tasks:

#### **1. Management**

- a. **Sectoral Coverage:** Currently, MAP and AIM operate on the loose understanding that they should complement one another's work in the agribusiness field in order to deepen the level of coverage and support to the agribusiness sector. The evaluation team should look at whether operating effectiveness and efficiency in resource use can be improved by focusing effort in areas of greatest comparative advantage and to avoid duplication of effort.
- b. Assess the strengths and weaknesses of MAP and AIM Project management structures and performance and suggest possible changes which could improve administrative/managerial coordination and overall effectiveness in supporting the Mission's program-level objectives.
- c. On the basis of an assessment of project management (1.b) and evidence of impact to date, recommend changes as appropriate in the structure and/or scope of either or both of the two projects.
- d. Assess USAID/Morocco's capacity to manage the MAP and AIM Projects in light of the Mission's recent restructuring, suggest means of diffusing or streamlining the Mission's current project management responsibilities, and address budgetary implications of any recommended changes.

- e. **MAP-specific:** Summarize the results obtained to date under the Participating Agencies Services Agreement (PASA) with USDA and compare with the anticipated results. Provide suggestions for updating the PASA terms of reference and workplan, for ensuring management coordination with other MAP implementing entities (principally DAI/AMI (Agribusiness, Marketing, Investissement) and the University of Minnesota's new Program of Support to Agribusiness), and for realigning the PASA budget as necessary to conform to a revised terms of reference.
- f. **MAP-specific:** Recommend measures to accelerate implementation of a rationalized management structure of the MAP Project public sector activities. Provide specific recommendations regarding the integration of the ongoing GOM Public Sector activities with those of the newly initiated Program of Support to Agribusiness.

## **2. Relevance to USAID Strategy**

- a. Are the development constraints which AIM and MAP were initially designed to address still major problems that are germane to the current development strategies supported by the Mission?
- b. To what extent do the two projects currently assist the below-median-income, rural and urban population, and what opportunities exist for explicitly tailoring the two projects to support more directly USAID/Morocco's new Country Program Strategy (and more specifically the Economic Growth Strategic Objective and anticipated Program Outcomes)?
- c. Contrast the likely effectiveness of using *a priori* 'screens' versus direct budgetary set-asides to target specific elements of the population.

## **3. Impact**

- a. Based on the compiled information available to date, assess the degree of impact that each of the principal project components has achieved or is likely to achieve on indicators which include:
  - the capacity of Moroccan firms to export, as measured by actual exports attributable to project actions;
  - additional direct foreign investment in Moroccan businesses;
  - employment and incomes, especially for below-median-income households and women;
  - increased productivity resulting from U.S. sales of improved technologies or adoption of improved management practices by Moroccan firms; and
  - Morocco's market share in major export markets.
- b. Assess at the sectoral level the likelihood of a significant impact on below-median households from USAID project interventions in order to assist the Mission in focusing its efforts on those sectors in which it has the greatest potential for the desired impact.
- c. *AIM-specific:* Review the evidence from the AIM/IESC Special Impact Study (December 1994) regarding the impact of the three components of the AIM project (VETA, BDS and MUST), as well as the study's recommendations, and suggest follow-up actions as appropriate.

#### **4. Effectiveness**

- a. Document the extent to which AIM and MAP are achieving satisfactory progress toward their stated objectives (purpose and outputs) vis-a-vis the respective Project Paper logical frameworks and implementation plans.
- b. To what extent are the institutional contractor and cooperative agreement recipient meeting their responsibilities under the contract and cooperative agreement, respectively?

#### **5. Efficiency**

Are the results of the AIM and MAP Projects being produced at an acceptable cost compared with alternative approaches to accomplishing the same objectives?

#### **6. Social Soundness**

- a. Have the projects established adequate systems to track direct project beneficiaries by gender and size of commercial enterprise?
- b. Review both projects' original Social Soundness Analyses and the 1993 GENESYS project study, *Gender and Employment in Moroccan Agribusiness*, and contribute substantively to updating the framework for assessing the impacts of the projects by gender and socio-economic stratum.
- c. Based on (6.a) and (6.b), what does the evidence available to date demonstrate regarding the projects' impacts on women and small- and medium-scale enterprises?
- d. *MAP-specific*: Evaluate compliance with project participant training procedures, including adherence to the target (1:2) female-male trainee ratio.

#### **7. Monitoring and Evaluation Systems**

- a. Assess the adequacy and suitability of monitoring systems established to track project implementation progress (inputs and outputs) and periodically to evaluate purpose- and higher-level impact.
- b. Appraise the indicators chosen and the plans and/or methodology to be followed for assessing project impact. Suggest additional or revised indicators at each level as appropriate and in conformity with any recommended modifications to project components. This data should also be directly applicable to Mission program performance monitoring (under its Economic Growth Strategic Objective).

#### **8. Sustainability & Increasing the Number of Stakeholders**

- a. Are the effects of the AIM and MAP Projects as currently implemented likely to engender sustainable development impacts after USAID funding has stopped?
- b. Compare the current approach of transferring activities to companies, associations and public agencies to other alternatives, such as a transitional foundation. Propose as appropriate definitive measures, with time lines for implementation, that will encourage continuation of MAP & AIM services beyond their respective PACDs.

## **9. Policy Effects**

- a. Assess the feasibility of attaining the originally intended project impacts in light of:
  - delays in policy reform in the transport sector, the reticence to implement the practical measures related to economic liberalization, and bank sector reforms needed to expedite commercial transactions and attract foreign investment; and
  - the effect of heightened political concern in the U.S. about the risks posed by foreign competition to certain U.S. industries and their employment base.

Identify the explicit and implicit effects these and other issues may have (had) on the technical assistance effort. Determine whether the main premises and assumptions of the original project designs remain valid and whether the objectives of the MAP and AIM Projects are still attainable — providing the specific, pertinent, priority recommendations for any subsequent project design or reprogramming of resources.

- b. Based on ongoing MAP and AIM Project objectives and information gleaned in response to (9.a) above, provide a prioritized list of policy and regulatory reforms which should be actively pursued either within the projects or directly by USAID/Morocco management.
- c. Assess the projects' compliance with and means of accommodating USAID Policy Determination 20.

## **10. Environment**

Are there potential environmental concerns (e.g., possible negative impact caused by project-assisted agribusinesses in environmentally fragile regions) which should be explored through a PRIDE project work-order or other mechanism?

### **D. Methods and Procedures**

The majority of the information needed to conduct this joint evaluation is contained in data and reports generated during project design and implementation. USAID/Morocco is asking the two long-term technical assistance teams for the MAP and AIM projects to assemble the relevant reports and data which they think will be important for the evaluation team to study in order to assess the impact of the projects and otherwise complete the substance of this Scope of Work. Additional sources of primary, secondary and contextual data will be available for the evaluation team to draw on. These data sources will be complemented by a series of structured interviews with private sector project participants, through a careful sampling of visits to project sites in the field, and by other interviews and reviews of other statistical data as necessary.

## **ARTICLE II. EVALUATION TEAM COMPOSITION AND QUALIFICATIONS**

The evaluation requires a multidisciplinary team of technical specialists with a broad range of significant experience relevant to the projects being evaluated and the issues to be addressed. It is anticipated that the team be composed of senior-level specialists (level 3 or 4) in the areas of economics, agribusiness development and a relevant social science; however, it is most critical that all of the below-listed skill areas be adequately covered.

For all three team members, a minimum of a Masters level degree in an appropriate field is required. At least ten years applicable experience in planning, managing, and/or evaluating agribusiness (business), market development, or other relevant activities in developing countries is also required. Experience in francophone Africa (particularly North Africa) is highly desirable. All three candidates must have French language capability at a minimum FSI 3/3 level.

The Contractor will be given the responsibility for determining the specific responsibilities of each team member, according to the skills and experience of the individuals proposed, in assuring that all elements of the Scope of Work are adequately covered. However, essential knowledge, experience and skills are collectively required of the team in the following areas:

- USAID project evaluation;
- impact assessment and monitoring/evaluation methodologies (including development of databases and design/conduct of statistically valid surveys);
- agribusiness operations, project implementation and evaluation;
- broad experience in business development;
- market development and export promotion;
- social soundness analysis — particularly for business, market, and export development activities;
- economic analysis — particularly for business, market, and export development activities;
- analysis of U.S. and developing country policies which affect trade and business development;
- current USAID development priorities and strategies; and
- management of complex, multifaceted business development and export promotion projects.

Besides his/her technical contributions to the evaluation, the Team Leader will also take the lead in preparing the work plan, assure that all elements of the Scope of Work are adequately addressed and the report submission schedule is respected, assign specific duties to team members, and oversee completion of necessary interviews, field work and other research as may be necessary. The Team Leader is also responsible for completing the abstract and narrative portions of the USAID Evaluation Summary Form, leading the debriefings with Mission and GOM staff, and editing and submitting the final revised Evaluation Report, for which an additional 12 days of his/her time will be allocated to the work order.

### **ARTICLE III. TIMING AND WORK DAYS ORDERED**

The evaluation will be conducted in Morocco during the months of June-August 1995. A total number of 171 workdays are ordered under this PIO/T (156 workdays total plus five workdays per consultant for initial U.S. briefings and travel). The work days are divided as follows:

<b>Position</b>	<b>Work-Days Ordered</b>
Food and Agricultural Economist/Team Leader	60
Agribusiness Specialist	48
Social Scientist	48
Total Number of Work-days:	156
Travel Days/U.S briefings:	15
Total Number of Workdays Ordered:	171

The evaluation is expected to begin the week of May 22, 1995 and be completed in Morocco by September 30, 1995. The Team Leader will be given one additional week at his/her home office to complete editing of the English version of the report. Finally, two more weeks will be allocated for the contractor to translate the evaluation report into French. The work will proceed serially. This will facilitate developing the understanding of each project and how it has done, before moving into the joint program issues they share. At least one week prior to the Team Leader's departure, and before departure of the other team members, a draft evaluation report — complete in all its parts — will be prepared and presented to the Mission and GOB cooperating agencies for review.

Prior to departing the U.S. for Morocco, the evaluation team will assemble in Washington and travel to Stamford, Connecticut in order to meet with USAID and the respective home office backstop personnel for the two technical assistance teams, review pertinent policy and programmatic guidelines such as USAID Policy Determination 20, obtain necessary background documentation, and attend briefings to be conducted by USAID/Washington officers backstopping the USAID/Morocco private sector and agribusiness programs.

These initial discussions and impressions will form the basis for a preliminary plan of work, produced by the evaluation Team Leader, which will be discussed in detail with USAID/Morocco and finalized during the team's first week in Morocco.

#### **ARTICLE IV. REPORTS AND OTHER DELIVERABLES**

<b>Deliverable</b>	<b>Due Date</b>
Work Plan and Schedule	5 work-days after arrival in Morocco
Draft Evaluation Report	5 work-days prior to departure from Morocco of the Agribusiness Specialist and the Social Scientist.
De-briefing with USAID	2 work-days prior to departure from Morocco of the Agribusiness Specialist and the Social Scientist
Final Evaluation Report	10 weeks after arrival of the (20 copies) evaluation team in Morocco
Project Evaluation Summary	10 weeks after arrival of the evaluation team in Morocco.
Diskette with Final and important work documents	10 weeks after arrival of the Evaluation Report, PES, evaluation team in Morocco
Draft French Translation	12 weeks after arrival of the Evaluation Report evaluation team in Morocco
Final French Translation (10 copies)	2 weeks after USAID transmits comments on French translation
Diskette with Final French Translation	2 weeks after USAID transmits comments on Draft French translation

The work plan will be critical in demonstrating the team's understanding and prioritization of the work to be accomplished; will consolidate tasks into broader topical areas; describe the individual responsibilities of team members; and define in some detail the final product (the evaluation report).

The Draft Evaluation Report, to be presented while the entire team is still in Morocco, should include an executive summary of the key findings and recommendations which is translated into French for review by key GOM personnel. The Team Leader should complete, to the extent possible, the Final Evaluation Report and Project Evaluation Summary while he/she is still in Morocco. The final report will clearly describe the recommended actions for USAID and the GOM.

A complete Draft Evaluation Report is due three work-days before the scheduled presentation and debriefing to USAID/Morocco staff and 10 work-days prior to the departure of the Team Leader. The Evaluation Report should follow standard USAID evaluation format as outlined in Handbook 3 Chapter 12, and Handbook 3 Supplement: AID Program Design and Evaluation Methodology, Report 7, April 1987. It will include:

- an *Executive Summary* consisting of a 2-3 page single-space document containing a clear, concise summary of the most critical elements of the evaluation findings for each project and for the overall program management issues common to both. This section should include an abbreviated time line for action on the most pressing issues and be written in such a way that individuals unfamiliar with the projects can readily comprehend the projects' basic elements and how the findings from the evaluation relate to these elements;
- a *Project Identification Data Sheet*;
- a *Table of Contents*;
- the *Body* of the Final Evaluation Report, which should not exceed 50 pages, with more detailed discussions of the methodological or technical issues included in appendices. This part of the Evaluation Report will include discussions of:
  - the purpose and principal issues addressed by the evaluation (brief);
  - the economic, political and social context of the Projects (brief);
  - team composition and evaluation methodology (one page maximum);
  - the Findings of the study relating to Article III, Section B above: Specific Tasks to be Accomplished. This portion of the report should include a section identifying constraints or problems which may have delayed or impeded the achievement of project objectives;
  - the Conclusions, in succinct language, drawn from the findings;
  - the Recommendations, based on the study findings and conclusions (and in correlation with Article III, Section B), and stated as actions to be taken to improve the performance of the projects; and
  - any lessons learned or insights gained which may be applicable to the design of future projects of a similar nature.

- the *Appendices* of the Evaluation Report will include, at a minimum, a copy of this Scope of Work, the Logical Frameworks for the AIM and MAP Projects, a list of the documents consulted, the individuals and agencies contacted, and any in-depth findings or analyses required to support the conclusions and recommendations made by the team.

The body of the Final Evaluation Report is to be translated into French by the contractor as part of this work order. The abstract and narrative portions of the *USAID Evaluation Summary Form* are also the responsibility of the contractor.

**ANNEX II**  
**EVALUATION WORK PLAN AND SCHEDULE**

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# AIM AND MAP PROJECTS MIDTERM EVALUATION: WORK PLAN

## EXECUTIVE SUMMARY

### I. Introduction

#### A. Brief Summary of Projects/Implementors

#### B. Team Composition and Evaluation Methodology

#### C. Purpose of the Evaluation and Primary Issues Raised in the Evaluation

*The overall purpose of the evaluation is to measure each project's level of accomplishments to date. More specifically the evaluation will:*

- look at the impacts and means of measuring impacts for each project.
- examine whether adjustments are necessary so that the projects better support the Mission's new Strategic Objective No. 3: An expanded base of stakeholders in the economy, targeting people of below-median income.
- specifically examine MAP and AIM complementarity.

### II. AIM AND MAP PROJECTS

#### A. AIM: Accessing International Markets

##### 1. Description of Components

- a. Volunteer Executives Technical Assistance
- b. Business Development Services
- c. Moroccan-U.S. Tourism Promotion (MUST) Program

##### 2. Inputs and Outputs

*Discuss and document the extent to which AIM is achieving satisfactory progress toward their stated objectives.*

- Examine progress vis-a-vis the Project Paper logical framework, annual workplans, and cooperative agreement.
- Examine training results, including adherence to the target female/male training ratios.
- Discuss constraints to implementation.
- Discuss the relevance of original design to current USAID strategy and whether the project objectives are still attainable or should be adjusted.

### **3. IESC Management and Cost Effectiveness**

- Assess the strengths and weaknesses of the AIM project management structures and performance.
- Suggest possible changes which could improve administrative/managerial coordination and overall effectiveness in supporting the Mission's program level objectives.
- Discuss project costs compared to results and compared to alternative approaches to accomplishing the same objective.

### **4. Sustainability**

- Examine the sustainability of the project's economic impacts.
- Look at the alternatives for the sustainable delivery of services similar to those provided under AIM.
- Determine whether there are environmental concerns as a result of project-assisted agribusinesses that should be explored.

## **B. MAP: Morocco Agribusiness Promotion Project**

### **1. Description of Components:**

DAI and subcontractors  
PASA /USDA  
U. Minn/PSA

### **2. Inputs/outputs:**

Document how well MAP is progressing toward the stated objectives vis-a-vis the project paper logical framework, annual workplans and contract (DAI) or PASA/USDA agreement.

DAI and subcontractors  
PASA/USDA  
U. Minn/PSA

### **3. Management and Cost Effectiveness**

- Assess the strengths and weaknesses of the project management structure and performance.
- Suggest possible changes that could improve management coordination and overall effectiveness of the project in supporting the Mission's program-level objectives.
- Specifically examine the GOM public sector activities under this project and make recommendations for better overall management and coordination as appropriate.

#### **4. Sustainability**

See II.A.5. above.

### **III. Lessons Learned/Cross-cutting Issues**

#### **A. Cross-cutting Issues**

##### **1. Economic and Social Impact**

*Based on compiled information available to date, assess the degree of sustainable impact each of the principal project components has achieved or is likely to achieve on program level CPS indicators (SO 3. and the associated Program Outcomes. The systems for measuring impact are analyzed in sub-section 5.). In particular, assess the:*

- a. current and likely future impact of the project on increasing the following, in the case of AIM taking into account the Special Impact Study:
  - the capacity of firms to export as measured by actual exports;
  - employment, especially of women and households of below-median income;
  - increased productivity resulting from the adoption of U.S. technologies, including improved management practices;
  - Morocco's share in major export markets;
  - diversification of markets and products.
- b. opportunities for targetting sectors with high returns or other benefits that more directly support the Mission's new CPS and the SO of Economic Growth, including the effectiveness of using a priori "screens" versus budgetary set asides to target specific elements of the population.
- c. constraints and policy effects in the light of:
  - delays in policy reform in the transport sector, implementation of liberalization measures, and banking reforms to expedite commercial transactions and attract foreign investment.
  - the possible impact on U.S. industries and jobs of increased foreign competition; project compliance with USAID Policy Determination 20.

##### **2. Monitoring and Evaluation**

Evaluate the systems for gauging project impact according to CPS indicators. Determine whether project claims are realistic, consistent and do not duplicate one another. Recommend adjustments that will improve these indicators.

Review and assess the:

- a. adequacy of systems for tracking inputs and outputs.
- b. systems for tracking indicators in light of the Mission's SO concerning economic growth, including consideration of gender and income level of employees.
- c. Adequacy of cooperative agreement performance measures.
- d. original Social Soundness Analyses and the 1993 GENESYS project study, *Employment in Moroccan Agribusiness*, and update the framework for assessing impact.

**3. Project Overlap and Complementarity**

- Examine MAP and AIM complementarity and level of duplication.
- Look at possibilities of focusing effort in areas of greatest comparative advantage.

**4. Project/Mission Management**

- Assessment of USAID Morocco's capacity to manage the MAP and AIM projects in light of the Mission's recent restructuring.
- Suggestions to streamline the Mission's current project management responsibilities.

**5. Others**

- a. **Lessons Learned**

**IV. RECOMMENDATIONS**

**A. AIM**

**B. MAPP**

**C. USAID**

**Preliminary Schedule<sup>2</sup>**

<b>Date</b>	<b>Place</b>	<b>Tasks</b>
May 29	Rabat	Arrival Matt and Wyeth.
May 30-June 5	Rabat	Meetings USAID and TA Teams.
June 4	Rabat	Arrival Huntington.
June 6-10	Casablanca	Meet with DAI/IESC staff.
June 11	Travel to Agadir	
June 12-14	Agadir	MAP/AIM activities.
June 15	Travel to Marrakesh	MAP/AIM activities.
June 16/17	Marrakesh	" " "
June 18	Travel to Casablanca	" " "
June 19	Casablanca	Meet with IESC Team.
June 20	Travel to Fez/Meknes	MAP/AIM activities.
June 21-22	Fez/Meknes	" " "
June 23	Rabat	" " "
June 24-26	North of Rabat to Larache Rabat	MAP activities. PASA activities.
June 26-July 2	Casablanca	Meet with DAI team. PASA activities. Other AIM/MAP activities.
July 3-17	Rabat	Draft report submitted 12 July. 1995/Final Draft submitted 17 July.
July 17	Rabat	Comments/meetings.
July 18/19/20	Rabat	Departure of Team. Written comments from Mission due 24 July.
August 7	Washington, D.C.	Submission of English report. PES/diskette copy and other important documents.
August 21	Washington, D.C.	Submission of French report.
August 28	Rabat	USAID transmits comments on French version.
September 11	Washington, D.C.	Final French version submitted.

This program will allow the team to interview approximately 50 IESC clients and 50%-60% of DAI's activities.

<sup>2</sup> *Assumes covering AIM and MAP Project sites simultaneously.*

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**ANNEX III**  
**PERFORMANCE INDICATORS PASA AND PSA**

PASA Activities <sup>3</sup>	Performance Indicators
<p>1. Strengthen Moroccan food and agriculture regulatory environment, especially in the Ministry of Agriculture, to include opening dialogue regarding the feasibility of a "pest free zone."</p> <p>Inputs:</p> <p>Fully equipped pesticide residue testing lab.</p> <p>Fully equipped DPVCTRF central analysis lab electronically linked to regional labs and multiple ports of entry.</p> <p>EACCE central laboratory in Casablanca.</p> <p>Equipment to quarantine live plant and germplasm.</p> <p>Data bank of permissible pesticides.</p> <p>Decision whether to initiate feasibility study for a "pest free zone."</p> <p>Methodology established between EACCE and private sector to set grades and standards.</p>	<ol style="list-style-type: none"> <li>1. USDA/APHIS/IS will raise Moroccan plant and health inspection issues to senior staff level and will assign a Washington-based PPQ officer to handle Moroccan issues.</li> <li>2. APHIS senior staff person will make periodic visits (twice a year for first two years and annually thereafter).</li> <li>3. APHIS and DPVCTRF will hold annual or biannual work group meeting regarding efforts to increase information exchange, staff training and pest and disease surveillance and analysis.</li> <li>4. APHIS will assign pre-clearance inspectors during peak export seasons at Morocco's principle shipping ports.</li> <li>5. Moroccan programming activities will figure in the budget process of International Services.</li> <li>6. APHIS will cosponsor a seminar regarding plant protection and quarantine issues relevant to trade between Morocco and the United States.</li> <li>7. Number of fresh products on the enterable products list will increase twofold over the next three years.</li> <li>8. Articles in U.S. produce industry journals on increase in products in U.S. market.</li> <li>9. Morocco represented in international pesticide use and management conferences.</li> <li>10. Morocco will pass and enforce legislation effecting product stewardship by agrochemical companies doing business in-country.</li> <li>11. Reps from National Food Processors Associations laboratories will exchange techniques with EACCE.</li> <li>12. MARA, USDA and IAEC will address Med Fly and other pest eradication in intensive agriculture production areas.</li> <li>13. EACCE to organize with private sector technical seminars regarding international and U.S. grades and standards for food and agricultural products.</li> </ol>

<sup>3</sup> Per 1992 Action Plan. This has not be updated as a result of most recent action plan.

PASA Activities	Performance Indicators
<p>2. Strengthen commodity and price reporting while at the same time identifying and monitoring market windows for food and agricultural products on external markets.</p> <p>Inputs:</p> <p>Training for Cellule de Suivi des Marche (CSM) in collecting, analyzing and disseminating daily, weekly and monthly price and commodity reports.</p> <p>Linkage with CSM and market information services.</p> <p>Design of Agricultural trade Promotion Center (PARTENARIAT).</p> <p>Agricultural alert service available to all agricultural exporters.</p> <p>Regular meeting to address issues across commodity export system.</p>	<ol style="list-style-type: none"> <li>1. CSM makes available price and commodity reports relevant to performance of Moroccan products on external markets to a wide range of operators.</li> <li>2. Producers, exporters and associations will commission special price and commodity reports from the CSM.</li> <li>3. Exporters and associations will be electronically linked to the cellule.</li> <li>4. CSM and Partenariat will make market information available to exporters and other agribusiness operatives.</li> <li>5. Partenariat will research market information resources for agribusiness operatives and include this information in a newsletter.</li> <li>6. Partenariat will sponsor trade promotion seminars.</li> <li>7. Partenariat will provide referral services to foreign buyers and investors regarding government policies.</li> <li>8. Partenariat will organize seminars on topics relevant to public sector's responsibility within commodity export systems.</li> </ol>
<p>3. Strengthen the ability of small and medium size producers to participate in external marketing opportunities.</p> <p>Inputs:</p> <p>Methodology to determine identification of alternative crops for external markets.</p> <p>Information and funding to attend international trade shows.</p> <p>Telecommunications equipment for transmission of technical and market information.</p>	<ol style="list-style-type: none"> <li>1. Technical assessment in Oualidia to determine export crops that can be produced in the area.</li> <li>2. Small farmers wishing to export to attend trade shows with product samples.</li> <li>3. Data processing equipment provided to assist producers in generating and receiving technical and market information.</li> </ol>

**PSA INPUTS AND PERFORMANCE MEASURES**

TASK	INPUTS	PERFORMANCE MEASURES/OUTPUTS
<p><b>Agribusiness Training and Education:</b></p> <ul style="list-style-type: none"> <li>• An academic course of study leading to certificate in agribusiness.</li> <li>• A program of continuing education for agribusiness managers and food processing technicians.</li> <li>• A non degree certificate program for already employed professionals.</li> </ul>	<p>8 PM ST TA 39 PM ST training in U.S. 6-2 wk seminars in Morocco.</p>	<ul style="list-style-type: none"> <li>• A proposal for accreditation of academic course in agribusiness.</li> <li>• Short courses addressing primary issues.</li> <li>• Certified professional training programs established.</li> <li>• Fee structure established.</li> <li>• FDA approval to teach Better Process Control School at IAV.</li> <li>• Monitoring program established to incorporate participant feedback</li> </ul>
<p><b>Support to Growers through Applied research and Extension</b></p> <ul style="list-style-type: none"> <li>• Expand Disease Diagnostic Services, IPM Services and Soil, Plant and Water Analysis Services at CHA.</li> </ul>	<p>6 PM STTA 10 PM ST training/U.S. equipment</p>	<ul style="list-style-type: none"> <li>• Review/revision program design, equipment/supplies and proposed operating procedures.</li> <li>• Establishment and operation of center for disease diagnostic services, IPM and soil and water analysis.</li> <li>• Establish fee structure.</li> </ul>
<p><b>Pilot Food Processing Plant</b></p> <ul style="list-style-type: none"> <li>• Establish</li> </ul>	<p>4 PM STTA 6 PM ST training equipment</p>	<ul style="list-style-type: none"> <li>• Operational facility.</li> <li>• Workshops and short courses offered.</li> <li>• Development of new products and processes on a contract basis.</li> </ul>

**ANNEX IV**  
**EXPORT AND EMPLOYMENT IMPACT**  
**BACKGROUND TABLES**

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**TABLE IV-1a. EMPLOYMENT PROFILES IN POST-HARVEST HORTICULTURAL INDUSTRIES, 1992-93**

Total figures refer to the average number of women and men employed in post-harvest plants

Employment Position and Work Status	Fruit & vegetable conserves		Olives & Olive Oil		Spices & Condiments		Wine	
	Women	Total	Women	Total	Women	Total	Women	Total
Directors (Managers)	0.0%	1	11.5%	2	0.0%	3	0.0%	3
Administrative staff	0.0%	4	8.5%	3	25.0%	2	20.8%	8
Technical staff	0.0%	5	12.5%	3	0.0%	1	4.5%	7
Personnel staff	41.4%	10	65.3%	5	87.5%	4	40.7%	29
Permanent: skilled	17.9%	14	4.5%	21	0.0%	4	1.8%	94
unskilled	42.6%	22	55.4%	70	25.7%	37	4.0%	34
Seasonal: skilled	36.4%	34	40.9%	6	0.0%	5	0.0%	25
unskilled	68.2%	231	80.9%	128	81.1%	329	9.3%	29
<b>Total</b>	<b>58.1%</b>	<b>320</b>	<b>63.2%</b>	<b>235</b>	<b>73.0%</b>	<b>384</b>	<b>8.5%</b>	<b>228</b>

Employment Position and Work Status	Citrus		Early vegetables		Flowers		Cold Storage Units	
	Women	Total	Women	Total	Women	Total	Women	Total
Directors (Managers)	0.0%	3	0.0%	1	12.5%	4	16.7%	2
Administrative staff	5.0%	3	0.0%	0	22.2%	5	0.0%	1
Technical staff	3.8%	4	0.0%	0	27.3%	6	0.0%	2
Personnel staff	22.5%	7	15.0%	1	22.2%	5	28.6%	7
Permanent: skilled	1.0%	16	0.0%	3	0.0%	46	0.0%	15
unskilled	2.3%	7	0.0%	1	21.6%	26	55.6%	15
Seasonal: skilled	8.6%	6	0.0%	0	54.5%	11	0.0%	0
unskilled	67.6%	390	76.1%	69	83.1%	505	66.9%	163
<b>Total</b>	<b>61.0%</b>	<b>436</b>	<b>69.2%</b>	<b>76</b>	<b>71.8%</b>	<b>606</b>	<b>58.5%</b>	<b>205</b>

Source: Calculated from Tables 17-32 in "Gender and Employment in Moroccan Agribusiness" Vol. II "Enterprise Analysis", Sep. 1993

**TABLE IV-1b. ESTIMATED TOTAL EMPLOYMENT IN POST-HARVEST HORTICULTURAL INDUSTRIES, 1992-93**

	Total no. of plants	No. plants in sample	Total emp.,		Extra-polated employment
			Women	avg. firm in sample	
Fruit & veg. conserves	47	6	58.1%	320	15,032
Olives & olive oil	113	16	63.2%	235	26,604
Spices & condiments	8	2	73.0%	384	3,068
Wine	13	3	8.5%	228	2,968
Citrus	78	10	61.0%	436	34,021
Early vegetables	136	14	69.2%	76	10,336
Flowers	38	5	71.8%	606	23,009
Cold Storage Units	48	3	58.5%	205	9,840
<b>Total</b>	<b>481</b>	<b>59</b>	<b>62.6%</b>	<b>260</b>	<b>124,879</b>

Source: Calculated from "Gender and Employment in Moroccan Agribusiness", Tables 17-32 in Vol. II "Enterprise Analysis", and Table 2 and Annex C in Vol. V "Research Design and Methodology", Sep. 1993

ANNEX TABLE IV-2a. AGRICULTURAL EXPORTS FROM MOROCCO, 1992

		World			United States		
Project concerned with the sector		Quantity (1,000 mt)	Value (US\$ m.)	% Total Value	Quantity (1,000 mt)	Value (US\$ m.)	% Total Value
<b>Fish</b>							
Fresh	--	127.1	394.9	33.0%			0.0%
Processed	AIM	55.1	159.5	13.3%	2.7	14.3	27.0%
		182.2	554.4	46.3%	2.7	14.3	27.0%
<b>Fresh fruit</b>							
Citrus	--	501.0	171.2	14.3%	6.3	2.8	5.3%
Other	MAP	5.8	5.7	0.5%	0.0	0.0	0.0%
		506.8	176.9	14.8%	6.3	2.8	5.3%
<b>Fresh vegetables</b>							
Tomatoes	MAP	139.4	60.4	5.0%			
Potatoes	MAP	103.9	31.0	2.6%			
Other	MAP	12.8	12.1	1.0%			
		256.1	103.5	8.6%	0.0	0.0	0.0%
<b>Processed fruit and vegetables</b>							
Veg. in brine	AIM, MAP	4.9	14.3	1.2%	0.3	1.1	2.1%
Veg. frozen	AIM, MAP	7.2	11.2	0.9%			
Veg. dehydrated	AIM, MAP	15.8	23.7	2.0%	0.2	0.4	0.8%
Citrus juice	--	15.7	12.8	1.1%			
Olives	AIM, MAP	45.9	55.3	4.6%	7.3	9.6	18.1%
Pickles	AIM, MAP	5.8	9.4	0.8%	0.1	0.2	0.4%
Apricots	AIM, MAP	11.0	14.7	1.2%			0.0%
Tomatoes	AIM, MAP	4.0	13.5	1.1%	1.8	6.0	11.3%
Green beans	AIM, MAP	2.8	4.9	0.4%			
Other	AIM, MAP	3.5	6.0	0.5%	0.1	0.0	0.0%
		116.6	165.8	13.9%	9.8	17.3	32.7%
<b>Plants and seeds</b>							
Roses and flowers	AIM, MAP	2.3	14.1	1.2%			
Other	AIM, MAP	26.2	31.7	2.6%	0.6	2.1	4.0%
		28.5	45.8	3.8%	0.6	2.1	4.0%
Spices	AIM, MAP	13.3	13.0	1.1%	1.3	1.7	3.2%
Essential oils	AIM, MAP	0.2	7.2	0.6%		0.8	1.5%
Olive Oil	AIM, MAP	5.5	10.2	0.9%	3.3	6.3	11.9%
Other	--		120.1	10.0%		7.6	14.4%
<b>Total</b>			<b>1,196.9</b>	<b>100.0%</b>		<b>52.9</b>	<b>100.0%</b>
Total exports from subsectors in which projects work:							
AIM			388.7	32.48%		42.5	80.34%
MAP			341.8	28.3%		28.2	53.3%

\* The projects do not assist exports of black olives.

Source: Official Government of Morocco trade data, summarized by Aziz Abdelali in "Agricultural Situation 1994" Agricultural Attaché's Office, U.S. Embassy, Rabat.

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ANNEX TABLE IV-2b. AGRICULTURAL EXPORTS FROM MOROCCO, 1993

	Project concerned with the sector	World			United States		
		Quantity (1,000 mt)	Value (US\$ m.)	% Total Value	Quantity (1,000 mt)	Value (US\$ m.)	% Total Value
<b>Fish</b>							
Fresh	--	136.9	393.2	34.6%	0.1	0.2	0.4%
Processed	AIM	57.1	147.5	13.0%	3.0	15.2	33.3%
		194.0	540.7	47.6%	3.1	15.4	33.8%
<b>Fresh fruit</b>							
Citrus	--	510.0	155.8	13.7%	2.8	0.9	2.0%
Other	MAP	13.3	10.5	0.9%	0.0	0.0	0.0%
		523.3	166.3	14.6%	2.8	0.9	2.0%
<b>Fresh vegetables</b>							
Tomatoes	MAP	162.4	53.1	4.7%			
Potatoes	MAP	61.0	20.0	1.8%			
Other	MAP	17.5	12.3	1.1%	**	0.1	0.2%
		240.9	85.4	7.5%	0.0	0.1	0.2%
<b>Processed fruit and vegetables</b>							
Veg. in brine	AIM, MAP	3.8	10.2	0.9%	0.1		
Veg. frozen	AIM, MAP	4.8	7.7	0.7%			
Veg. dehydrated	AIM, MAP	9.4	13.7	1.2%	0.1	0.7	1.5%
Citrus juice	--	11.3	9.3	0.8%			
Olives	AIM, MAP	42.1	51.6	4.5%	3.8	6.0	13.2%
Pickles	AIM, MAP	5.9	10.8	1.0%	0.2	0.3	0.7%
Apricots	AIM, MAP	15.7	14.1	1.2%	0.2	0.3	0.7%
Tomatoes	AIM, MAP	3.1	10.5	0.9%	1.5		
Green beans	AIM, MAP	3.5	5.3	0.5%			
Other	AIM, MAP	35.7	50.9	4.5%	0.4	5.9	12.9%
		106.0	143.2	12.6%	6.1	12.5	27.4%
<b>Plants and seeds</b>							
Roses and flowers	AIM, MAP	2.5	13.8	1.2%			
Other	AIM, MAP	0.4	2.8	0.2%			
		2.9	16.6	1.5%	0.0	0.0	0.0%
Spices	AIM, MAP	7.8	9.2	0.8%	1.4	1.4	3.1%
Essential oils	AIM, MAP	0.5	14.6	1.3%	0.1		
Olive Oil	AIM, MAP	0.4	0.8	0.1%	0.1		
Other	--		158.9	14.0%		15.3	33.6%
<b>Total</b>			1,135.7	100.0%		45.6	100.0%
<b>Total exports from subsectors in which projects work</b>							
AIM			322.6	28.4%		29.1	63.8%
MAP			271.0	23.9%		14.0	30.7%

\* The projects do not assist exports of black olives

Source: Official Trade Data

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**ANNEX TABLE IV-3. PRELIMINARY ESTIMATES OF EMPLOYMENT IMPACT PER METRIC TON OF EXPORTS PROMOTED BY MAP**

<b>Frozen Strawberries</b>		<b>Melons</b>	
<b>Field labor</b>	<b>Metric tons</b>	<b>Field labor</b>	<b>Metric tons</b>
Strawberry production	50	Melon production	60
	Person		Person
	days		days
All labor (\$)	\$4,600	Soil preparation (Dh)	9,000
Labor cost per day (\$)	\$3.75	Production labor (Dh)	35,000
All labor (person days)	1,227	Total labor (Dh)	44,000
Person days per metric ton	25	Labor cost per day (Dh)	35
<b>Freezing plant</b>		Person days, total	1,257
Workers	25	Person days per metric ton	20.952
Capacity (mt/day)	14	<b>Packing plant</b>	
Person days/mt	1.8	Person days/mt	0.5
<b>Total impact on employment</b>		<b>Total impact on employment</b>	
Person days/mt	26.319	Person days/mt	21.452
Person months@ 25days/mt	1.053	Person months@ 25days/mt	0.858
Jobs/mt (@ 8 months/job)	0.132	Jobs/mt (@ 8 months/job)	0.107
<b>Percent field labor</b>	<b>93.2%</b>	<b>Percent field labor</b>	<b>97.7%</b>

Source: (a) Field labor: William J. Grant et al. "Moroccan Fresh Fruit Subsector Study and Recommendations for Project Actions", MAPP-13, Jan. 1995. Strawberries: page V-15. Melons: page III-16. (b) Processing plant labor: Strawberries – assumptions based on information from visits to plants. Melons: assumed same as potatoes.

Wild strawberries: There are 5 times as many berries per kilo as for ordinary strawberries. An assumption was made that they would take 4 times as much labor to produce and process.

<b>Early Tomatoes</b>		<b>Early Potatoes</b>	
<b>Production and field labor</b>		<b>Production and field labor</b>	
	<b>Metric tons</b>		<b>Metric tons</b>
Tomato production	100	Potato production	80
	Person		Person
	days		days
All labor	1,500	All labor	200
Person days/metric ton	15.00	Person days/metric ton	2.50
<b>Packing plant</b>		<b>Packing plant</b>	
Workers		Workers	
Capacity (mt/day)		Capacity (mt/day)	
Person days/mt	3.00	Person days/mt	0.50
<b>Total impact on employment</b>		<b>Total impact on employment</b>	
Person days/mt	18.000	Person days/mt	3.000
Person months@ 25days/mt	0.720	Person months@ 25days/mt	0.120
Jobs/mt (@ 8 months/job)	0.090	Jobs/mt (@ 8 months/job)	0.015

Source: (a) Field labor: William J. Grant et al. "Moroccan Early Fresh Vegetable Subsector Study and Recommendations for Project Action", MAPP-4, Dec. 1993, Annex 4. (b) Processing plant labor assumed to be 20% of field labor.

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**ANNEX TABLE IV-4. PRELIMINARY ESTIMATES OF EMPLOYMENT IMPACT PER CONTAINER OF EXPORTS PROMOTED BY AIM**

<b>Fish</b>		<b>Olives</b>	
<b>Sardines</b>	Person days	<b>Field labor</b>	
Case 1	200	Yield per hectare	1.3
Case 2	300	Field labor (person days)	30
Case 3	600	Person days per metric ton	23.08
<b>Anchovies</b>		Person months*	0.9
Case 1	600	Jobs (@ 8 months/job)	0.115
Case 2	1,040	<b>Processing plant labor</b>	
Case 3	1,300	Receiving labor	
Source: Fish processing firms		Tons received per day	250
		Receiving labor, workers	250
		Person days per metric ton	1.00
	<b>Assumptions</b>	Processing labor	
<b>Sardines</b>		Processing labor, workers	240
Person days	350	Cases per day (number)	3,667
Person months*	14.0	Olives per case (kg)	11.70
Jobs (@ 8 months/job)	1.8	Person days per metric ton	5.59
<b>Anchovies</b>		<b>Total processing plant labor</b>	
Person days	800	(person days per metric ton)	6.59
Person months*	32.0	Person months @ 25 days/mo.	0.3
Jobs (@ 8 months/job)	4.0	Jobs (@ 8 months/job)	0.033
		<b>Total labor per metric ton</b>	
		Person days per metric ton	29.67
		Person months @ 25 days/mo.	1.19
		Jobs (@ 8 months/job)	0.148
		<b>Total labor per 20 ft. container</b>	
		Drained weight of olives per container (metric tons)	13.26
		Person days per container	393.44
		Person months @ 25 days/mo.	15.74
		Jobs (@ 8 months/job)	1.967
		Percent field labor	77.78%
		Percent processing plant labor	22.22%
			100.00%

Sources for olives: (a) Field labor: MAMVA/DPV. (b) Processing plant labor: William J. Grant et al. "Olive Subsector Study and Recommendations for Project Activities". MAPP - 2. Jan. 1994, page V-5. (c) Weight of olives per container: AIM project

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ANNEX TABLE IV-5. AIM PRELIMINARY ESTIMATES OF EMPLOYMENT IMPACT

Product	Value exported			Value of 1 container	Jobs per container	Number of containers			Number of Jobs		
	On-going Business	New Business	All Business			On-going	New	Combined	On-going	New	Combined
<b>Fish</b>	(\$)	(\$)	(\$)								
Anchovies	2,413,712	4,197,250	6,610,962	120,000	4	20	35	55	80	140	220
Sardines	4,180,389	1,643,580	5,823,969	45,000	1.8	93	37	129	163	64	226
Sardines		193,623	193,623	45,000	1.8	0	4	4	0	8	8
Cephalopods		390,570	390,570					0			0
<b>Total fish</b>	<b>6,594,101</b>	<b>6,425,023</b>	<b>13,019,124</b>	<b>210,000</b>	<b>8</b>	<b>113</b>	<b>76</b>	<b>189</b>	<b>243</b>	<b>211</b>	<b>454</b>
<b>Horticulture - preserves</b>											
Apricot halves	227,000		227,000					0			0
Capers	167,386	202,986	370,372					0			0
Cipollini	139,726		139,726					0			0
Gherkins	11,751	451,627	463,378					0			0
Herbs		174,095	174,095					0			0
Herbs		245,140	245,140					0			0
Herbs, essential oils	4,110		4,110					0			0
Mushroom/terfess		37,565	37,565					0			0
Olive oil		48,000	48,000					0			0
Olive oil	655,659		655,659					0			0
Olives		349,448	349,448	17,500	1.97	0	20	20	0	39	39
Olives		21,803	21,803	17,500	1.97	0	1	1	0	2	2
Olives	5,111,008	102,937	5,213,945	17,500	1.97	292	6	298	575	12	586
Paprika powder		198,450	198,450					0			0
Roasted peppers		667,875	667,875					0			0
<b>Total horticultur</b>	<b>6,316,640</b>	<b>2,499,926</b>	<b>8,816,567</b>	<b>52,500</b>	<b>6</b>	<b>292</b>	<b>27</b>	<b>319</b>	<b>575</b>	<b>53</b>	<b>628</b>
<b>Fresh</b>											
Melons, Galia (figures are per ton instead of per container)		1,803,787	1,803,787	1,650	0.107	0	1,093	1,093	0	117	117
<b>Other</b>											
Snails		70,950	70,950					0			0
<b>Overall total</b>	<b>12,910,741</b>	<b>10,799,687</b>	<b>23,710,428</b>	<b>264,150</b>	<b>14</b>	<b>405</b>	<b>1,196</b>	<b>1,601</b>	<b>818</b>	<b>382</b>	<b>1,199</b>

**ANNEX TABLE IV-6. BDS- ASSISTED EXPORTS BY YEAR**  
(On-going and new business combined)

	1992	1993	1994	1995	Total	% of overall	Value of 1 container	Number of containers	Jobs per container	Total jobs
	(\$)	(\$)	(\$)	(\$)	(\$)		(\$)			
Anchovies	1,831,400	1,955,612	2,548,950	275,000	6,610,962	26.3%	120,000	55	4.0	220
Sardines	272,800	1,974,100	2,163,479	1,607,253	6,017,632	24.0%	45,000	134	1.8	234
Mackerel			54,570		54,570	0.2%				
Cephalopods			336,000		336,000	1.3%				
<b>Total fish</b>	<b>2,104,200</b>	<b>3,929,712</b>	<b>5,102,999</b>	<b>1,882,253</b>	<b>13,019,164</b>	<b>51.9%</b>				
Olives*	1,046,905	1,273,896	1,830,785	1,432,548	5,584,134	22.2%	17,500	319	0.1	30
Olive oil	572,499	83,160		48,000	703,659	2.8%				
Capers	82,485	122,853	165,034		370,372	1.5%				
Gherkins	22,978	97,002	343,399		463,378	1.8%	21,000			
Melons, 1993		1,345,454			1,345,454	5.4%				
Melons, 1994			458,333		458,333	1.8%				
Herbs & spices		240,715	182,630		423,345	1.7%				
Paprika powder		134,750	63,700		198,450	0.8%				
Roasted pepper		195,000	472,875		667,875	2.7%				
Apricot halves		221,000			221,000	0.9%				
Sundried tomatoes			6,000		6,000	0.0%				
Cipollini		55,320	84,406		139,726	0.6%				
Mushroom terfess				37,565	37,565	0.1%				
Snails			70,950		70,950	0.3%				
<b>Total horticulture**</b>	<b>1,724,867</b>	<b>3,769,149</b>	<b>3,678,113</b>	<b>1,518,112</b>	<b>10,690,241</b>	<b>42.6%</b>				
Hort. less '94 melons	1,724,867	3,769,149	3,219,779	1,518,112	10,231,908	41.5%				
Fossils		170,671			170,671	0.7%				
Rugs	69,222	14,138	228,308		311,668	1.2%				
Handicrafts	32,733	523,332	298,142	54,322	908,529	3.6%				
<b>Total handicrafts</b>	<b>101,955</b>	<b>537,471</b>	<b>526,450</b>	<b>54,322</b>	<b>1,220,197</b>	<b>4.9%</b>				
<b>TOTAL</b>	<b>3,931,022</b>	<b>8,407,003</b>	<b>9,307,561</b>	<b>3,454,687</b>	<b>25,100,273</b>	<b>100.0%</b>		<b>508</b>		<b>485</b>
Total less melons	3,931,022	8,407,003	8,849,228	3,454,687	24,641,940					
Percentage of exports included in employment estimate						72.6%				

\* The project now promotes only green olives

\*\* Snails included.

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**ANNEX TABLE IV-7**

**RENDEMENT MOYEN ET MAIN D'OEUVRE PAR HECTARE (1)  
PRINCIPALES ESPECES HORTICOLES**

	<i>Rdt T/HA</i>	<i>JT/Ha</i>
<b>CULTURES MARAICHÈRES</b>		
<b>Primeurs</b>		
<i>Tomate - sous serre</i>	<i>80 - 20</i>	<i>1000 - 2000</i>
<i>- plein champs</i>	<i>40 - 50</i>	<i>600</i>
<i>Pomme de terre</i>	<i>15</i>	<i>130</i>
<i>Fraises sous serre</i>	<i>50</i>	<i>750</i>
<i>Melons sous serre</i>	<i>40</i>	<i>800</i>
<i>Autres - sous serre</i>	<i>30 - 100</i>	<i>850</i>
<i>- plein champs</i>	<i>10 - 30</i>	<i>150</i>
<b>Saison</b>		
<i>Pomme de terre</i>	<i>15 - 25</i>	<i>110</i>
<i>Tomate</i>	<i>30</i>	<i>150</i>
<i>Oignon</i>	<i>20</i>	<i>80</i>
<i>Melon-pasteque</i>	<i>20</i>	<i>100</i>
<i>Autres légumes</i>	<i>15</i>	<i>120</i>
<b>ABORICULTURE FRUITIERE</b>		
<i>Agrumes</i>	<i>20</i>	<i>150</i>
<i>Olivier</i>	<i>1,3</i>	<i>30</i>
<i>Rosacées</i>	<i>12</i>	<i>250</i>
<i>(Abrocotier)</i>	<i>(8)</i>	<i>(200)</i>
<i>Amandier</i>	<i>1</i>	<i>30</i>
<i>Palmier dattier</i>	<i>2</i>	<i>150</i>
<i>Vigne</i>	<i>5</i>	<i>90</i>
<i>Autres espèces</i>		<i>20</i>
<b>FLEURS</b>		
<i>Rosier</i>	<i>500*</i>	<i>1,000</i>
<i>Oeillet</i>	<i>1000*</i>	<i>1,000</i>

\* en mille tiges

(1) données moyennes variables en fonction des régions et des train techniques

Source: Direction de Production Végétale, Ministère d'Agriculture et de la Mise en Valeur Agricole

**ANNEX V**  
**LOGFRAMES FOR AIM AND MAP**

<b>ACCESSING INTERNATIONAL MARKETS (AIM) LOGICAL FRAMEWORK</b>			
<b>NARRATIVE SUMMARY AIM/IESC</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS</b>	<b>MEANS OF VERIFICATION</b>	<b>IMPORTANT ASSUMPTIONS</b>
<p><b>Program Goal</b></p> <p>To promote broad-based, self sustainable economic growth leading to increased income and employment.</p>	<p><b>Measures of Goal Achievement</b></p> <p>Lower prices to consumers through increased efficiency and competition.</p> <p>Increase per capita income. Increased GNP.</p> <p>Standard of living increased.</p>	<p>Macroeconomic statistics reported by the Ministries of Finance, Commerce and Industry, Foreign Investment, the Central Bank, the Office de Change, the World Bank and IMF.</p>	<p><b>Assumptions for achieving goal targets</b></p> <p>Strengthening individual firms will result in the creation of more jobs, in lower priced goods and will benefit the general standard of living and increased equity.</p> <p>Creation of wealth through entrepreneurial effort will be the driving force of socioeconomic development.</p> <p>Broad-based support to the private sector will result in increased competition.</p> <p>Manufacturing sector currently contributes substantially to socioeconomic growth and development.</p>

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ACCESSING INTERNATIONAL MARKETS (AIM) LOGICAL FRAMEWORK			
NARRATIVE SUMMARY AIM/IESC	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><b>Purpose</b></p> <p>To assist Moroccan companies to successfully manage entry and increase their competitiveness in international markets (particularly the U.S.), by increasing their ability to adopt new technologies, produce more efficiently, attract foreign investment, export, contribute greater value added and create jobs.</p>	<p>Conditions that will indicate purpose has been achieved (EOPS).</p> <p>Over 230 firms assisted.</p> <p>At least 20 new technologies, products or processes mastered.</p> <p>Thirty firms achieved trial export shipments.</p> <p>Six firms will have achieved major export "breakthroughs."</p> <p>Total exports by project assisted firms reached \$83 million.</p> <p>Fourteen or more foreign investment ventures signed.</p> <p>Additional U.S. tourists in Morocco number 40,000.</p> <p>Contributions of \$56 million in foreign exchange earnings.</p> <p>Privatization assistance provided as requested by USAID.</p> <p>Private associations and government organizations assisted by IESC.</p>	<p>Means of Verification</p> <p>Volunteer Executive End of Tour Reports.</p> <p>IESC Quarterly Reports.</p> <p>Project Evaluations.</p> <p>Trade statistics.</p> <p>Industry statistics.</p>	<p>Assumption for achieving purpose</p> <p>Moroccan private sector can take advantage of IESC services.</p> <p>Increased profits will be invested into plant expansion, jobs, etc.</p> <p>Morocco has sufficient comparative advantage to export, attract investment and tourists. Without IESC services, full benefit of these advantages cannot be taken.</p>

ACCESSING INTERNATIONAL MARKETS (AIM) LOGICAL FRAMEWORK			
NARRATIVE SUMMARY AIM/IESC	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<b>Outputs</b> 1. Companies' operations and management improved. 2. Joint and coventure agreements signed. 3. Market studies produced. 4. Export orders signed. 5. Companies privatized. 6. Technologies mastered. 7. Foreign investment stimulated. 8. Company specific training and seminars conducted. 9. Government services improved. 10. IESC/Casablanca management strengthened.	<b>Magnitude of Outputs</b> Number of VE assignments completed — 155 (24 TIS assisted companies, 11 MUST assisted companies and up to 15 assistance to groups of companies, associations, government entities or privatization efforts). Twenty-five ABLE services completed. Eighteen TIS sector surveys completed. Seven marketing associates assist Moroccan companies. Forty-two buyers visit Morocco. Sixty U.S. sellers visit Morocco. Thirty-three U.S. investors visit Morocco. Thirty Moroccan export firms make trial export shipments. Six Moroccan export firms make trade breakthroughs. A cumulative total of \$83 million in exports generated by TIS-assisted companies. 14 joint or co-ventures are signed worth \$7.5. 3-4 Familiarization tours completed.	<b>Means of Verification</b> VE End of Tour Reports. IESC Quarterly Reports. Project Evaluations. Site visits. Quarterly reimbursement requests. Quarterly reports. Controllers records.	<b>Assumption for achieving outputs</b> Market demand for IESC services exist. IESC VEs offer a unique service which competes with no local consultancy firm.

<b>MOROCCO AGRIBUSINESS PROMOTION (MAP) LOGICAL FRAMEWORK</b>			
<b>NARRATIVE SUMMARY</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS</b>	<b>MEANS OF VERIFICATION</b>	<b>IMPORTANT ASSUMPTIONS</b>
<p><b>Program or Sector Goal</b></p> <p>To increase the contribution that the private, commercial, agribusiness sector makes to the GDP, foreign exchange earnings, employment and income.</p>	<p><b>Measures of Goal Achievement</b></p> <p>Increased permanent and seasonal employment opportunities.</p> <p>Increased percentage of household revenue derived from agribusiness sector.</p> <p>Increased contribution of agribusiness sector to GDP.</p> <p>Increased foreign exchange earnings from agribusiness exports.</p>	<p>GOM and USAID monitoring.</p> <p>National employment statistics.</p> <p>Family income survey results.</p> <p>National trade statistics.</p>	<p>Private sector agribusiness entities are responsive to market preferences.</p> <p>Morocco suffers no major economic shock related to oil pricing or drought.</p> <p>Level of protection does not increase in potential agribusiness markets overseas.</p>
<p><b>Project Purpose</b></p> <p>To increase the capacity of the private agribusiness sector in Morocco to produce, package, and market, both domestically and internationally, a wide variety of agricultural commodities.</p>	<p><b>End-of-Project Status</b></p> <p>Increased investment in the agribusiness sector.</p> <p>Increased investment activity by U.S. agribusiness firms in Morocco.</p> <p>Increased human capital available to the agribusiness sector.</p> <p>A major reorientation of the Hassan II Agricultural University to private sector agricultural needs.</p> <p>A recognition by the public sector of its appropriate role in supporting private, commercial demand-driven agriculture.</p> <p>Policy recommendations acted on by the GOM.</p>	<p>USAID and GOM monitoring.</p> <p>National employment statistics</p> <p>GOM import statistics.</p> <p>GOM agric statistics.</p> <p>Socioeconomic and technical studies.</p> <p>Evaluation reports.</p> <p>Project monitoring reports.</p>	<p>Morocco and U.S. agribusiness respond to increased attractiveness of investment climate credit.</p> <p>GOM continues economic liberalization policies.</p>

<b>MOROCCO AGRIBUSINESS PROMOTION (MAP) LOGICAL FRAMEWORK</b>			
<b>NARRATIVE SUMMARY</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS</b>	<b>MEANS OF VERIFICATION</b>	<b>IMPORTANT ASSUMPTIONS</b>
<p><b>Outputs</b></p> <p>1. Studies which target key administrative constraints in the marketing of agricultural products and services.</p> <p>2. Proposals for privatizing government-owned agribusiness enterprises.</p> <p>3. Analyses of technical and processing improvements.</p> <p>4. Organizational improvement consultancies.</p> <p>5. Trained participants in agribusiness management programs, both U.S.- and Morocco-based.</p> <p>6. Moroccans participating in U.S. agribusiness internships.</p> <p>7. Agribusiness Management Program at IAV.</p> <p>8. Pre-feasibility studies.</p> <p>9. Increased agribusiness promotion activities.</p>	<p><b>Magnitude of Outputs</b></p> <p>Number of technical and socioeconomic studies completed.</p> <p>Number of proposals completed.</p> <p>Number of analyses completed.</p> <p>Number of consultancies.</p> <p>Number of participants completing training programs.</p> <p>Number of Moroccan interns.</p> <p>Certification of agribusiness management program.</p> <p>Number of studies.</p> <p>Number of promotional activities with Moroccan participation.</p>	<p>GOM/MARA reports.</p> <p>Evaluation reports.</p> <p>Contractor reports.</p>	<p>Timing and quality of inputs.</p> <p>Relatively normal regional climate and rainfall throughout life of project; irrigated areas receive adequate supplies of water.</p>

**ANNEX VI**  
**PEOPLE INTERVIEWED**

**PEOPLE INTERVIEWED FOR AIM AND MAP EVALUTIONS**

NAME OF COMPANY	LOCATION	PEOPLE INTERVIEWED	SECTOR	PROJECT
Agousti	Larache	Virgilio Agusti, Director	Agr/ Process	MAP
Agrin Maroc:	Fes	Chami Mouhssine, General Manager	Agro.	AIM/ MAP
Aicha/Les Conserves de Meknes:	Meknes	Dan Devico, Administrateur Mardochee Devico, President Directeur General	Agr/ Process	AIM MAP
Amandine International	Agadir	Tahar Chekroun, Directeur Commercial Alaoui Belghiti Oussama, Directeur d'Exploitation	Fish	AIM BDS
AMPEXFLEUR	Casablanca	Nezha Sekkat Benchekroune, Secretary General Ali Bennami Smirez Abdelatif Moumille	Assoc.	MAP
APEFEL	Agadir	Benabjeljalic Fouad, Secretary General Dahri Abdenejmen Ajana Mohamed Kabbage Mohamed Mme. Loukili Fatiha Chengly Salah Addahri Yamani	Assoc.	MAP
Assamak Belma	Agadir	Arnaud Marty	Fish	AIM
Benco Trading	Casablanca	Ahmed Bennani, President & Directeur General	Man Importer	AIM/ BDS
BIMO	Casablanca	Driss Meskini, President delegue Rene Ebbo, Administrateur	Man/Agr Sector	AIM/ VETA/ BDS
Carnaud Maroc	Casablanca	Abdelhamid Berrada, Directeur Industriel	Man.	AIM/ VETA
CASEM	Casablanca	Tazi Hassan, General Manager	Agro.	MAP
Celliers de Meknes	Meknes	Omar Aouad Directeur General	Wine	MAP AIM
Chambre d'Agriculture de Marrakech	Marrakech	El Hadiri M'hamed	Gov't	MAP

NAME OF COMPANY	LOCATION	PEOPLE INTERVIEWED	SECTOR	PROJECT
Complexe Horticole d'Agadir	Agadir	Mimoun Mokhtari	University	MAP
Cooperative Arboricole et Ait Yazem/Association de Developpement Arboricole de Meknes	Meknes	Belkora Aboubakar	Assoc.	MAP
DAI/AMI	Casablanca	Donald S. Humpal, Chief of Party Patrick A. Fachot, International Marketing Expert William J. Grant, Agricultural Economist Abdellatif Aboulkassimi, Horticultural Industry Specialist Rodrigo Brenes, Agribusiness Specialist		
DAI	Bethesda	Jean Meinhard Gilson, Director Investment and Privatization Services Max Goldenson Richard Abbott Melissa Graham/MDTC Elise Pinkow/MDTC Rebecca Army		
Direction de la Programmation et des Affaires Economiques/Cellule de Suivi des Marchés	Rabat	Dr. Hassan Serghini, Chef de la Division (DPAE/DAPPA) Mr. Abdelsalam Falouss, Chef de Service Prix	Gov't	MAP
EACCE	Agadir/ Casablanca	Ahmed Jawad, Directeur General Saad Benchakroune, Sous Dir. Najib Mikou, Chef du Depart. Developpement Taraf Abdellatif, Attache de Direction Charge de la Sous Direction Produits Frais Jaafar Kettani, Ingenieur Agronome, Chef de Laboratoire	Reg.	MAP
Et. Benchaib	Casablanca	Ghalab Benchaib, Directeur General Lahcen Abdane, Directeur Technique	Agro.	MAP/ AIM

NAME OF COMPANY	LOCATION	PEOPLE INTERVIEWED	SECTOR	PROJECT
Et. Cartier Saada	Marrakech	Debarh Hassan	Agr/ Process	MAP AIM
Ets. Benhadj Freres	Casablanca	Abderrahim Amzil, Directeur Amzil El Hassan Ben Hadj, President & Directeur General	Man	AIM/ VETA
Felgar	Larache	Jose Portees	Agr/ Process	MAP
FICOPAM	Casablanca	Mr. Ghoudi	Assoc.	MAP
Filatis	Casablanca	Sekkat Karim, Directeur General	Man.	AIM/ VETA
FMCA	Agadir	Mario Forchione, President Alberto Forchione, Directeur General	Fish	AIM BDS
Fragma	Casablanca	Dominique Alonso, Director	Art.	AIM/ BDS
Frailouk	Larache	Hassan Ibnaoutic	Agro.	MAP
Ghyat Marrakech	Marrakech	Mme. Corrine, Ag. Manager	Agr/ Process	MAP AIM
Granimarbre	Casablanca	Ahmed Kahlaoui, Chief Executive Officer	Mining	AIM
Hotel Amadil Atlas	Agadir	H. Mehdi El Glaoui	Tourism	AIM VETA
Hotel Idou Anfa	Casablanca	Ahmed Idoulahiane, Directeur General	Tourism	AIM/ VETA
IESC/AIM	Casablanca	Robert E. MacDonald, Director Dallas Myers, Commercial Director Bettina Brunner, BDS Lenita El Allam, BDS Abderrahim Skalli, BDS		

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NAME OF COMPANY	LOCATION	PEOPLE INTERVIEWED	SECTOR	PROJECT
IESC	Stamford	W. James Bell, Vice President, Asa, Africa and Near East Judith G. Halleran, Executive Director, Marketing and BDS Jennifer DeLaney, BDS Catherine B. McGrath, Manager, Evaluations Janet M. Garber, BDS Karen M. Muir, BDS/TIPS		
INAAM	Casablanca	Nourreddine Karim, Director General	Agr/ Process	AIM/ VETA
Kauouh Group	Agadir	Abdessamed Kauouh	Agro.	MAP
Lukus	Larache	Mohamed Alamouri, Dir. General Adjoint	Agro.	MAP
Maghreb Tube	Casablanca	El Fadel Sekkat, Pres. delegue	Agro.	MAP
Maparco	Casablanca	Abdesslam Hamri, Technical Director Taieb El Fechtali, Director Frank Buchwalter, VE	Importer	AIM/ VETA
Marco Polo	Marrakech	Jawad Cherkaoui Mohamed Taitambou	Art.	AIM/ BDS
Marocapres	Fes	Elie and Ghislane Devico	Agr/ Process	MAP AIM
Marouka Cooperative	Agadir	Abderrahim Mouissett	Agro.	MAP
Ministry of Agriculture	Rabat	Mr. Abdelatif Guedira, Directeur, DPV Mr. Abdelhak Bennani, Chef de la Division Mise en Valeur	Gov't	MAP
ORMVA/Souss Massa	Agadir	Faqir Mohammed Directeur Lahsen Akrim, Planning and System Management	Gov't	MAP
ORMVA/ Haouz Marrakech	Marrakech	Chaouki El Hassan, Chief of Horticulture M'Hamed El Hadiri, Chief of Extension	Gov't	MAP
RIM	Marrakech	Zouhair Benabdallah, Administrator, Director General	Agr/ Process	MAP AIM/ VETA

NAME OF COMPANY	LOCATION	PEOPLE INTERVIEWED	SECTOR	PROJECT
Rosafleur	Agadir	Pierrick Puesch	Agro.	
SAIMACO	Fes	Khalid Bennouna, Director General	Agr/ Process	
Sale Pottery	Sale	Leila Denabeglil	Art.	AIM
SASMA	Casablanca	Mr. Lekchiri, Director General	Agro.	MAP
SICOPA	Fes	Abdelhak Benzakour, Director	Agr/ Process	MAP AIM
SOABIMEX	Marrakech	'Mohamed Layadi, Chief Herbal Teas	Agr/Process	MAP AIM
Societe Nouvelle des Huileries de Meknes	Meknes	Eddaoudi Hassan, Directeur General Moulay Mohammed Agouzzal, Administrateur Delegue	Agr/ Process	MAP AIM
Societe de Ghassoul et de ses Derives Sefrioui/Dairy Queen	Rabat	Sefrioui Salah Eddine Administrateur	Franchise	AIM
SOCO PRAG	Marrakech	Mohamed Benider, Administrateur	Agr/ Process	MAP AIM
SOFASOUSS	Agadir	Jdira Driss Benali, Director	Agro.	MAP
Sonoric	Casablanca	Abdou Kettani, Directeur	Man.	AIM/ VETA
Top Food	Marrakech	Chraibi Allal	Agr/ Process	MAP AIM
Top Fruit	Kenitra	Luis Sallent	Agr/ Process	MAP
Traefal	Skhirat	Alain Lamour	Agro.	
Universite Cadi Ayyad	Marrakech	Ahmed Trachen, Doyen de la Faculte des Sciences Juridiques Econiques et Sociales Mohamed Ben Moussa, Enseignant Chercher	University	MAP

NAME OF COMPANY	LOCATION	PEOPLE INTERVIEWED	SECTOR	PROJECT
USAID	Rabat	Allen Fleming, Project Officer Susan Riley, Economic Growth Mary Reynolds, Contracting Officer Jim Hradsky, Deputy Director Michael Farbman, Director		
USDA	Washington, D.C.	Steve Hawkins		
Valmont Maroc	Marrakech	Liatard Laurent, Greenskeeper Oudris Mahmoud, Asst. Greenskeeper	Tourism	AIM/ VETA
Valmont, U.S.A.	Rabat	Ahmed Kadiri, Division Ag., Chef de Depart. Projets Pedro Pombo, Gen. Manager, Valmont, Madrid Office Richard Berkland, Area Mgr. Nebraska, U.S.A.	Tourism	AIM/ VETA
VCR/Unimer	Casablanca	Hassan Beqqali, Directeur General	Fish	AIM/ BDS MAP
Wafa Bank	Casablanca	Ali Amar, Foreign Trade Advisor, Asia and the Americas	Finance	MAP

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**ANNEX VII**  
**DEVELOPMENT ALTERNATIVES INC.**  
**SUBCONTRACTORS**

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### DAI SUBCONTRACTORS

Sub-Contract	TA	Training	Industry Tours	Internships	Seminars Workshops	Procurement	Amount
Agro-Concept	•Policy •Subsector Studies						\$150,000
AMEG American Manufacturers Export Group	•Initial Procurement Plan					✓	\$470,372
ICEA	•Subsector Studies •Policy						\$230,262
IMCC Inter-American Management Consulting Corporation	•Subsector Studies •Investment Promotion		✓				\$866,041
Land O'Lakes	•Subsector Studies •Association support •Contract Farming Issues		✓	✓			\$998,911
PIP Post Harvest Institute for Perishables	•Investment & Promotion •Subsector Studies		✓		Postharvest		\$545,886
Purdue	•Food safety •Policy Analysis		✓		Food safety short courses		\$503,538
Tri-Valley	•Subsector Studies						\$78,938
U. Minn	•Subsector Studies	✓	✓				\$1,229,556